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**LOK SABHA SECRETARIAT
NEW DELHI**

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LOK SABHA

Wednesday, 4th December, 1957.

The Lok Sabha met at Eleven of the Clock.

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Protection of Monuments

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*764. { Shri Radha Raman:
Shri Shree Narayan Das:

Will the Minister of Education and Scientific Research be pleased to state:

(a) the extent to which the various State Governments have given effect to the proposal of having legislation for the protection of monuments and sites other than of national importance as suggested by the Central Advisory Board of Archaeology; and

(b) which of the States have so far set up organisation of their own for looking after such monuments and sites?

The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimall): (a) The States of Orissa and Uttar Pradesh have enacted their own legislation in the matter.

(b) Uttar Pradesh, Madhya Pradesh, Orissa, Mysore, Rajasthan, Bombay, Kerala and Andhra Pradesh

Shri Radha Raman: May I know what steps Government is taking in respect of protection to monuments which lie in the Centrally administered areas, particularly Delhi?

Dr. K. L. Shrimall: I am afraid I do not have the information the hon. Member wants. I shall need notice with regard to that question.

Shri Radha Raman: May I know what are the steps in order to protect the monuments—as the Government desires that the various States should protect these monuments—and whether the Government of Delhi has submitted any list to the Central Government with regard to the monuments that are considered to be such as require protection under the law?

Dr. K. L. Shrimall: I shall need notice for that.

Shri Viswanatha Reddy: Is it under the contemplation of Government to bring forward legislation to provide that the Central Government might include or exclude from the list of national monuments certain buildings etc. of importance without having to come to the House for legislative sanction again?

Dr. K. L. Shrimall: I am hoping to introduce a Bill in Parliament shortly.

Shri C. E. Pattabhi Raman: I find that the repairs done to some monuments are done in a haphazard way. Will Government take steps to see that these repairs are done under the supervision of C.P.W.D. by expert hands?

Dr. K. L. Shrimall: Government takes every care to see that the monuments are not spoiled in any way. Government has a laboratory which makes careful chemical analysis and they take every care that the monuments are not affected in any way. As far as I am aware the Archaeological Department has greatly

helped in improving many of the monuments which were in a very bad condition. But, if the hon. Member has any particular monument in view which has been affected, I shall be very glad to look into it. As far as I am aware no monument has been affected adversely on account of the repairs.

Shri Radha Raman: Is the Government aware that there are a large number of monuments which are being used as slums by the poor classes and in some places those monuments have been converted either into a mosque or a temple; what is the proposal of the Government to protect these against such acts?

Dr. K. L. Shrivall: As far as the protected monuments are concerned, I am not aware of any monument being used as a slum. We do not allow them to be used in any way. As far as the unprotected monuments are concerned, the Central Government cannot give any guarantee. We have already requested the State Governments to take necessary measures to protect their monuments.

Artificial Earth Satellites

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*765. {
 Shri D. C. Sharma:
 Shri Raghunath Singh:
 Shri Sanganna:
 Shri P. G. Deb:
 Shri V. C. Shukla:
 Shri S. M. Banerjee:
 Shri Parulekar:
 Shri Radha Raman:
 Shri Shivnanjappa:
 Shri Wodeyar:
 Shri Narasimhan:
 Shri Vajpayee:
 Shri V. P. Nayar:
 Shri Shree Narayan Das:
 Shri Nanshir Bharucha:
 Shri Rameshwar Tantia:

Will the Minister of Education and Scientific Research be pleased to state:

(a) the names of scientific and other institutions in India where the

artificial earth satellites launched by the Soviet Union have been studied and photographed;

(b) the details of the data collected regarding the movements and other aspects of the satellites;

(c) whether it is a fact that the observatory at National Physical Laboratory at New Delhi several times failed to sight the satellites due to lack of proper equipment;

(d) if so the steps taken to remedy the shortcoming; and

(e) whether the Government of U.S.S.R. have supplied any scientific information and data collected from the artificial satellites?

The Deputy Minister of Education and Scientific Research (Shri M. M. Das: (a) and (b). A statement giving the required information is laid on the Table of the Lok Sabha. [See Appendix III, annexure No. 40].

(c) There is no Observatory at the National Physical Laboratory, New Delhi.

(d) Question does not rise.

(e) No, Sir.

Shri D. C. Sharma: In the statement it is said that no authentic information is available about the observance of Russian Satellite Sputnik I. May I know whether it is not due to lack of equipment or due to some other thing?

Shri M. M. Das: Not at all. The only scientist organisations or country, that can give us detailed information about these Sputniks are those of the Russians. And, unless that country sends us information, it is not possible for us to know what has happened.

Shri V. P. Nayar: May I know whether Government intend to publish details of all the observations made about Sputniks I and II at various places in India and, if so, by what time can we expect it?

Shri M. M. Das: The only observations that have been made about these Sputniks are the receiving of radio signals that have been transmitted from the Sputniks; and the U.P. Government Observatory at Naini Tal has taken a photograph and seen Sputnik II. Excepting these, there is no other information available in this country so far as these Sputniks are concerned.

Shri Hem Barua: In view of the fact that neither the National Physical Laboratory at New Delhi nor the All India Radio Research Station has given either a photograph or collected any materials relating to Sputnik I, may I know if it is due to the fact that Sputnik I took these organisations unawares?

Shri M. M. Das: Not at all, Sir. Taking photographs of these Sputniks requires specialised instruments. For the international geophysical year some specialised equipment is being sent by the Smithsonian Institute of Washington to the observatory in India, namely the U.P. Government Observatory at Nainin Tal, which took a photograph of Sputnik II. So far as the other laboratories are concerned, especially the National Physical Laboratory, it is not a laboratory established for carrying on research work in astronomy; it is a laboratory for carrying out research in applied physics and fundamental physics also. So, it is not proposed even to equip this laboratory with specialised instruments through which these Sputniks can be seen.

Shri Radha Raman: May I know whether the Government or its scientific department has written any letter to the Russian Government asking for information about these two Sputniks which were released from there? And again....

Mr. Speaker: Only one question at time.

Shri M. M. Das: We have not written to the USSR Government for detailed information about these Sput-

niks, because we can imagine what the result will be.

Mica Insulating Bricks

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*766. { **Shri Subodh Hasda:**
Shri S. C. Samanta:
Dr. Ram Subhag Singh:

Will the Minister of Education and Scientific Research be pleased to state:

(a) the amount of royalties obtained from two firms to whom the process for the manufacture of mica insulating bricks developed at the Central Glass and Ceramic Research Institute, Calcutta has been licensed for commercial development;

(b) whether manufacture of the bricks has since been started; and

(c) the commercial and national importance of the said research, if any?

The Deputy Minister of Education and Scientific Research (Shri M. M. Das): A lumpsum premium of Rs. 35,000 has been received from the two firms. In addition, a recurring royalty at 2½% of the sale price is also payable for 14 years.

(b) Not yet, Sir.

(c) The manufacture of mica bricks is expected to save foreign exchange at present being spent on importing Vermiculite for further manufacture of Vermiculite insulating bricks. Besides, the mica bricks are also likely to be used in some of the new steel plants under erection in the country.

Shri Subodh Hasda: What are the names of the two firms to whom the process has been leased out and the respective premiums that have been charged from each of them?

Shri M. M. Das: Sir, the two firms are—Messrs Bhupal Mining Works, Bilhara and the premium charged is Rs. 10,000; and the second firm is Messrs Reliance Fire Bricks & Pottery Co., Calcutta and the premium charged is Rs. 25,000/-.

Shri S. C. Samanta: May I know how these mica bricks compare in quality with the imported vermiculite bricks?

Shri M. M. Das: In quality these mica bricks compare very favourably with the imported vermiculite bricks and the costs so far as these new mica bricks are concerned will be roughly about Rs. 230 for manufacturing 1000 bricks.

Shri Subodh Hasda: May I know what are the reasons for the invidious distinction in the amount of premia charged?

Shri M. M. Das: The Bhupal Mining Works, Bhulwara has been given a licence for the western zone of the country. The Reliance Fire Bricks & Pottery Co., Ltd. of Calcutta has been given the licence for the eastern part of the country. The areas are not equal. The Calcutta company commands more areas under them and most of our industrial installations are also in the eastern zone. So, it is hoped that the Calcutta company will be able to command more orders for these bricks. So, the premium charged is more.

Central Indian Medicinal Plants Organisation

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*767. { **Shri S. C. Samanta:**
Shri Subodh Hasda:

Will the Minister of Education and Scientific Research be pleased to state:

(a) whether the Council of Scientific and Industrial Research has taken final decision regarding the establishment of a Central Indian Medicinal Plants Organisation (C.I.M.P.O.);

(b) if so, what are going to be the functions of the Organisation to be set up and its recurring and non-recurring expenditure; and

(c) whether the Organisation for the development of medicinal plants set up by the Ministries of Health and Food and Agriculture will also continue to function after the establishment of C.I.M.P.O.?

The Deputy Minister of Education and Scientific Research (Shri M. M. Das): (a) Yes, Sir.

(b) A statement giving the required information is laid on the Table of the Lok Sabha. [See Appendix III, annexure No. 41].

(c) Yes, Sir.

Shri S. C. Samanta: May I know what are the reasons for the existence of so many organisations in different Ministries when CIMPO is sought to be established?

Shri M. M. Das: This central organisation is contemplated to take up the co-ordination work. It is a fact that three different Ministries are engaged in the development and expansion of this national medicinal plants industry. So far as the Agriculture Ministry is concerned, they are interested in growing these plants and tackling plant diseases, and the soil, climate, etc., in which these plants grow, and perhaps the hon. Member will agree with me that this is the only Ministry which can deal with these matters suitably.

The Health Ministry is concerned with the therapeutic properties of the ingredients of these plants, and the CIMPO is concerned with co-ordinating the research work of all these organisations.

Shri S. C. Samanta: May I know whether the expense that will be incurred by different Ministries will be met from the allotment made to CIMPO?

Shri M. M. Das: The allotment that has been made to the CSIR for this purpose will be incurred only for the

CIMPO and other organisations under C. S. I. R. So far as the organisations working under the other Ministries are concerned, their expenditure will be met from the allotment of the respective Ministries.

Shri Subodh Hasda: May I know where the CIMPO will be established?

Shri M. M. Das: It is an organisation. Where the head office will be has not yet been decided.

Shri V. P. Nayar: From the statement I find that there is no specific function for this organisation to do research in evolving new techniques or finding out new methods for the extraction of active principles from Indian drugs; and in view of the fact that 75 per cent of drugs of vegetable origin listed in the British Pharmacopoeia are from Indian herbs, I want to know why this has not been included.

Shri M. M. Das: During the last session, the hon. Member gave notice of a Half-an-hour discussion. The discussion did not take place. But the Deputy-Speaker, who was in the Chair, directed me to lay on the Table a detailed statement about that particular question. A statement was laid, and I think the hon. Member has gone through the statement. The statement gives all this information.

Shri V. P. Nayar: This is the latest statement.

Regional School of Printing, Delhi

*768. **Dr. Ram Subhag Singh:** Will the Minister of Education and Scientific Research be pleased to state:

(a) whether the plan for opening of Regional School of Printing in Delhi has since been finalised; and

(b) if so, the cost involved in opening this school?

The Deputy Minister of Education and Scientific Research (Shri M. M. Das): (a) and (b). A scheme for the

establishment of a Department of Printing Technology in the Delhi Polytechnic has been prepared. It is estimated to cost Rs. 9.45 lacs for buildings and equipment, and Rs. 1.11 lacs recurring per year.

The Scheme is under consideration.

Dr. Ram Subhag Singh: May I know by what time the scheme is likely to be executed?

Shri M. M. Das: It is under the Finance Ministry now. As soon as the Finance Ministry gives its approval, we will go on with the scheme.

श्री भक्त दर्शन : जो स्कूल स्थापित किया जा रहा है, वह एक रीजिनल स्कूल है। मैं यह जानना चाहता हूँ कि इस रीजन में कौन कौन से प्रदेश होंगे और कहाँ कहाँ के विद्यार्थी इसमें लिये जायेंगे।

Shri M. M. Das: It is not a regional school. There are four other institutions of this class which are regional institutions. One is established in Calcutta for the eastern region; another in Bombay for the western region; another in Madras for the southern region, and another in Allahabad for the northern region. So far as Delhi is concerned,—I am not prepared to comment on this—what I think is, it will admit students from all parts of India.

'Legal Aid for Poor'

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*769. { **Shri Bibhuti Mishra:**
Dr. Ram Subhag Singh:
Shri Tangamani:

Will the Minister of Law be pleased to state:

(a) whether it is a fact that Central Government have asked various State Governments to send their schemes regarding 'Legal aid for poor';

(b) if so, names of the States who have submitted their schemes till the 31st October, 1957;

(c) nature of the schemes submitted by the States; and

(d) period within which the schemes are going to be implemented?

The Minister of Law (Shri A. K. Sen): (a) The question of legal aid to the poor was one of the items in the agenda for the State Law Ministers' Conference which was held on the 18th and 19th September, 1957. The Conference recommended that each State should formulate a scheme for legal aid to the poor and also forward the scheme formulated by it to the Union Ministry of Law. It was also reported in the Conference that the Governments of Kerala and Bombay had already formulated certain schemes for giving legal aid to the poor in their respective States.

(b) No scheme has so far been received from any State in the Union Law Ministry after the Law Ministers' Conference.

(c) Does not arise.

(d) The formulation and implementation of any scheme in this regard is entirely the concern of the respective State Governments.

श्री बिभूति मिश्र : मैं जानना चाहता हूँ कि केरल ने जो गरीबों को लीगल ऐड देने का निश्चय किया है, उस का स्वरूप क्या है ?

Shri A. K. Sen: Which particular scheme does the hon. Member mention now?

Shri Bibhuti Mishra: I want to know the nature, the quantum and the shape of the aid which the Kerala Government has proposed to give to the poor.

Shri A. K. Sen: So far as the Kerala Government's scheme is concerned, they have provided for legal assistance to the poor, which has been defined in the Act itself, for criminal cases. So far as civil cases are concerned, they have also formulated a scheme for giving legal aid to the poor who may be certified as poor by cer-

tain categories of officers including the court itself. The fees are also prescribed by the rules framed under the Act.

Dr. Ram Subhag Singh: May I know whether there is any scheme or any proposal for formulating such a scheme for the cases pending in the Supreme Court also and, if so, who will formulate that scheme—the Union Government or the State Government?

Shri A. K. Sen: So far as the State Governments are concerned, it is open to them to provide legal assistance to the poor coming from their States in relation to the proceedings before the Supreme Court. It is equally possible for the Central Government to afford such assistance. So far as the Central Government are concerned, they have not formulated any scheme. The question was referred to the Law Commission and the Law Commission has, in its questionnaires, included several questions on this point, and we are awaiting the recommendations of the Law Commission, if any, on the point. But, at the present moment, our efforts are directed towards inducing or assisting the State Governments to arrive at particular schemes relevant to the respective States.

Shri C. R. Pattabhi Raman: Are the Government aware that the Madras State Bar Federation has evolved a scheme and has been working on a scheme for legal aid to the poor for sometime now?

Shri A. K. Sen: No such scheme has been forwarded to us either by the Madras State Government or by the Madras State Bar Federation.

श्री बिभूति मिश्र : केन्द्रीय ला मिनिस्टर की अध्यक्षता में राज्यों के कानून मंत्रियों का यह सम्मेलन हुआ। मैं यह जानना चाहता हूँ कि क्या ला मिनिस्टर साहब के दिमाग में ऐसी कोई स्कीम है कि गरीबों को किस रूप में सहायता दी जाये।

Shri A. K. Sen: It is only after schemes are received when any ques-

tion of assistance, so far as the Central Government is concerned, may be taken into account. Without schemes, it is absolutely useless to enter into speculative proposals for assistance.

Shri Bibhuti Mishra: My question is not answered. I wanted to know....

Mr. Speaker: Until the schemes from various States are received, the Central Government is not going to formulate on a blank slate.

Shri Bibhuti Mishra: He mentions the State Governments. Has the Law Minister any scheme in his mind or not?

Mr. Speaker: Order, order. Next question.

संस्कृत शिक्षा आयोग

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*७७०. { श्री भक्त दर्शन :
श्री डी० चं० शर्मा :
सरदार इकबाल सिंह :

क्या शिक्षा और वैज्ञानिक गवेषणा मंत्री ४ सितम्बर, १९५७ के तारांकित प्रश्न संख्या १४४४ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि :

(क) क्या संस्कृत शिक्षा आयोग ने इस बीच अपना कार्य समाप्त कर लिया है ;

(ख) यदि हां, तो क्या इस आयोग का प्रतिवेदन सभा की टेबल पर रखा जायेगा ; और

(ग) आयोग की सिफारिशों पर क्या कार्यवाही की जा रही है ?

शिक्षा और वैज्ञानिक गवेषणा मंत्रालय में राज्य-मंत्री (डा० का० सा० श्रीमाली) :

(क) जी, हां। परन्तु कमीशन ने अभी तक अपनी रिपोर्ट पेश नहीं की है।

(ख) तथा (ग). प्रश्न नहीं उठते।

Shri V. P. Nayar: The English answer may also be read.

Mr. Speaker: Yes.

Dr. K. L. Shrimall: (a) Yes Sir, but the Commission has not yet submitted its report.

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

श्री भक्त दर्शन : पहले बताया गया था कि यह कमीशन अगस्त तक अपना कार्य समाप्त कर लेगा। उस के बाद उस की मीयाद अक्तूबर तक बढ़ाई गई। अब नवम्बर भी समाप्त हो गया है और सन् १९५७ भी समाप्त होने वाला है। मैं जानना चाहता हूँ कि क्या कारण है जो इतनी देरी हो रही है।

Dr. K. L. Shrimall: I quite agree that the Commission should have submitted its report by this time, but unfortunately the matter has been delayed. Two of the members were not present at the last meeting of the Commission where the report had to be signed and the report has been circulated. I have now been told that the report is ready and it was due to be submitted on 30th November. I am expecting the report any day.

श्री भक्त दर्शन : श्रीमान्, इस घफवाह में कहां तक सत्यता है कि इस कमीशन के चेअरमैन और कई सदस्यों के बीच में गम्भीर मतभेद पैदा हो गया है जिसके कि कारण देरी हो रही है और क्या इस पर प्रकाश डालने की कृपा की जायेगी ?

Dr. K. L. Shrimall: No, Sir. How can I say that unless I receive the report of the Commission?

Committee on Companies Act

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*771. { Shri Nathwani:
Shri Morarka:

Will the Minister of Finance be pleased to state:

(a) whether the Committee on Companies Act has submitted its report; and

(b) If not, by what time it is expected to be submitted?

The Deputy Minister of Finance (Shri B. E. Bhagat): (a) Yes, Sir.

(b) Does not arise.

Shri Nathwani: May I know whether the Government has considered the report of the Committee? And do they propose to bring forward any Bill, incorporating such recommendations as may be acceptable to the Government?

Shri B. E. Bhagat: The report is being considered.

Shri Bimal Ghose: May I know whether the report would be placed on the Table of the House at an early date?

Shri B. E. Bhagat: We have sent the report for printing and as soon as printed copies are available, we will place sufficient number of copies in the Library.

Shri E. Ramanathan Chettiar: May I know how long the consideration of the report will take?

Shri V. P. Nayar: The usual time.

Shri B. E. Bhagat: The Committee has reported on the entire gamut of the Companies Act. It is a voluminous report and it will take some time before Government finalises its decision.

Shri Nathwani: In view of the fact that the Committee was appointed to remove practical difficulties in the working of the Act, will the Government take a quick decision in the matter?

Mr. Speaker: How does this arise? It is a suggestion. Another hon. Member has also asked how long it will take.

By-Products from Steel Plants

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*772. { Shri A. S. Saigal:
Shri Heda:

Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) whether Government have already taken into consideration the by-products that would be available when the three steel plants go into production;

(b) if so, how these by-products would be used;

(c) the plans therefor and whether these ancillary industries would be taken up by the private enterprise; and

(d) how far these by-products would meet the country's demands for them?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): (a) Yes, Sir.

(b) to (d). The by-products are primarily those arising from the coking of coal. Crude tar and crude benzol will be distilled to remove such of the valuable fractions as are not required for heating furnaces in the steel works themselves. These valuable fractions—like naphthalene oil, naphthalene, phenol and pitch will be sold to private industry for further processing into various chemicals, drugs, plastics and road tar. Benzene, toluene and xylene will be used mostly by the Defence industries. Initially the market in India might not be able to absorb all the by-products arising in the steel works. To the extent that there is no market in India, export of these fractions will be encouraged.

Shri A. S. Saigal: May I know whether any private enterprise has come forward to work this in this country?

Sardar Swaran Singh: Not so far as these by-products are concerned.

Orissa Iron ore Mines

*776. **Shri Panigrahi:** Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) whether any scheme has been worked out for the development of iron mines in Orissa with a view to supply iron ore for Rourkela Steel Plant; and

(b) whether Government of India have entered into arrangement with any American firm for the development of iron mines in Orissa?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): (a) Yes, Sir

(b) Orders for supply of Plant and Equipment etc have been placed with an American firm

Shri Panigrahi: May I know whether the Government of India has come to an agreement with this business firm to develop Berasua ore mines, 50 miles away from the Rourkela Steel Plant?

Sardar Swaran Singh: These orders are for supply of plant and equipment. There is no such general agreement for development of ore mines. I do not know what ore mine the hon Member has in mind for development. Of course, any plant and equipment will result in the development of ore mines.

Shri Panigrahi: I want to know whether any iron ore mine is going to be developed near Rourkela for supplying iron ore to the Rourkela Steel plant.

Sardar Swaran Singh: I require separate notice as to which is the particular mine in the mind of the hon Member.

Shri C. D. Pande: In view of the fact that large quantities of iron ore are being exported to Japan, is it not advisable that more pig iron should be developed here so that we can earn more foreign exchange?

Sardar Swaran Singh: Theoretically there is no objection to a proposition like this. The deposit of iron ore in this country is quite considerable. So there is scope for export of iron ore besides conversion of iron ore into pig iron to the extent to which in the foreseeable future we can develop capacity in the country.

Shri T. B. Vittal Rao: May I know whether the American firm on which orders for equipment has been placed is the same firm which has submitted a project report about this mine?

Sardar Swaran Singh: I haven't got any such information at the moment.

Shri Panigrahi: May I know the estimated expenditure involved under this agreement?

Sardar Swaran Singh: It is roughly Rs 8 crores for the mine proper excluding the Township.

Mysore Iron and Steel Works

*777 **Shri Shivananjappa:** Will the Minister of Steel, Mines and Fuel be pleased to state

(a) whether the work in connection with the installation of a cast iron spun pipe plant in the Mysore Iron and Steel Works at Bhadravati under the scheme sanctioned by the Government of India is now complete, and

(b) if so, at what cost the plant has been installed?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): (a) Yes, Sir

(b) It is estimated that the cost will work out at Rs 55 Lakhs.

Shri Shivananjappa: May I know the actual rated capacity of this plant? May I also know how far this will meet the internal requirements of the country?

Sardar Swaran Singh: So far as the internal requirements are concerned,

it is an expanding demand. It is very difficult to say that it will meet the entire demand in the country. With regard to the capacity of the plant, I haven't got the details with me.

Shri Shivananjappa: May I know when it is going into production?

Sardar Swaran Singh: I think it is ready for going into production. I think some sort of trial tests have already taken place.

Shri Joachim Alva: Has the Government of India rendered full assistance to the Mysore Iron and Steel Works, Bhadravati, or is it treated differently from the other factories in the private sector like Tatas and the Indian Iron and Steel Company?

Sardar Swaran Singh: The two cases are not comparable at all.

Shri Shivananjappa: May I know whether any foreign experts were engaged for this plant?

Sardar Swaran Singh: I am afraid, I haven't got that information. Coming back to the capacity of the plant, it is 17,000 tons of spun pipes per annum.

War Damage Compensation

*779. **Shri L. Achaw Singh:** Will the Minister of Defence be pleased to state:

(a) whether the claims of compensation for war damages pending with the claims Department in Manipur have all been disposed off;

(b) the amount of pending compensation claims still not disposed off;

(c) whether the claims department has been abolished; and

(d) if so whether the claims will be dealt with by any other department?

The Deputy Minister of Defence (Sardar Majithia): (a) Yes, Sir, with the exception of 31 claims.

(b) Rs. 12,657.62 nP.

(c) Yes.

(d) The claims will be settled by the Manipur Administration.

Shri L. Achaw Singh: May I know what has happened to the claims for compensation of damages caused by enemy action during last war and has Japan offered anything by way of compensation?

Sardar Majithia: That question was answered in the last Parliament. Anyhow, I don't mind repeating it. We did not take anything from Japan by way of compensation.

Himachal Pradesh Territorial Council

*780. **Shri Y. S. Parmar:** Will the Minister of Home Affairs be pleased to state:

(a) whether his attention has been drawn to a Resolution unanimously passed by the Members of the Himachal Pradesh Territorial Council in a Session held in October, 1957; and

(b) whether it is a fact that formal orders for the transfer of subjects allotted to it have not yet been issued?

The Minister of State in the Ministry of Home Affairs (Shri Datar): (a). Yes.

(b) No formal orders for the transfer of subjects and institutions were issued in August last.

Shri Y. S. Parmar: May I know whether the Government have taken any decision and, if so, what on the resolution?

Shri Datar: It is not necessary at this stage to take any further action. In fact they ought to have worked this Act for some time and then made suggestions.

Shri Y. S. Parmar: May I know whether the district Panchayats with their assets and liabilities have been transferred to the Territorial Council but the gram panchayats have not been transferred?

Shri Datar: I should like to have notice on this specific question.

Shri Y. S. Parmar: Is it not a fact that after the Territorial Council had started functioning, elections were taken in hand for the gram panchayats by the administration without the knowledge or approval of the Territorial Council which has to supervise and control them.

Shri Datar: So far as this particular question is concerned, I am not aware of it. But we are acting entirely under the rules and the Act.

Shri Tyagi: Sir, on a point of order. I would submit that the question is of a very general nature and casts aspersions on officers in general.

Mr. Speaker: Which question?

Shri Tyagi: The question which has just now been called, No. 783. It says: "whether Government are aware that officers traveling on official business obtain tickets for rail and air journeys bought by non-officials in many cases" etc. This is too general an allegation, and unless it is a matter of common knowledge, such questions, I hope, should be declared as out of order.

Shri V. P. Nayar: Where is the point of order? It is within the Speaker's power.

Mr. Speaker: Among thousands of questions that we receive, some such questions escape our notice. There is no good asking such general questions whether all traders are bad or whether all officers are bad or whether all officers are travelling without obtaining tickets etc. No doubt, if I had had time to apply greater scrutiny, I would have disallowed this question. There is no purpose in asking generally whether the whole Government is bad or whether all the officers are bad. If the hon. Member has any particular instance, he can bring it to my notice and if it is very serious I will allow it. Otherwise, he can ask the Minister and bring it to his notice. Such general questions lead us nowhere.

Shri V. P. Nayar: Sir, may I point out that the word "some" between the words "that" and "officers" has been left. As you know, Sir, we also write several hundred questions, and it is an omission. It is never my intention to cast an aspersion on all officers. I request you to correct the question like this, "whether Government are aware that some officers etc."

Mr. Speaker: I can make that correction, but even if it is "some officers"...

Shri V. P. Nayar: We do not have Private Secretaries and we write the questions in haste.

Mr. Speaker: I am not quarrelling about it. As we commit mistakes, hon. Members also commit mistakes, and Office also commits mistakes. I am not quarrelling about that. On the other hand, what I say is, having regard to the general nature of the question, it leads us nowhere. There are some, there are not—how does it help us?

Shri Thirumala Rao: May I know whether Government is prepared to answer it? Before that is known, discussion is going on.

Mr. Speaker: What is the harm?

Shri Thirumala Rao: We must know the attitude...

Mr. Speaker: Order, please. The hon. Member assumes too much. That is not the way. An hon. Member raised the question that this is of too general a nature and it leads us nowhere. The hon. Member who tabled that question says that the word "some" has been inadvertently omitted. Even with respect to that, so far as this matter is concerned, even if that correction is made, I was pointing out the general nature of the question. Now, the hon. Member to the right says that we are spending away the time and not coming to the point. It is very wrong.

Shri Thirumala Rao: Sir, I apologize if I have been misunderstood.

Mr. Speaker: No misunderstanding.

Shri Thirumala Rao: I only wanted the House to be enlightened regarding the attitude of the Government on this.

Mr. Speaker: That is only after I allow the question and make up my mind to take it up. The hon. Member should not advise me.

Anyhow, so far as this matter is concerned, this question having been admitted, let it be answered with this correction, "whether Government are aware that some officers etc."

Travelling Allowance

*783. **Shri V. P. Nayar:** Will the Minister of Home Affairs be pleased to state:

(a) whether Government are aware that some officers travelling on official business, obtain tickets for rail and air journeys bought by non-officials in many cases and that for such travel, the officers claim T.A. at sanctioned rates, without having to spend any money from their own pocket;

(b) how Government ensure that such abuses are not resorted to by touring officers who have patronage; and

(c) whether Government have considered the desirability of introducing the system of Government warrants for all travels by officers to make such travels "foolproof"?

The Minister of State in the Ministry of Home Affairs (Shri Datar):

(a) and (b). Any officer indulging in such abuses would have to act in the full knowledge that he is committing fraud and is also guilty of corruption thus inviting upon himself the punishment of dismissal as well as a criminal prosecution. That these consequences are a sufficient deterrent is indicated by the fact that no such

cases have come to Government's notice.

(c) The system of issuing Government warrants already exists in certain Departments. The experience of such Departments would indicate that the extension of the system to all duty journeys by all Government servants would create serious administrative and accounting difficulties and would further involve unnecessary expenditure.

Mr. Speaker: Next question.

Shri T. B. Vittal Rao: Sir, one supplementary. The hon. Minister has said that the issue of warrants will create many administrative difficulties. For the Defence personnel, which is quite a pretty number, warrants are issued and no administrative trouble is experienced.

Shri Datar: Our number is larger. The number of government officers on the civil side would be far larger.

Shri V. P. Nayar: This refers only to officers, not clerks and others.

Shri T. B. Vittal Rao: Even for the police officers of the State, warrants are issued. What is the difficulty if you make it foolproof and do not give any room for misunderstanding or doubt?

Shri Datar: That question was considered and it was found to be very expensive and to a certain extent impracticable also.

Shri V. P. Nayar rose—

Mr. Speaker: We cannot argue this.

Shri V. P. Nayar: He has misunderstood the question. We asked about officers—some officers—and it is not a question of the rank and file. The officers by themselves will not number much. In Defence, warrants are issued for all the personnel. There should be no administrative difficulty at all.

Shri Datar: Anyway this is a suggestion for consideration.

Arrest of Pakistanis in Jammu and Kashmir

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*784. { Shri Bishwanath Roy:
Shri Raghunath Singh:

Will the Minister of Home Affairs be pleased to state whether it is a fact that some bombs and explosives bearing Pakistan Army marks were found recently in possession of a Pakistani Army Havildar who had crossed into Indian territory near Uri?

The Minister of State in the Ministry of Home Affairs (Shri Datar): The case is under investigation and it would not be in public interest to disclose the details.

Shri Bishwanath Roy: May I know whether the person arrested has given any statement which implies the direct hand of the Pakistan Government in sending explosives and bombs for overthrowing the Government?

Shri Datar: Sir, I would point out to the House that it would not be in public interest to disclose any details.

Shri Hem Barua rose—

Mr. Speaker: When it is not in the public interest what is the use of putting further questions?

Shri Hem Barua: I want to know whether this matter of sabotage in the State is resorted to by officially sponsored organisations in Pakistan like the one led by the former Major-General Akbar Khan?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): The hon. Member is trying to find out by indirect way the answer to the very question which you said would not be proper at this stage.

Mr. Speaker: Exactly so.

Annual Increments

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*786. { Shri B. C. Mullick:
Shri Surendranath Dwivedi:

Will the Minister of Home Affairs be pleased to state:

(a) whether it is a fact that differ-

ent principles are observed in the matter of granting annual increments to the graded and non-graded Assistants in so far as type-writing tests are concerned; and

(b) if so, the reasons thereof?

The Minister of State in the Ministry of Home Affairs (Shri Datar): (a) and (b). Non-graded persons are appointed to posts of Assistant on a purely temporary and ad hoc basis. It is the intention of Government to revert them as early as possible. Ordinarily, therefore, they are not expected to continue in posts of Assistant long enough to earn increments. Government are aware, however, that on account of shortage of graded personnel at this level, non-graded persons have, in fact, continued for long periods as Assistants. What should be done in such cases, if the persons have not qualified at the type-writing test, is engaging the attention of Government.

Shri B. C. Mullick: May I know whether officers who have attained the age of forty or forty-five are being asked to practise and to appear for Typing tests and in case of failure to pass such tests their increments are stopped?

Shri Datar: In the case of displaced government servants who are above forty-five, they are not required to pass the test—so far as I am aware, at present.

Visit of British Director of Naval Intelligence

*787. **Shri Rameshwar Tantia:** Will the Minister of Defence be pleased to state:

(a) whether it is a fact that the British Director of Naval Intelligence recently visited India; and

(b) if so, what was the purpose of his visit?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): (a) and (b). Yes. He halted

at Delhi for a day en route from Karachi to Singapore. He arrived in Delhi on the 17th October and left Delhi on the 18th October 1957. The visit was principally one of courtesy. The Officer was passing through en route from the United Kingdom to the Far East.

Shri Kameshwar Tantia: Is Government aware of a news item published in the *Daily Express* of London dated 24th October that the British Admiralty is worried about the possibility of leakages of secrets to Russia and Red China through Commonwealth naval co-operation with India and that the visit to India of the British Naval Chief of Intelligence was connected with it?

Shri Jawaharlal Nehru: Government's attention has been drawn to this news item. So far as the Government knows, there is no truth in it; that is to say, certainly no reference was made to this or discussion took place on any such subject here.

Shri Joachim Alva: Did the British Director of Naval Intelligence pay any calls on our Naval Officers, Sir?

Shri Jawaharlal Nehru: Obviously he had come for that purpose. It was a visit of courtesy, to pay calls. Otherwise it would not have been a visit of courtesy.

Beggar Problem

*789. **Shri B. S. Murthy:** Will the Minister of Home Affairs be pleased to state:

(a) whether any State Governments have sent schemes for tackling beggar problem within the State;

(b) if so, the names of the States; and

(c) the financial assistance asked by the States?

The Deputy Minister of Home Affairs (Shrimati Alva): (a) Yes.

(b) Uttar Pradesh, Bombay, and Madras.

(c) Uttar Pradesh	Rs. 48000	} For the year 1957-58
Bombay	Rs. 39000	
Madras	Rs. 13035	

Shri B. S. Murthy: What about the other States?

Shrimati Alva: Some States have sent their schemes and I have given figures for those States. The other States have not sent their schemes yet.

Shri B. S. Murthy: May I know whether the Central Government is having a comprehensive scheme in this matter?

Shrimati Alva: Yes, Sir. The Central Government has a comprehensive scheme of Rs. 2 crores under the Second Five Year Plan. But, we have to leave the details of the schemes to the State Governments.

Shri Thimmaiah: May I know whether the Government has given some financial assistance to some States which have already started tackling this problem of beggars?

Shrimati Alva: Yes, Sir. We give 50 per cent of the recurring expenditure every year.

Fees on Applications for Government Posts

*791. **Raja Mahendra Pratap:** Will the Minister of Home Affairs be pleased to state:

(a) whether it is a fact that every applicant for every Government post made through Union Public Service Commission has to pay a fee;

(b) whether it is a fact that this fee is forfeited even if the applicant does not receive the job; and

(c) if so, the reasons therefor?

The Minister of State in the Ministry of Home Affairs (Shri Datar): (a) Yes.

(b) The fee is not refundable except in certain circumstances.

(c) The fees charged are set off against the expenses incurred by the Union Public Service Commission for conducting the recruitment or holding the examination.

Shri Thimmalah: When a candidate applies to the U.P.S.C. in response to an advertisement, he has to spend Rs. 7 to 10. Is the Government aware that having spent Rs. 7 to 10, the candidate does not get even a reply about his application or his interview?

Shri Datar: In every case, receipt is acknowledged.

Income Tax on Income from Coffee

*792. **Shri Maniyangadan:** Will the Minister of Finance be pleased to state:

(a) whether any portion of the income from coffee is considered as non-agricultural income for purposes of assessing income tax;

(b) whether State Governments assess the whole income from coffee as agricultural income;

(c) whether any steps are taken to relieve the assesseees from being taxed on the same income both as agricultural and non-agricultural income;

(d) whether appeals have been filed by assesseees whose income from coffee has been assessed as non-agricultural income;

(e) whether any instructions have been issued to officers of the Income Tax Department regarding realisation of income tax from persons who have filed such appeals; and

(f) if so, their nature?

The Deputy Minister of Finance (Shri B. E. Bhagat): (a) Yes, Sir. But the Coffee Estates have not accepted the assessment and the matter is pending before the High Court.

(b) Yes, Sir.

(c) The question of relief can be considered only when the question of law is decided by the Court.

(d) and (e). Yes, Sir.

(f) Recovery of income-tax has been held in abeyance till the matter is finally decided by a competent court.

Shri Maniyangadan: May I know whether any steps are being taken or any instructions are issued to the Income-tax authorities not to include the income from coffee in assessing income-tax and super-tax?

Shri B. E. Bhagat: In all assessment realisation has been kept in abeyance pending decision of the court. All matters which are relevant to the decision of the court in regard to assessment of coffee income have been held in abeyance.

Shri E. Ramanathan Chettiar: As this matter has been pending for a long time in the High Court, will the Government consider the question of referring the matter to the Ministry of Law for opinion on this matter?

Mr. Speaker: The matter is pending in the High Court. What can the Minister of Law do?

Shri Dasappa: When did the Government first think of assessing a part of the income on coffee estates as income derived other than from agriculture?

Shri B. E. Bhagat: I cannot say the exact date. This principle....

Shri Dasappa: I am not asking for the date; I am asking for the year.

Shri B. E. Bhagat: I do not have that information.

Mr. Speaker: Next question.

Shri Maniyangadan: One question, Sir.

Mr. Speaker: The matter is pending before the High Court. What is the use of going into details?

Shri Maniyangada: I am not going into the details. I only want to know this. The State Governments are assessing the whole income from coffee as agricultural income. That being the case, it is practically a dispute between the State Governments and the Central Government. I want to know whether consultation has been had between the State Governments and the Central Government in this matter so as to relieve the assesses from double taxation?

Shri B. R. Bhagat: I do not agree with the hon. Member that there is any dispute between the State Governments and the Central Government. There can only be a case of double taxation because of the same income being taxed as agricultural income and also as non-agricultural income for the non-agricultural content. As the matter is before the court and even realisation is also being held in abeyance, I do not visualise any difficulty that the hon. Member may have in mind.

Beggars

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*793. { **Shri B. C. Mullick:**
Shri Ramji Verma:

Will the Minister of Home Affairs be pleased to state:

(a) whether Government are aware of great increase in the number of beggars in different States of India;

(b) whether Government have any scheme to stop vagrancy during the Second Plan period; and

(c) if so, details thereof?

The Deputy Minister of Home Affairs (Shrimati Alva): (a) In the absence of reliable data, nothing positively can be said in this regard.

(b) No.

(c) Does not arise.

Mr. Speaker: Next question; the same question. He has sufficiently asked about beggars.

Shrimati Ha Falkehudhuri: Is it a fact that three vagrancy homes have been started in Bengal? Has there been any help from the Centre to Bengal?

Shrimati Alva: The State is supposed to start a Home for vagrants for 100 inmates for which the Centre will pay the expenditure to a certain extent. Each Home is to cost Rs. 3.31 lakhs and the Centre's share is to be Rs. 160,000, I think.

Shri Achar: Is the Government aware that a large number of beggars are invading from Kerala into the Mysore State?

Assessment of Technical and non-Technical Personnel

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*794. { **Shri Rameshwar Tantia:**
Shri Balarama Krishnaiah:

Will the Minister of Home Affairs be pleased to state:

(a) whether it is a fact that Government have directed all the Ministries and the attached offices to estimate their annual requirements of personnel—technical or non-technical for employment so that bulk selection of personnel may be made once in a year; and

(b) if so, the steps taken by Government in this direction?

The Minister of State in the Ministry of Home Affairs (Shri Datar):

(a) Yes; it was decided in June last that all Ministries of the Government of India should prepare, along with their annual estimates of expenditure, statements of their requirements for scientific and technical personnel during the following year and forward them to the Union Public Service Commission. The Commission will group together vacancies requiring, more or less, similar qualifications, experience, etc., and make bulk selections in as many cases as possible. This procedure applies to scientific and technical personnel only.

So far as non-technical personnel are concerned, the practice of bulk selection has been in vogue for a long time, and no fresh instructions have issued in respect of such recruitment recently.

(b) Most of the Ministries employing scientific and technical personnel have already forwarded statements of their requirements for this year to the Union Public Service Commission.

Shri Rameshwar Tantia: After getting the requirements of the different Ministries, may I know what steps the Home Ministry are taking?

Shri Datar: It is for the Union Public Service Commission to call for applications, to make selection after interview and make recommendations.

Shri P. C. Bose: May I know if the Government has got any idea of organising a Central service for technical personnel as recommended by the States Re-organisation Commission?

Shri Datar: It has been pointed to the House that Government are considering the question so far as the management side is concerned.

Gold Smuggling

*798. **Shri N. R. Munisamy:** Will the Minister of Finance be pleased to state:

(a) the value of contraband gold seized in Vellore and Mangalore from 4th to 8th November, 1957;

(b) whether any investigation was made; and

(c) if so, the results of the investigation?

The Deputy Minister of Finance (Shri B. E. Bhagat): (a) No gold was seized at Vellore and Mangalore between the period from the 4th to the 8th November, 1957. However, gold worth Rs. 18,500 was seized at Vellore on the 9th November, 1957 and gold worth Rs 23,50,000 was seized on three different dates, viz., 31st October

9th November, and 14th November, 1957 at Mangalore.

(b) and (c). Investigations are in progress and results are awaited.

Shri N. R. Munisamy: May I know whether this heavy seizure in Mangalore was the result of routine check or on previous information?

Shri B. E. Bhagat: It is very difficult to distinguish between the two. We have a Central intelligence organisation which conducts anti-smuggling cases and generally we act on previous information.

Shri N. R. Munisamy: May I know whether a multi-millionaire in Mangalore is suspected to have had something to do with this seizure?

Mr. Speaker: We do not allow questions about individuals.

Shri Gajendra Prasad Sinha: May I know whether gold smuggling, while it has decreased on the Punjab border, has increased by the sea route recently?

Mr. Speaker: The question relates to Vellore and Mangalore.

Raja Mahendra Pratap: Where is the harm if gold is brought in. If gold is taken out I can understand.

Shri Mohamed Imam: To prevent smuggling into the country, the best way would be to fix the price of gold in India.

Mr. Speaker: Hon. Members can only ask questions. This is not the time for making suggestions. That can be done in the Budget session.

Shri N. R. Munisamy: May I know whether it is a fact that it was seized from an Arab vessel, and if so, where was this gold hidden?

Shri B. E. Bhagat: It has been seized, as he says, from an Arab boat.

Shri N. R. Munisamy: What is the contrivance adopted by them in concealing it? That is the question.

Shri B. K. Bhagat: It was concealed in the boat in a sort of hidden case-ment.

Mr. Speaker: Next question.

Raja Mahendra Pratap: To add to our economic knowledge, he can explain why gold is not allowed to be brought in.

Mr. Speaker: I have called the next question.

Indo-Pakistan Agreement on Archaeological Finds

*799. { **Shri Radha Raman:**
Shri Shree Narayan Das:

Will the Minister of Education and Scientific Research be pleased to state whether any negotiations have been started for an agreement with the Government of Pakistan on reciprocal basis so that scholars in India and Pakistan may be supplied with facsimiles of inscriptions and photographs of interesting archaeological finds made in both the countries?

The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimall): No, Sir.

Shri Radha Raman: What is the proposal of Government in the absence of any negotiation to complete its record of photographs and interesting archaeological finds which are of interest to India but are at present lying in Pakistan?

Dr. K. L. Shrimall: The matter was discussed by the Board of Archaeology on 14th September 1957 and the Board recommended that we might negotiate with the Pakistan Government. The proposal is under the consideration of the Ministry. The question can only be taken up after the proposal has been considered.

Shri Radha Raman: While the subject of negotiation is under the consideration of the Government, may I know whether the Government of India has any data with regard to

the photographs and inscriptions which are in Pakistan and for which they want to have negotiations?

Dr. K. L. Shrimall: Naturally this is a general question. There may be many photographs that Pakistan might like to have and many which we may like to have. This is a general question, and I can only reply to this in a general way.

Central Social Welfare Board's Grants to Punjab

*800. { **Shri D. C. Sharma:**
Sardar Iqbal Singh:

Will the Minister of Education and Scientific Research be pleased to state:

(a) the total number of institutions which received the Central Social Welfare Board's grants in the Punjab State in 1956-57;

(b) the total amount allotted so far during 1957-58;

(c) the factors taken into consideration while making the allotments; and

(d) the target fixed for developing the social welfare activities in Punjab during the Second Five Year Plan period?

The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimall): (a) 50.

(b) The amount intended for grants-in-aid for social welfare institution is not allotted State-wise.

(c) Does not arise.

(d) A statement giving the requisite information is laid on the Table of the Lok Sabha. [See Appendix III, annexure No. 42].

I may add for the information of the hon. Member that during 1957-58 the Central Social Welfare Board sanctioned one-year grants to 12 institutions amounting to Rs. 27,300 for the period March 31 and grants to two

institutions amounting to Rs. 22,000 this year.

Shri D. C. Sharma: May I know if the Central Social Welfare Board has any agency to see to it that the grants are properly spent, and if so, has any agency of that kind visited the Punjab and given any report?

Dr. K. L. Shrimall: As the hon. Member is probably aware, in every State there is a State Board and the State Board inspects these institutions. Sometimes the officers of the Central Social Welfare Board also do, but it is primarily the responsibility of the State Board to keep a proper eye on the institutions to which they recommend grants.

Shri B. S. Murthy: May I know whether a booklet published by this Board states that Harijans and Christians are not eligible for getting scholarships or financial aid from the Social Welfare Board, and if so, what are the reasons?

Dr. K. L. Shrimall: I am not aware to which pamphlet the hon. Member is referring. I will require notice to check that up.

Shri Tyagi: I would like to know who is the authority that sanctions these grants, whether all these grants are given State-wise according to a quota fixed, and whether the State Governments are consulted before any organisation or institution is approved for such grants?

Dr. K. L. Shrimall: The organisation of the whole Social Welfare Board is that every State has a State Board, and the Chairman of the State Board is appointed in consultation with the State Government, but after that has been done, it is for the State Board to make the recommendation to the Central Social Welfare Board and the private institutions need not go to the State Government for that purpose. The applications can be forwarded by the State Boards and the final sanctioning authority is the Central Social Welfare Board.

Shri A. B. Saigal: Is there any arrangement to audit the accounts and are the audited accounts sent to the Government?

Dr. K. L. Shrimall: Yes, Sir.

Shri D. C. Sharma: Is it not a fact that the State Board to which reference has been made by the hon. Minister is more a distributing agency than a checking agency and that the facilities for inspection are very, very scarce?

Dr. K. L. Shrimall: No, Sir. It is not possible, nor is it desirable that the Central Social Welfare Board should take the responsibility of inspection all over the country. It should be ultimately the responsibility of the State Board.

Law Commission

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{ **Shri Bibhuti Mishra:**
Shri Harish Chandra
Mathur:
Shri Sanganna:
Shri Narayanankntty Menon:
 *801. { **Shri Warrior:**
Shri Shivananjappa:
Shri Thimmalah:
Sardar Iqbal Singh:
Shri Tangaman:
Shri Easwara Iyer:

Will the Minister of Law be pleased to refer to the reply given to Starred Question No. 366 on the 24th May, 1957 and state the progress of work done by Law Commission since then?

The Minister of Law (Shri A. K. Sen): Attention is invited to the Statement of work done by the Law Commission during the period 21-5-1957 to 20-11-1957 which was laid on the Table of the Lok Sabha on 25-11-1957. [See Appendix II, annexure No. 86.]

Shri Bibhuti Mishra: From the statement it appears that the Land Acquisition Act, 1894, is also expected to be re-drafted by the end of this year. May I know whether this Act which is going to be re-drafted will be liberalised than what it is at present?

Shri A. K. Sen: The question of giving directions to the Law Commission as to how they should frame their recommendations is absolutely irrelevant in my view. After they submit their recommendations the question of examining them will arise, and then the stage will arise when we can think as to whether we should liberalise the Act or not.

Shri Easwara Iyer: Is it not a fact that the Chairman of the Law Commission has reported that law's delay is dependent upon the efficiency of the Judges who have been appointed and recommended that Judges be appointed on better grounds?

Shri A. K. Sen: This question was answered earlier by myself and by the hon. Home Minister. It was stated on that occasion that no report containing any such allegations has been received by the Government and there has been no interim report on the subject. I think the subject was completely dealt with by the hon. Home Minister on the last occasion when a similar question was put.

Shri Thimmaiah: May I know whether the Law Commission has submitted any interim reports, and may I also know whether the report published in the press is part of the interim report or official letter written to the Home Minister by the Chairman of the Law Commission?

Shri A. K. Sen: The House will recollect that this question was put as a substantive question and answered completely on the last occasion. We have nothing to add to what has been said on that occasion.

WRITTEN ANSWERS TO QUESTIONS

Meetings of the World Bank and I.M.F.

*772. { **Shri A. K. Gopalan:**
Shri Vasudevan Nair:

Will the Minister of Finance be pleased to state the decisions that

were taken at the recent annual meetings of the World Bank and the International Monetary Fund?

The Deputy Minister of Finance (Shri B. E. Bhagat): A brief report summarising the discussions and decisions at the 12th Annual Session of the International Bank for Reconstruction and Development and the International Monetary Fund is laid on the Table of the Lok Sabha [Placed in Library. See No. LT-424/57].

Export Credit Cover on Shipments

*774. **Shri Raghunath Singh:** Will the Minister of Finance be pleased to state whether it is a fact that export credit cover on shipment of capital goods to India is apparently being held up in U. K. at present due to introduction of new import regulations by the Indian authorities in the month of September?

The Deputy Minister of Finance (Shri B. R. Bhagat): Yes. This might be true to some extent.

The deferred payment terms on which capital goods are allowed to be imported into India are such that export credit cover may not in all cases be forthcoming from the U.K. or other countries of supply. The grant of such cover depends both on the general rules in this behalf prevailing in the countries of supply as well as on the terms of payments permitted to the importers.

Treatment of T. B. Patients

*775. **Shri M. R. Krishna:** Will the Minister of Defence be pleased to state:

(a) whether arrangements exist in all military stations to treat the military personnel suffering from T.B.;

(b) whether any such facilities exist in Secunderabad and Hyderabad Military Stations; and

(c) the amount spent every year to accord medical facility to the Defence Personnel suffering from T. B.?

The Deputy Minister of Defence (Sardar Majithia): (a) Specialised treatment for military T.B. patients is available only at Military Hospital, Aundh. At other Military Hospitals, arrangements exist for treating T.B. cases only to a limited extent, till the patients are transferred to Military Hospital, Aundh. Those cases, which require only Sanatorium treatment, are transferred from Military Hospital, Aundh, to Lady Linlithgow Sanatorium, Kasauli, which is maintained by the T.B. Association of India and where 40 beds are reserved for T.B. treatment of military personnel.

(b) No, Sir, except to the limited extent stated above.

(c) About Rs. 28.6 lakhs per annum.

Iron and Steel Control

***778. Shri Biren Roy:** Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) whether the attention of Government has been drawn to certain judicial proceedings in a Calcutta case connected with the Iron and Steel Control order wherein the trying magistrate had characterised the procedure of the India Iron and Steel Control as a "farce";

(b) whether any action has since been taken to remedy this state of affairs which involve huge quantities of steel passing into the black market; and

(c) if so, the steps taken thereon?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): (a) The Hon'ble Member presumably has in mind what was reported in Calcutta papers on 27-9-57. If so, the answer is in the affirmative.

(b) and (c). The case in question relates to 1954-55 period when control over iron and steel materials stood relaxed to a certain extent. These relaxations were withdrawn in 1956.

Syrian Air Force Personnel

***781. Sardar Iqbal Singh:** Will the Minister of Defence be pleased to state:

(a) whether it is a fact that Syria has sought India's help in training her Air Force personnel;

(b) if so, what facilities are given to the Syrian Air Force personnel by the Indian Air Force; and

(c) whether Indian Air Force instructors have been assigned to Syria to train Syrian Air Force personnel?

The Deputy Minister of Defence (Sardar Majithia): (a) Yes, Sir.

(b) and (c). Two Indian Air Force Instructors have been lent to Syria for training her Air Force personnel.

Homoeopathic Medical Certificates

***782. Shri S. M. Banerjee:** Will the Minister of Defence be pleased to state:

(a) whether it is a fact that the medical certificates issued by Homoeopathic doctors are not accepted by Defence Establishments in U.P.; and

(b) if so, the reasons therefor?

The Deputy Minister of Defence (Sardar Majithia): (a) No representation has been received from any quarter about non-acceptance of such certificates. The existing orders provide that such certificates may be accepted to the extent they are accepted by the State Government concerned in respect of its own employees.

(b) Does not arise.

मध्य प्रदेश को वित्तीय सहायता

*७८५. { श्री लक्ष्मीबाबा
श्री राधेलाल व्यास :
श्री क० भे० मालवीय :

क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या मध्य प्रदेश सरकार ने केन्द्रीय सरकार से वित्तीय सहायता मांगी है ; और

(ख) यदि हां, तो केन्द्रीय सरकार ने इस सम्बन्ध में क्या निर्णय किया है ?

वित्त उपमंत्री (जी व० रा० भगत) :

(क) तथा (ख). यह स्पष्ट नहीं है कि माननीय सदस्यों का अभिप्राय सहायता की किस विशेष मद से है। वितीय सहायता के लिये सम्बद्ध मंत्रालयों के पास प्रार्थनापत्र भेजे जाते हैं, जिन पर गुण-दोष की दृष्टि से विचार किया जाता है।

Theft in Khamaria Ordnance Factory

*788. { Shri Goray;
Shri S. M. Banerjee:

Will the Minister of Defence be pleased to state:

(a) whether defalcations amounting to lakhs of rupees have been discovered in the Ordnance Factory in Khamaria;

(b) whether it is a fact that Government had instituted a Committee of Inquiry and that the Committee had submitted its report;

(c) the findings of the Committee; and

(d) what steps have been taken to put a stop to such malpractices?

The Deputy Minister of Defence (Sardar Majithia): (a) No. However, deficiencies and losses in Stores of considerable value have been reported at the Ordnance Factory, Khamaria.

(b) Yes. A Board of Inquiry was constituted to investigate and it has submitted its report to the Director General of Ordnance Factories.

(c) The report of the Board of Enquiry is at present under examination of the Director General of Ordnance Factories.

(d) Suitable remedial measures will be devised when the causes of the losses are known. This will be possible only after the full examination of the report of the Board of Enquiry.

Foreign Nationals

*790. Shri Kamalnayan Bajaj: Will the Minister of Home Affairs be pleased to state:

(a) whether it is a fact that foreign nationals employed in India have got to report to the Police when they intend to absent themselves from their registered address; and

(b) if so, the reasons therefor?

The Minister of State in the Ministry of Home Affairs (Shri Datar):

(a) Foreigners other than tourists or who are in India only in transit are required to inform merely in writing the Registration Officer of their district if they propose to be absent from the place of their registered address for more than two weeks or stay in another district in a place other than a hotel for a period exceeding one week.

(b) This information has been found useful in maintaining proper record of the whereabouts of foreigners in a vast country like India.

तेलंगाना के लिये क्षेत्रीय समिति

*७९५. श्री मधुसूदन राव : क्या गृह-कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) आंध्र प्रदेश के तेलंगाना क्षेत्र के लिये क्षेत्रीय समिति कब तक स्थापित की जायेगी ; और

(ख) इस समिति की शक्तियां और कृत्य क्या होंगे ?

गृह-कार्य मंत्रालय में राज्य-मंत्री (श्री दातार) : (क) राज्य सरकार ने तेलंगाना क्षेत्र के लिये एक क्षेत्रीय समिति स्थापित करने के आदेश का एक मसविदा भेज दिया है और उसकी जांच की जा रही है।

(ख) क्षेत्रीय समिति के अधिकार और कार्य तेलंगाना क्षेत्र के संरक्षण पर बने नोट

के काम (क) में दिये हुए हैं जो १० अगस्त, १९५६ को सभा-घटक पर रखा गया था।

Mining Operations in Nagpur

*796. Shri Tangamani: Will the Minister of Steel, Mines and Fuel be pleased to state.

(a) whether it is a fact that mining operations are carried out only in an area of 9 square miles out of the 40 square miles of coal bearing area leased out near Nagpur;

(b) if so, how many collieries out of the total number on lease are now working, and

(c) the steps Government propose to take for operating all the mines in the area?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): (a) to (c) The question does not indicate the particular area involved and it is very difficult to collect the information. However, the State Government has been addressed and information will be laid on the Table of the House as soon as it has been collected.

Legal Aid to Scheduled Castes and Scheduled Tribes

*797. { Shri Siddiah;
Shri Vasudevan Nair:

Will the Minister of Home Affairs be pleased to state:

(a) the names of the States which are providing legal aid to the Scheduled Castes and Scheduled Tribes and other poor people;

(b) the grant sanctioned by the Central Government to each State for the year 1957-58 for the said purpose; and

(c) the steps Government propose to take to provide the same in all Union Territories?

The Deputy Minister of Home Affairs (Shrimati Alva): (a) and (b). A statement is laid on the Table of

the Lok Sabha. [See Appendix III, annexure No. 43]

(c) Schemes are being formulated in regard to grant of legal aid to the Scheduled Castes and Tribes in the Union Territories, and it is hoped to bring these schemes into operation in the next financial year. As regards legal aid to poor people in general, the Law Commission is considering the matter, and their report is awaited.

मृतियों का हटाया जाना

८०२. { श्री भक्त वर्मान :
श्री राम कृष्ण रेड्डी :

क्या गृह-कार्य मंत्री २२ जुलाई, १९५७ के ताराकित प्रश्न संख्या २३० के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि :

(क) क्या मध्य राज्य-क्षेत्रों, अर्थात् दिल्ली और हिमाचल प्रदेश से इस बीच विदेशी शासकों की कोई और मृतिया हटायी गई है, और

(ख) यदि हा, तो किन किन स्थानों से किन किन व्यक्तियों की मृतिया हटायी गई हैं ?

गृह-कार्य मंत्रालय में राज्य-मंत्री (श्री बातार): (क) जी नहीं।

(ख) प्रश्न नहीं उठता।

विश्व बैंक और अन्तर्राष्ट्रीय मुद्रा निधि

*८०३. { श्री रघुनाथ सिंह :
श्री विभूति मिश्र :
सरदार इकबाल सिंह :

क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि विश्व बैंक और अन्तर्राष्ट्रीय मुद्रा निधि की वार्षिक बैठकें अगले वर्ष भारत में होने वाली हैं; और

(ब) यदि हा, तो कब?

वित्त उपमंत्री (श्री व० रा० जगत) :

(क) जी, हा ।

(ख) सक्तीबर १९५८ में ।

Pakistani Voters

*804. { Dr. Ram Subhag Singh:
Shri Bangshi Thakur:

Will the Minister of Law be pleased to state:

(a) whether it is a fact that thousands of Pakistan Nationals have got themselves enrolled as Indian voters; and

(b) if so, how this was done?

The Minister of Law (Shri A. K. Sen): (a) and (b). So far as the Election Commission has been able to ascertain, it is not a fact that thousands of Pakistan Nationals have got themselves enrolled as voters in India. A report from Tripura states that 17 such persons have got themselves enrolled, presumably by misrepresenting their citizenship, and their cases are being examined.

Removal of Untouchability

*805. Shri M. R. Krishna: Will the Minister of Home Affairs be pleased to state:

(a) the total amount granted by the Central Government to voluntary Scheduled Caste Associations since the schemes for removal of untouchability were formulated by Government;

(b) how many of the organisations are social and how many of them are political; and

(c) the number of such aided organisations which were started after the introduction of the scheme for removing untouchability by Government?

The Deputy Minister of Home Affairs (Shrimati Alva): (a) A statement is laid on the Table of the Lok Sabha. [See Appendix III, annexure No. 44].

(b) All the non-official organisations to which grants have been given direct by the Centre are social welfare organisations. The State Governments who give grants to local organisations have the instructions to give such grants only to social organisations and not to political ones.

(c) None, so far as the organisations of All-India character which get direct grants from the Centre are concerned. The Government of India have no information about the local organisations.

Mining Lease

*806. { Shri Panigrahi:
Shri Raghunath Singh:

Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) whether the Central Government have suggested to State Governments to ascertain isolated patches of ore reserves of minerals included in Schedule 'A' of the Industrial Policy Resolution for granting mining leases to private parties; and

(b) if so, how many States have ascertained such isolated patches of ore reserves of minerals which are unsuitable for State exploitation?

The Minister of Mines and Oil (Shri K. D. Malaviya): (a) Yes Sir.

(b) All the State Governments with the exception of Madhya Pradesh and Rajasthan have reported that they have made a preliminary examination of the position and have provisionally selected certain areas suitable for State exploitation. These provisional recommendations are under the examination of this Ministry's technical experts.

Iron Ore Deposits in Punjab

*807. Sardar Iqbal Singh: Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) whether it is a fact that there is a proposal to work the Iron ore deposits in Punjab;

(b) if so, when this proposal is likely to be implemented; and

(c) if not, whether Government propose to consider the matter now?

The Minister of Mines and Oil (Shri K. D. Malaviya): (a) to (c). The deposits of iron ore in the Punjab, which are confined to Chapra Antri and Beharipur areas of Mahendragarh District, are very small, being of the order of not more than 2 million tons. Two private parties already hold leases in the area and are working the mines at Beharipur and Doncholi. The remaining area is too small to be suitable for large scale exploitation by the State.

National Theatre

***809. Shri D. C. Sharma:** Will the Minister of Education and Scientific Research be pleased to state:

(a) the progress made with regard to the construction of the National Theatre; and

(b) the approximate date when the construction work would be completed?

The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrivastava): (a) Preliminary designs of the proposed National Theatre building have been prepared and will shortly be submitted to the Cabinet.

(b) The question does not arise as the construction work has not started

निःशुल्क अनिवार्य शिक्षा

*८१०. { श्री विभूति मिश्र .
श्री श्रीनारायण दास :

क्या शिक्षा और वैज्ञानिक गवेषणा मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि केन्द्रीय सरकार ने विभिन्न राज्य सरकारों को निर्देश दिया है कि १९६५-६६ तक सभी राज्यों में निःशुल्क अनिवार्य शिक्षा जारी कर दी जाये ;

(ख) यदि हाँ, तो किन्‍ह कितने राज्यों ने इस प्रस्ताव पर अपनी सहमति व्यक्त की है ; और

(ग) केन्द्रीय सरकार इस सम्बन्ध में कितनी वित्तीय सहायता देने का विचार कर रही है ?

शिक्षा और वैज्ञानिक गवेषणा मंत्रालय में राज्य-मंत्री (डा० हा० ला० श्रीवास्ती) :

(क) जी, नहीं ।

(ख) तथा (ग). प्रश्न नहीं उठते ।

द्वितीय महायुद्ध के देन्मान के बाबे

*८११. श्री भक्त वंशान : क्या प्रतिरक्षा मंत्री ३१ अगस्त, १९५६ के तारकित प्रश्न संख्या १५६२ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि :

(क) द्वितीय महायुद्ध से सम्बन्धित विकलांगता और पारिवारिक पेशानों के कितने दावों का अभी तक निर्णय नहीं हो पाया है;

(ख) उनके अब तक निर्णित न हो सकने का क्या कारण है ; और

(ग) उनके कब तक निबट जाने की सम्भावना है ?

प्रतिरक्षा उपमंत्री (सरदार मजीडिया):

(क) से (ग). एक विवरण लोक-सभा पटल पर रख दिया गया है। [बेखिसे परिशिष्ट ३, अनुबन्ध संख्या ४५।

सोने की आवश्यकता

*८१२. श्री रघुनाथ सिंह : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) भारत में प्रतिवर्ष कुल कितने सोने की आवश्यकता होती है ; और

(ख) क्या भारत में वर्तमान सोने का सम्भरण इस आवश्यकता की पूर्ति के लिए पर्याप्त है ?

विल उपमंत्री (जी.ब० रा० बनत) :

(क) भारत की सोने की कुल आवश्यकता का अनुमान नहीं लगाया गया है ;

(ख) यह प्रश्न उठता ही नहीं ।

Artificial Rain

*813. { Dr. Ram Subhag Singh:
Shri Narasimhan:

Will the Minister of Education and Scientific Research be pleased to state:

(a) whether Government are aware that Dr. S. R. Savur, former Director of Colaba and Alibag Observatories has developed a cheap and simple method of producing rain by injecting clouds with a continuous stream of saturated air;

(b) if so, whether his method of producing artificial rain was tried anywhere in India; and

(c) with what result?

The Deputy Minister of Education and Scientific Research (Shri M. M. Das): (a) Yes, Sir; through Press reports.

(b) No, Sir.

(c) Does not arise.

Jail Reforms Expert Committee

*348. { Shri B. S. Murthy:
Shri Heda:
Shri Shree Narayan Das:
Shri Radha Raman:

Will the Minister of Home Affairs be pleased to state:

(a) the number of meetings held by the Jail Reforms Expert Committee; and

(b) the time by which the report is expected to be submitted?

The Minister of State in the Ministry of Home Affairs (Shri Datar): (a) The Jail Manual Committee held two meetings of 3 days each.

(b) The Committee is expected to submit its report as expeditiously as possible.

Research and Statistics Section in the Ministry of Finance

1042. { Shri Morarka:
Shri Nathwani:

Will the Minister of Finance be pleased to state:

(a) the functions of the Research and Statistics Section in the Department of Company Law Administration;

(b) the total work done by this Section so far;

(c) what are the publications issued by it;

(d) whether it is intended to expand it; and

(e) if so, in what direction?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a). The functions of the Research and Statistics Division are as follows:—

I. Statistical.

(i) compilation, tabulation and analysis of statistical data relating to the various aspects of Companies at work, new registrations, liquidations and changes in capital position of Companies;

(ii) publication of Monthly and Annual Blue Books containing the more important of the data mentioned at (i) above and other *ad hoc* documents.

(iii) analysis of Company profit and loss accounts for the purposes of constructing an index of profits and studying trends in company finance and management.

II. Information and Intelligence.

Collection of information relating to (a) current trends in company finance and company management in and out-

side the country for the use of the Department, and (b) important administrative and legislative measures both in this country and abroad affecting the working of Joint Stock Companies.

III. Research

(i) preparation of research Studies having a direct bearing on the work of Joint Stock Companies;

(ii) collection and compilation of data relating to the working of the Department and of the Companies Act including the Report required to be furnished to Parliament under Section 638 of the Act.

(b) With its limited staff, the Division has done the following work since its creation in August, 1955:

On the Statistical Side, the Division has systematically organised the work relating to collection, processing and interpretation of data and to a large extent cleared off the arrears in the Annual Publication and reduced the time lag in the issue of the Monthly Publication, improving the quality and contents of these publications at the same time.

In addition, it has also brought out a Statistical publication 'Progress of Joint Stock Companies' giving an account of the growth of the Corporate Sector during the last hundred years. It also received and continued the index of industrial profits.

On the information and reference side, the Research and Statistics Division is preparing the following two cyclostyled bulletins for the internal use of the Department of Company Law:—

- (1) Company News and Notes (fortnightly) containing information relating to important developments in company finance and management in and outside India.
- (2) About 20 Information Broad Sheets dealing with matters

of topical interest to the Department of Company Law.

The "Research" side of the Division is currently engaged on a few research studies which may be published on completion.

(c) Publication issued by the Research & Statistics Division are given below:—

A. Regular Publications.

- (1) Monthly Blue Book on Joint Stock Companies in India.
- (2) Annual Blue Book on Joint Stock Companies in India in two Parts. Part I—consolidated Statistical Tables and Part II—Alphabetical Index of Joint Stock Companies at work in India

Ad Hoc Publications.

1. Progress of Joint Stock Companies in India.
2. A symposium on Company Law.
3. Company Law pamphlet Series (in the press).
4. Translation of the Layman's Guide to Indian Company Law (in Hindi, Bengali, Tamil & Marathi) (in the press).

(d) No. Not at present.

(e) Does not arise.

Licences for Fire-Arms

1043. Shri Dasaratha Deb: Will the Minister of Home Affairs be pleased to refer to the reply given to Unstarred Question No. 1068 on the 30th August, 1957 and state:

- (a) the number of petitions received by Government during 1957 so far and those awaiting approval for issue of licences for fire-arms to the tribal people who need such arms to protect their crops; and
- (b) the reasons for delay in issuing such licenses?

The Minister of State in the Ministry of Home Affairs (Shri Datar): (a) 298 applications were received upto October 1967, Licenses have been issued in 231 cases. 65 are pending disposal.

(b) There is no case of delay.

भारत के जीवन बीमा निगम के कर्मचारी

१०४४. श्री ह० च० शर्मा : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या भारत के जीवन बीमा निगम ने अपने पूर्ण-कालिक कर्मचारियों, जैसे कार्यालय कर्मचारियों और क्षेत्र निरीक्षकों के वेतन निर्धारित करने के लिये कोई उचित उपाय खोज निकाला है ;

(ख) यदि नहीं, तो १ सितम्बर, १९५६ से आज तक के अन्तरिम काल में क्या निगम ऐसे सभी कर्मचारियों को और विशेषकर निरीक्षकों को ३१ अगस्त, १९५६ को प्रचलित दर से वेतन और भत्ते देता रहा है ;

(ग) क्या इस सम्बन्ध में नियमों का कोई उल्लंघन हुआ है ; और

(घ) क्या निगम को अन्तरिम काल में वेतन और भत्ते के बारे में कर्मचारियों से कोई शिकायतें प्राप्त हुई हैं ?

वित्त उपमंत्री (श्री च० रा० भगत) :

(क) तथा (ख). जीवन बीमा निगम के पर्यवेक्षक, लिपिक और अधीन कर्मचारियों के लिये पारिश्रमिक-क्रमों तथा सेवा की अन्य शर्तों को केन्द्रीय सरकार के १ जून १९५७ के आदेश द्वारा निर्धारित कर दिया गया है। क्षेत्रीय निरीक्षकों के लिये इसी प्रकार के पारिश्रमिक-क्रमों और सेवा की शर्तों का प्रस्थापन होने तक निगम ने उनके लिये वही वेतन और भत्ते जारी रखे हैं जो उन्हें ३१ अगस्त १९५६ को मिले थे। पर मनोरंजन भत्ते जैसे विशेष भत्ते उन मामलों में बन्द कर दिये गये हैं जिनमें निगम की अधीनता में सेवा की बदली हुई शर्तों में उन्हें जारी रखने के लिये कोई आधार नहीं था।

(ग) नहीं।

(घ) जैसे भत्तों की चर्चा पहले की गयी है उनमें कुछ के बन्द हो जाने के विरुद्ध कुछ अभ्यावेदन प्राप्त हुए हैं।

Derajat Bank, Kulu

*591 Shri Daljit Singh:

Will the Minister of Finance be pleased to state:

(a) whether it is a fact that the Derajat Bank, Kulu has suspended payments; and

(b) what steps do Government propose to take to re-imburse its depositors?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) The Bank has not formally suspended payments but is understood to be evading payments to its creditors.

(b) The bank has been refused licence to carry on banking business. Further steps are under consideration.

Gross and Net Profits of Companies

1046. Shri V. P. Nayar: Will the Minister of Finance be pleased to state:

(a) the total gross and net profits as revealed from the profit and loss accounts of companies incorporated under the Companies Act for the year 1956-57;

(b) the total (i) commission to managing agents and (ii) payment to secretaries and treasurers; and

(c) the income tax paid or assessed on each category referred to above?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) to (c). The information asked for is not readily available.

Welfare Extension Projects in Andhra

1047. Shri M. V. Krishna Rao: Will the Minister of Education and Scientific Research be pleased to state:

(a) the number of Welfare Extension Projects allocated to Andhra Pradesh by the Central Social Welfare Board for the year 1957-58; and

(b) in which places?

The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimall): (a) 17.

(b) A statement giving the requisite information is laid on the Table of the Lok Sabha. [See Appendix III, annexure No. 48].

High Court of Andhra Pradesh

1048. Shri M. V. Krishna Rao: Will the Minister of Home Affairs be pleased to state:

(a) the number of judges that functioned in the High Court of Andhra Pradesh during the year ending the 31st October, 1957;

(b) the number of civil and criminal cases and writ petitions pending in said High Court on the 31st October, 1957 and approximate period of their pending; and

(c) the total number of judges that may be appointed to the said high court?

The Minister of State in the Ministry of Home Affairs (Shri Datar): (a) Eleven Judges worked on the Bench of the High Court of Andhra Pradesh from 1st November 1956 to 18th November 1956; 12 Judges worked from 18th November 1956 to 9th October 1957 and 14 Judges have been working since that date.

(b) The information is being collected and will be laid on the Table of the House.

(c) The High Court has got its full sanctioned strength of 13 permanent Judges besides one temporary Additional Judge.

अनुसूचित आदिमजातियाँ

१०५०. श्री श्रीनारायण दास : क्या गृह-कार्य मंत्री यह बताने की कृपा करेंगे कि अनुसूचित आदिमजातियों की नवीनतम जनसंख्या राज्यवार कितनी है ?

गृह-कार्य उपमंत्री (श्रीमती आल्हा) : १९५१ की जन गणना के अनुसार प्रत्येक राज्य तथा संघीय राज्य-क्षेत्र की अनुसूचित आदिम जातियों की जनसंख्या निम्नलिखित है :—

राज्य	लाखों में
१. आंध्र प्रदेश	११.५०
२. असम :—	
(१) असम, आदिवासी क्षेत्रों के अलावा	७.२४
(११) स्वशासित जिले	१०.१९
(१) संयुक्त खासी तथा जयन्तिया पहाड़िया	३.२५
(२) नागा पहाड़िया	२.००
(३) मिजो	१.८८
(४) गारो पहाड़ियां	१.९७
(५) उत्तरीय कचर पहाड़िया	०.२०
(६) मिकिर पहाड़ियां	०.८९
३. बिहार	३८.८०
४. बम्बई	३७.४३
५. केरल	१.३५
६. मध्य प्रदेश	४८.४४
७. मद्रास	१.३६
८. मैसूर	०.८०
९. उड़ीसा	३०.१०
१०. पंजाब	०.०३

११. राजस्थान . . .	१७.७४
१२. उत्तर प्रदेश
१३. पश्चिमी बंगाल . . .	१५.९७

संघीय राज्य-क्षेत्र

१४. दिल्ली
१५. हिमाचल प्रदेश . . .	०.२८
१६. मणिपुर . . .	१.६४
१७. त्रिपुरा . . .	१.६२
१८. सकादीव, मिनिकोय तथा ग्रमिन- दीव द्वीपसमूह . . .	०.२१

स्वशासित जिलों के भ्रालावा ग्राम के आदिवासी क्षेत्रों की अनुसूचित आदिमजातियों की जनसंख्या के आंकड़े निश्चित नहीं हैं। जम्मू तथा काश्मीर और अन्धमान तथा निकोबार द्वीपसमूह में अनुसूचित आदिमजातियों को अलग नहीं बताया गया है।

दिल्ली में बेश्यायें

१०५१. श्री श्रीनारायण दास क्या गृह-कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या दिल्ली की बेश्याओं की गणना और उनके पंजीयन का कोई प्रबन्ध है ; और

(ख) यदि हा, तो २० वर्ष से कम आय की बेश्याओं की संख्या कितनी है ?

गृह-कार्य उपमंत्री (श्रीमती आल्था) :

(क) जी नहीं।

(ख) प्रश्न ही नहीं उठता।

पिछड़े वर्गों का कल्याण

१०५२. श्री श्री नारायण दास : क्या गृह-कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) १९५६-५७ के आय-व्ययक में पिछड़े वर्गों के कल्याण के लिये जो ३६१.००

लाख रुपये रकने गये हैं, उनका वितरण किस प्रकार किया गया है ;

(ख) जो राशियां दी गई हैं उन्हें किस प्रकार व्यय किया गया है ;

(ग) राज्य सरकारों ने इस सम्बन्ध में कितनी योजनाएँ बनाई हैं और उन पर कितना व्यय किया गया है ; और

(घ) उन योजनाओं के अतिरिक्त क्या हैं और उनसे कितने लोग लाभान्वित हुए हैं ?

गृह-कार्य उपमंत्री (श्रीमती आल्था) :

(क) एक विवरण सभा-रिटल पर रक दिया गया है। [बेसिये परिशिष्ट ३, अनु-बन्ध संख्या ४७]

(ख) १९५६-५७ में की गई प्रगति की रिपोर्ट राज्य सरकारों से प्राप्त नहीं हुई है।

(ग) तथा (घ). राज्य सरकारों ने जिन मदों के लिये योजनाएँ बनाई हैं वे इस प्रकार हैं—'शिक्षा', 'आर्थिक विकास' (जिसमें कुटीर उद्योग, कृषि तथा सहकारिता शामिल हैं), 'चिकित्सा तथा जन-स्वास्थ्य', 'पानी की सप्लाई', 'गृह-निर्माण', 'उपनिवेशन', 'अस्पृश्यता निवारण के लिये प्रचार', 'स्वयं सेवक मस्याओं का महायता' आदि। यह बताना सम्भव नहीं है कि इन योजनाओं से कितने व्यक्तियों का लाभ पहुंचा है।

हिन्दी

१०५३. { श्री २० स० तिवारी :
श्री श्रीनारायण दास :

क्या गृह-कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) केन्द्रीय सरकार के कर्मचारियों को हिन्दी पढ़ाने के कार्य में सरकार को कितनी सफलता मिली है ; और

(ख) अब तक कितने व्यक्ति हिन्दी सीख चुके हैं ?

गृह-कार्य मंत्रालय में राज्य-मंत्री (बी. बालार) : (क) तथा (ख). एक विवर सभा-घटन पर रख दिया गया है। [द्वितीय परिशिष्ट ३, अनुबन्ध संख्या ४८]

ग्रहिणी-भाषी कर्मचारियों की पदोन्नति

१०५४. श्री १।० ल० तिवारी : क्या गृह-कार्य मंत्री यह बताने की कृपा करेंगे कि हिन्दी सीख लेने वाले ग्रहिणी-भाषी कर्मचारियों की पदोन्नति आदि के लिये कोई व्यवस्था की गई है ?

गृह-कार्य मंत्रालय में राज्य-मंत्री (बी. बालार) : जी नहीं।

राष्ट्रीय पंचांग

१०५५. श्री रामजी वर्मा : क्या गृह-कार्य मंत्री यह बताने की कृपा करेंगे कि राष्ट्रीय पंचांग तैयार करने में कितना धन खर्च हुआ ?

गृह-कार्य मंत्रालय में राज्य-मंत्री (बी. बालार) : ५६,६२७ रुपये

समिति की रिपोर्ट की छपाई और प्रकाशन पर हुये खर्च के साथ साथ इसमें वह सब खर्चा भी शामिल है जो पंचांग संशोधन समिति पर व्यय किया गया।

झांसी की रानी का स्मारक

१०५६. श्री हेडा : क्या गृह-कार्य मंत्री यह बताने की कृपा करेंगे कि झांसी की रानी जहां शहीद हुई थी उस स्थान पर एक स्मारक बनाने के सम्बन्ध में क्या प्रगति हुई ?

गृह-कार्य मंत्रालय में राज्य-मंत्री (बी. बालार) : मध्य प्रदेश सरकार ने सूचित किया है कि जिस स्थान पर रानी लड़ते लड़ते शहीद हुई थी उसके पास एक छोटा सा चबूतरा पहले से ही बना हुआ है जो रानी सवनी बाई की 'समाधि' कहलाता है तथा

जिसके एक ओर एक शिलालेख लगा हुआ है। उस स्थान पर एक ग्रीर स्मारक बनाने का प्रधान राज्य सरकार की इच्छा पर छोड़ दिया गया है।

पुलिस में भ्रष्टाचार

१०५७. श्री हेडा : क्या गृह-कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) केन्द्रीय सरकार के अधीन काम करने वाले पुलिस के कितने कर्मचारी १९५६ और १९५७ में अब तक भ्रष्टाचार के अपराध में पकड़े गये और दण्डित किये गये ; और

(ख) उक्त अवधि में प्रशंसनीय सेवा करने के लिये पुलिस के कितने कर्मचारियों को पुरस्कार दिये गये ?

गृह-कार्य मंत्रालय में राज्य-मंत्री (बी. बालार) : (क) तथा (ख). सूचना एकत्र की जा रही है और प्राप्त होते ही वह सभा-घटन पर रख दी जायेगी।

पिछड़े वर्गों का कल्याण

१०५८. श्री राधा रमण : क्या गृह-कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) पिछड़े वर्गों के कल्याण के लिये केन्द्र द्वारा संचालित योजनाओं के बारे में क्या है ;

(ख) इन योजनाओं के अन्तर्गत अब तक क्या कार्य हुआ है ; और

(ग) इन योजनाओं को किस के द्वारा सम्पन्न कराया जा रहा है ?

गृह-कार्य उपमंत्री (श्रीमती आल्था) : (क) एक विवरण सभा-घटन पर रख दिया गया है। [द्वितीय परिशिष्ट ३, अनुबन्ध संख्या ४६]

(ख) १९५६-५७ और १९५७-५८ में पिछड़े वर्गों के कल्याण के लिये स्वीकृत

घनराशि का एक विवरण सभा-पटल पर रख दिया गया है। इस काम में की गई वास्तविक प्रगति की सूचना अभी तक प्राप्त नहीं हुई है।

(ग) योजनायें राज्य सरकारों, सभीय राज्य-क्षेत्रों के प्रशासन और अखिल भारतीय स्तर की कुछ गैर-सरकारी संस्थाओं की एजेंसियों द्वारा कार्यान्वित की जा रही हैं।

स्त्रियों का अर्नेतिक पण्य

१०५६. श्री राधा रमण : क्या गृह-कार्य मंत्री यह बताने की कृपा करेंगे कि स्त्री तथा कन्या अर्नेतिक पण्य अधिनियम, १९५६ के शेष उपबन्ध लागू किये जा चुके हैं ?

गृह-कार्य उपमंत्री (श्रीमती अल्ला) : जी नहीं।

सम्पत्ति के विवरण

१०६०. श्री राधा रमण : क्या गृह-कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) प्रथम तथा द्वितीय श्रेणी के अफसरों द्वारा अपनी अचल सम्पत्ति के जो विवरण दिये जाते हैं उसके बारे में १९५६ और १९५७ में अब तक कितनी बार जांच कराई गई ; और

(ख) जो अफसर दूसरों के नाम से अचल सम्पत्ति खरीदते हैं उनका पता लगाने के लिये क्या उपाय किये गये हैं ?

गृह-कार्य मंत्रालय में राज्य-मंत्री (श्री बात्तार) : (क) मांगी हुई सूचना एकत्र की जा रही है और यथासमय वह सभा-पटल पर रख दी जायेगी।

(ख) केन्द्रीय सिविल सेवा (आचरण) नियम १९५५ के नियम १५(१) के अनुसार सरकारी कर्मचारी को उस अचल सम्पत्ति की सूचना सरकार को देनी होती है जो वह

अपने नाम से या अपने परिवार के किसी सदस्य के नाम से खरीदना चाहता है। इसी के अनुसार, अधिकारी द्वारा दिये गये अचल सम्पत्ति के विवरण में वह सब सम्पत्ति शामिल होती है जो वह अपने नाम से या अपने परिवार के किसी सदस्य के नाम से खरीदता है। जब सरकार की जानकारी में कोई ऐसा मामला आता है कि किसी अधिकारी ने इस नियम का उल्लंघन किया है तो उस मामले की जांच करके, यदि आवश्यक हो, उस पर विभागीय कार्यवाही की जाती है।

विशेष पुनर्गठन यूनिट

१०६१. श्री बाडक : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) फरवरी, १९५२ में जो विशेष पुनर्गठन यूनिट स्थापित किया गया था उसने चालू वर्ष में क्या कार्य किया है ;

(ख) १९५६ में और १९५७ में अब तक इस यूनिट की कितनी बैठकें हुईं और इस अवधि में कितने मंत्रालयों की समीक्षा की गई ;

(ग) इस यूनिट के कार्य से सरकार को अब तक क्या लाभ हुये हैं ; और

(घ) इस यूनिट के कर्मचारियों के वेतन तथा भत्ते पर सरकार ने अब तक कितना खर्च किया है ?

वित्त उपमंत्री (श्री ब० रा० अगत) :

(क) से (ग). विशेष पुनर्गठन एकक केन्द्रीय सरकार के उन कार्यालयों के कार्यों के सम्बन्ध में समीक्षा करता है जो इसके लिये निर्धारित किये जाते हैं। वह मितव्यय और कार्य कुशलता की दृष्टि से और कार्यालयों के उद्देश्यों और कार्यों को ध्यान में रखते हुये उनकी कार्यप्रणालियों का विश्लेषण और गठन का परीक्षण करता है। इस सम्बन्ध में सन् १९५७-५८ के बजट के

श्वेत पत्र के पैरा ६७ की ओर ध्यान आकर्षित किया जाता है जिसमें पुनर्व्यवस्थित विशेष पुनर्गठन एकक के कार्यों का पूरा स्पष्टीकरण किया गया है ।

सदन की मेज पर चार विवरण रख दिये गये हैं जिनमें उन कार्यालयों का उल्लेख है जिनकी समीक्षा एकक ने दिसम्बर, १९५६ के बाद की है और साथ ही यह भी बताया गया है कि उसने किस प्रकार के सुझाव दिये हैं और कार्यालय/मंत्रालय उन सुझावों से कहां तक सहमत है । [देखिये परिशिष्ट ३, अनुबन्ध संख्या ५०]

जब तक नयी कार्यप्रणाली का कुछ समय तक परीक्षण नहीं कर लिया जाता तब तक यह आंकना कठिन है कि व्यय में कितनी कमी हुई । लेकिन अधिकतर मामलों में तात्कालिक परिणाम यह निकला है कि जिन म-१ धर्म विभागों ने प्रारम्भ में विस्तार के सुझाव रखे थे, जिनके लिये समीक्षा आवश्यक हुई, वे अब उनके बारे में आगे कार्यवाही नहीं कर रहे ।

(घ) १९५६-५७ तक लगभग १,७०,००० रुपये प्रतिवर्ष । १९५७-५८ में १,५०,००० रुपये व्यय होने का अनुमान है ।

निजी फर्मों में अफसरों के आश्रित

१०६२. श्री चांडक : क्या गृह-कार्य मंत्री यह बताने की कृपा करेंगे कि :

(क) केन्द्रीय सरकार के प्रथम श्रेणी के अफसरों का जिन कार्यालयों अथवा निजी फर्मों से सम्बन्ध है उनमें उनके पुत्र, पुत्रियों और आश्रितों द्वारा नौकरी किये जाने पर लगाये गये प्रतिबन्ध सम्बन्धी मामलों की जांच करने के लिये क्या व्यवस्था है ;

(ख) १९५६ और १९५७ में ऐसी जांच कितनी बार कराई गई ; और

(ग) उसका क्या परिणाम निकला ?

गृह-कार्य मंत्रालय में राज्य-मंत्री (श्री दातार) : (क) सरकार के सामने अभी तक कोई ऐसा मामला नहीं आया है जिसमें किसी प्रथम श्रेणी के अफसर ने अपने पुत्र, पुत्री या अन्य किसी आश्रित को किसी ऐसी फर्म में नौकरी करने के लिये सरकार से आज्ञा न ली हो जिसके साथ उसके खुद के सरकारी सम्बन्ध हों या जो सरकार से सम्बन्ध रखती हो । जब कभी भी सरकार के सामने ऐसा मामला आयेगा तो सम्बन्धित अफसर के विरुद्ध विभागीय कार्यवाही की जायेगी । इस काम के लिये कोई अलग व्यवस्था नहीं है ।

(ख) तथा (ग). प्रश्न ही नहीं उठते ।

हिन्दी सीखने के लिये पुरस्कार

१०६३. श्री चांडक : क्या गृह-कार्य मंत्री यह बताने की कृपा करेंगे कि हिन्दी सीखने वालों को प्रोत्साहन देने के लिये गृह-कार्य मंत्रालय ने कितने रुपये के पुरस्कार दिये हैं ?

गृह-कार्य मंत्रालय में राज्य-मंत्री (श्री दातार) : अनुमानतः उस योजना की ओर ध्यान दिलाया गया है जो १९५६ और १९५७ में केन्द्रीय सरकार के कर्मचारियों के लिये ली गई हिन्दी परीक्षाओं के सफल उम्मीदवारों को नकद इनाम देने के लिये बनाई गई है ।

अभी तक कोई इनाम नहीं दिये गये हैं ; लेकिन जून १९५६ की हिन्दी प्रबोध और हिन्दी प्रवीण तथा जनवरी १९५७ की हिन्दी प्रबोध और हिन्दी प्राज्ञ परीक्षाओं के लिये लगभग ६,४०० रुपये की लागत के ११४ इनाम देने का विचार है ।

केन्द्रीय सुधार सेवा विभाग

१०६४. श्री चाँडक : क्या नू-कार्य मंत्री यह बताने की कृपा करेंगे कि अपराधों की रोकथाम करने, अपराधियों के सुधार के लिये उपाय बताने और प्राँकड़े इकट्ठे करने के लिये एक केन्द्रीय विभाग की स्थापना के निर्णय को कार्यान्वित करने में अब तक क्या प्रगति हुई है ?

नू-कार्य उपाय (जीसी आर) : ब्यूरो स्थापित करने के पूर्व सरकार उस समिति की रिपोर्ट की प्रतीक्षा कर रही है जो आदर्श जेल मेनुअल का मसविदा तैयार करने के लिये बनाई गई है। इस सम्बन्ध में ३० जुलाई, १९५७, को श्री रघुनाथ सिंह तथा डा० राम सुभग सिंह के तारांकित प्रश्न संख्या ४८३ के उत्तर की धोर ध्यान आकृष्ट किया जाता है।

Supply of C.I. Sheets to Punjab

1965. Shri Hem Raj: Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) the quantity of galvanised corrugated iron sheets allotted to Punjab during the years 1955, 1956, 1957 year-wise;

(b) the quantity of sheets supplied against the allotted quotas year-wise;

(c) whether it is a fact that allotment of quota of one year is supplied in the second year and that of the second year in the third year and so on;

(d) if so, the reasons therefor;

(e) whether it is also a fact that the non-complied quota is cancelled at the end of every financial year; and

(f) the steps Government propose to take to end this anomalous position?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): (a) Allocations are not made category-wise.

(b) Information is being collected and will be placed on the Table of the House.

(c) and (d). There is a time lag of about 6 to 8 months for actual supplies to start as the main producers are carrying a heavy back-log of orders.

(e) No, Sir.

(f) Does not arise.

Registered Estate Duty Cases in Marathwada

1066. Shri Pangarkar: Will the Minister of Finance be pleased to state:

(a) the total number of Estate Duty cases registered in Marathwada region of Bombay during 1957-58 so far; and

(b) the number of cases disposed of and the amount collected therefrom?

The Deputy Minister of Finance (Shri B. E. Bhagat): (a) 14.

(b) No case registered in 1957-58 has yet been finally disposed of, but a provisional collection of Rs. 3,000 has been made.

Committee on Drug Control and Customs Laboratories

1067. { Shri Shree Narayan Das:
Shri Radha Raman:

Will the Minister of Finance be pleased to state:

(a) whether the Expert Committee on Drug Control and Customs Laboratories has submitted its report;

(b) if so, the important recommendations made by it;

(c) whether Government have considered the report; and

(d) if so, nature of the decisions taken?

The Deputy Minister of Finance (Shri B. E. Bhagat): (a) Yes, Sir.

(b) The important recommendations made by the Expert Committee are as under:—

- (i) Enlargement of the laboratory facilities that now exist in Custom Houses so as to enable these laboratories to undertake the testing of Drug samples also over and above the Customs and Central Excise samples that they do at present.
- (ii) Reorganisation of the Central Revenues Chemical Service with a 'Director' in place of the present 'Chief Chemist' and a Chief Chemical Examiner at each of the major laboratories of Bombay, Calcuta, Madras and Delhi.
- (iii) Setting up of an Advisory Council consisting of officials and non-officials for maintaining co-ordination between the Government and the public in regard to the general policies governing the laboratories.

(c) and (d). The report is under examination.

National Cadet Corps

1068. Shri D. C. Sharma: Will the Minister of Defence be pleased to state:

(a) the part played by the National Cadet Corps in the Community Development work; and

(b) the financial assistance given for the National Cadet Corps movement during 1957-58 so far *vis-a-vis* the Auxiliary Cadet Corps, Bharat Sevak Samaj, Scout Movement and National Discipline Scheme?

The Deputy Minister of Defence (Sardar Majithia): (a) NCC Cadets take part in the various Community Development Projects during the Social Service Camps held annually. The work undertaken is afforestation, construction of roads and village

tracks, bridges, culverts, drains for irrigation purposes and for the disposal of rain and flood water, and improvement of school and college playing fields. The Cadets also undertake literacy drive and render medical aid to villagers. A statement the Social Service Work done by the NCC Cadets in Community Projects, NES Blocks etc. during 1957-58 is laid on the Table of the Lok Sabha. [See Appendix III, annexure 51].

(b) The NCC and ACC movements are sponsored and controlled by the Central Government. The entire expenditure on these is shared between the Centre and the States concerned. Actual expenditure in respect of NCC Units so far incurred during the year 1957-58 is not readily available. The approximate estimated expenditure by the Centre on NCC Units during the current financial year is Rs. 357,00,000.

On the ACC, the Centre's share of expenditure during the period 1st April, 1957 to 30th September, 1957 is approximately Rs. 26,65,000. This includes Rs. 9,21,600 provided by the Ministry of Education and Scientific Research for Labour and Social Service Camps.

The Ministry of Education and Scientific Research give grants for camps sponsored by voluntary organisations like Bharat Sevak Samaj Bharat Scouts and Guides. The grant sanctioned by that Ministry to the Bharat Sevak Samaj for the year 1957-58 is Rs. 4,76,277. Similarly, a grant of Rs. 30,208 for 1957-58 has been sanctioned to the Bharat Scouts and Guides. The Bharat Scouts and Guides have also been given Rs. 9,113 during 1957-58 (upto 31st October, 1957) for meeting organisational expenses, construction of buildings and sending of scouts and guides abroad to participate in international events.

On the National Discipline Scheme, during the current year, the Ministry of Rehabilitation has spent Rs. 2,60,000 upto the end of October 1957.

Recognition of Hindi Examinations

1069. **Shri D. C. Sharma:** Will the Minister of Education and Scientific Research be pleased to refer to the reply given to Starred Question No. 1114 on the 23rd August, 1957 and state what further action has so far been taken regarding the main recommendations of the Committee appointed to consider the question of recognising the Hindi examinations in the country?

The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimall): The Recognition Committee as recommended by the Hindi Shiksha Samiti has been set up.

Geological Survey of Punjab

1070. { **Shri D. C. Sharma:**
Sardar Iqbal Singh:

Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) whether a comprehensive Geological Survey of Punjab State has been made;

(b) if so, the areas where it has been or is being carried out;

(c) the names of the minerals covered or to be covered by the survey; and

(d) the action Government propose to take on the report of the Survey?

The Minister of Mines and Oil (Shri K. D. Malaviya) (a) Yes, Sir Systematic geological mapping and investigations of mineral deposits, engineering geology and ground water resources have been and are being carried out in the Punjab State by the Geological Survey of India and will be continued for some years to come as this kind of work is unending.

(b) and (c). Geological mapping and mineral investigations have so far been carried out in Kangra, Hoshiarpur, Karnal, Gurgaon, and Mohinder-garh districts. Mineral occurrences

covered by the survey include Antimony, Asbestos, Coal, Clay, Glass sand, Gypsum, Quartz and Felspar, Iron Ore, Copper, Limestone, Kaolin, Precious stones, Mica, Silver, Salt, Mineral oil, Rock crystals and Sulphur.

(d) Copies of the reports of the surveys carried out by the Geological Survey of India are forwarded to the State Government for grant of mineral concessions to private parties.

Secondary Education Commission

1071. **Shri D. C. Sharma:** Will the Minister of Education and Scientific Research be pleased to lay a statement on the Table showing:

(a) the number of recommendations of the Secondary Education Commission that have been implemented; and

(b) the reasons for not implementing the remaining recommendations, if any?

The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimall): (a) and (b). A statement is laid on the Table of the Lok Sabha [See Appendix III, annexure No. 52]

Second Plan for Education

1072. **Shri D. C. Sharma:** Will the Minister of Education and Scientific Research be pleased to state:

(a) whether the Planning Commission has reconsidered and finalised the Second Five Year Plan in respect of Education; and

(b) if so, the target of various categories approved?

The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimall): (a) No, Sir.

(b) Does not arise.

Delhi School Teachers

1073. Shri D. C. Sharma: Will the Minister of Education and Scientific Research be pleased to state:

(a) the amount paid to the Delhi School Teachers as arrears of their pay during 1957 so far; and

(b) the amount yet to be paid?

The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimall): (a) and (b). Rs 60,684-92 have been paid and Rs. 1,44,412-20 have still to be paid to Government school teachers. Information about Government-aided school teachers is being collected and will be laid on the Table of the Lok Sabha.

Ajanta Caves

1074. Shri D. C. Sharma: Will the Minister of Education and Scientific Research be pleased to state:

(a) the amount spent on the maintenance of Ajanta Caves during 1956-57; and

(b) the amount proposed to be spent during 1957-58?

The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimall): (a) Rs. 30,305

(b) Rs. 34,000.

Sangeet Natak Akademy

1075. Shri D. C. Sharma: Will the Minister of Education and Scientific Research be pleased to state the activities undertaken by the Sangeet Natak Akademy in 1956-57?

The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimall): A statement giving the activities of the Sangeet Natak Akademi during 1956-57 is placed on the Table of the Lok Sabha. [See Appendix III, annexure No. 53].

Technical Education

1076. Shri D. C. Sharma: Will the Minister of Education and Scientific Research be pleased to state:

(a) the amount of grant given to Punjab State Government for advancement of technical education during 1956-57 and 1957-58 (upto the 30th November, 1957) and the scheme for its utilization; and

(b) the names of institutions in Punjab which will receive grants and for which courses of technical education?

The Deputy Minister of Education and Scientific Research (Shri M. M. Das): (a) and (b) A statement giving the required information is laid on the Table of the Lok Sabha. [See Appendix III, annexure No. 54].

Technical Co-operation Mission

1077. { Shri R. C. Majhi;
Shri S. C. Samanta:

Will the Minister of Education and Scientific Research be pleased to state:

(a) the quantity and form of assistance given by the Technical Co-operation Mission for the development of technical education in this country since the inception of that Mission up-to-date;

(b) whether any expenditure had to be incurred by the Government of India for availing of facilities offered by the Mission; and

(c) if so, what is the amount spent for the purpose?

The Deputy Minister of Education and Scientific Research (Shri M. M. Das): (a) The following assistance has been received so far for the development of technical education in this country under the T.C.M. Programme:—

(i) 43 American experts in various fields of Engineering and Technology;

(ii) Training facilities for 49 staff members of Indian Institutions in U.S.A.;

(iii) Visit of 7 Heads of Technical Institutions to U.S.A. to study the organisation, development etc. of technical education in that country; and

(iv) Equipment worth about \$ 352,000 for the development of institutions and for the use of experts.

(b) and (c). The beneficiary institutions are required to meet local costs on foreign experts, equipment etc. as shown below:—

(1) **Experts:**

Prior to 1st July, 1956 the beneficiary institutions were required to meet the cost of office accommodation, stenographic services, medical aid etc. required by the experts. They were also required to meet travelling allowances for the experts, whenever they travelled within India on duty. After 1st July, 1956 T.C.M. assumed responsibility for the cost of inland travels of the experts. The beneficiary institutions were required either to pay Rs. 15/- per day per expert or to provide suitable furnished accommodation to him in addition to office accommodation, stenographic services and medical aid.

From 1st May, 1957, all the institutions are required to pay Rs. 15/- per day per expert. Experts are charged rent if residential accommodation is provided to them.

(ii) **Training facilities:**

The beneficiary institutions are required to pay the cost of travel of the trainees upto the port of embarkation and back and on pass-port, visa etc.

(iii) **Equipment:**

The beneficiary institutions are required to pay the cost of inland transportation from the port of landing of the equipment, customs duty etc.

International Council of Scientific Unions

1073. { Shri Subodh Hasda;
Shri S. C. Samanta:

Will the Minister of Education and Scientific Research be pleased to refer to the reply given to Starred Question No. 1486 on 4th September, 1957 and state the reasons for increase in the annual subscription of India to be paid to the International Council of Scientific Unions?

The Deputy Minister of Education and Scientific Research (Shri M. M. Das): A statement giving the required information is laid on the Table of the Lok Sabha. [See Appendix III, annexeure No. 55]

Survey of India

1079. { Shri Barman;
Shri S. C. Samanta:

Will the Minister of Education and Scientific Research be pleased to state:

(a) whether necessary trained personnel and equipment are available in the Survey of India for reading and preparing maps from aerial survey photographs;

(b) if so, the number of trained officers available at present;

(c) the steps that have been taken to increase the number of officers; and

(d) the cost of equipment, if any, purchased during recent years for this purpose?

The Deputy Minister of Education and Scientific Research (Shri M. M. Das): (a) Yes, Sir.

(b) 32

(c) Training is being given to suitable officers and personnel.

(d) The cost of equipment so far obtained comes to Rs. 38,95,000 exclusive of customs duty and other incidental charges, which are estimated to be another Rs. 19,24,400/-.

Niveli Lignite Project

1080. { Shri A. K. Gopalan;
Shri T. B. Vittal Rao:

Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) the total number of workers employed in the Niveli Lignite Project for mining purposes;

(b) how many of them are provided with quarters; and

(c) the number of quarters proposed to be constructed during 1957-58?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): (a) On 1st November, 1957 the total number of workers employed by the Niveli Lignite Project was 935. Of these 380, consisting of 181 in the mining section and 199 in the field machinery section, were employed for mining purposes.

(b) Of the total number of 985 workers, 343 have been provided with quarters, while 52 more share the accommodation with others. 128 out of the 380 employed for mining purposes are included in the above figure.

(a) About 800 quarters are programmed for the year 1957-58 and 198 have been completed and allotted.

Urban Community Welfare Centres

1081. Shri Panigrahi: Will the Minister of Education and Scientific Research be pleased to state:

(a) whether the Punjab Government have sponsored any scheme, with the approval of the Planning Commission, for starting Urban Community Welfare Centres; and

(b) whether the Central Government is considering to render any

financial assistance for the success of this new scheme?

The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrivasth): (a) No, Sir.

(b) Does not arise.

Hundred Rupee Currency Note

1082. Shri Rameshwar Tanti: Will the Minister of Finance be pleased to state:

(a) whether it is a fact that a Reserve Bank of India Currency Note of the value of Rupees One Hundred bearing serial No. U4-383144 is in circulation with a big blank triangular area on the lower left corner of its reverse; and

(b) if so, how such a defective currency note happened to have been passed for circulation by the Nasik Press?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) A report about such a note has appeared in the Press.

(b) The number indicates that it must have been a corner note of a sheet containing 20 notes. While printing the reverse of the sheet, the corner constituting part of the particular note may have got folded inwardly and thus remained blank. While printing the obverse (front) of the note, the folded portion of the sheet may have been unfolded without it being observed that the reverse contained a blank space. This fact must also have escaped notice during the several stages of scrutiny prescribed between the printing of notes and their being put into circulation.

Steps are being taken to prevent recurrence of such a happening in future.

Ladakh

1083. Shri Raghunath Singh: Will the Minister of Home Affairs be pleased to state the nature and quantum of assistance rendered by the

Central Government to the Government of Jammu and Kashmir for the development of Ladakh under the Second Five Year Plan?

The Minister of State in the Ministry of Home Affairs (Shri Datar): According to information supplied by the State Government, the share of the Ladakh area in the provision made in the Second Five Year Plan for Jammu and Kashmir comes to Rs. 64.63 lakhs on the schemes mentioned in the statement is laid on the Table of the Lok Sabha. [See Appendix III, annexure No. 56]. In addition, financial assistance for schemes connected with the following will be available:

- (i) Development of Village and Small Scale Industries,
- (ii) Education,
- (iii) Health,
- (iv) Housing,
- (v) Welfare of Backward Classes,
- (vi) Labour Welfare and Social Welfare, and
- (vii) Development and Backward areas.

Information about the provision made by the Jammu and Kashmir Government for such schemes is not available.

सामान्य लिपि

१०८४. श्री रघुनाथ सिंह : क्या गृह-कार्य मंत्री यह बताने की कृपा करेंगे कि क्या भारत में एक सामान्य लिपि की किसी योजना पर सरकार विचार कर रही है ?

गृह-कार्य मंत्रालय में राज्य-मंत्री (श्री धातार) : ऐसा कोई विचार इस समय नहीं हो रहा है ।

Excise Duty on Ayurvedic Medicines

1086. Shri Kumaran: Will the Minister of Finance be pleased to state:

(a) whether any representation was received by Government regarding exemption of the Ayurvedic *Asavas* and *Arishtas* from the levy of excise duty; and

(b) if so, what steps Government have taken thereon?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) The answer is in the affirmative.

(b) The party has been informed that under item 2(ii) of the Schedule appended to the Medicinal and Toilet Preparations (Excise Duties) Act, 1955, only *Drakshasava* and *Draksharishtha* are subject to duty at present, while all other preparations are not subject to duty.

National Certificate Course in Engineering

1087. Shri Easwara Iyer: Will the Minister of Education and Scientific Research be pleased to state:

(a) whether it is a fact that persons who have passed the National Certificate Course in Engineering in the different Polytechnics or other Institutes in India are not allowed to go in for higher courses of studies; and

(b) if so, the reasons for the same?

The Deputy Minister of Education and Scientific Research (Shri M. M. Das): (a) and (b). The National Certificate Course in Engineering is a self-contained Course intended for the training of Overseers, Foremen and other categories of supervisory technical personnel. It is not a stage in the National Diploma or Degree or equivalent higher Course.

The National Diploma Course, however, provides for the admission of National Certificate holders also. Since the Diploma Course is not being conducted in any institution at present, the question of not allowing the Certificate holders to join the Course does not arise.

**Primary School Teachers,
Andhra Pradesh**

1088 Shri B. S Murthy: Will the Minister of Education and Scientific Research be pleased to state:

(a) whether any representation was recently received by Government from the associations of primary school teachers in Andhra Pradesh; and

(b) if so, the action taken thereon?

The Minister of State in the Ministry of Education and Scientific Research (Dr K L Shrimali). (a) Yes, Sir One representation was received from the Andhra Pradesh Teachers' Federation and several from various Associations of Teachers in Andhra Pradesh

(b) The representations were duly considered and appropriate replies thereto were sent to the parties concerned

Free Legal Aid

1089 Shri E M Rao: Will the Minister of Home Affairs be pleased to state

(a) the amount allocated by the Centre to Andhra Pradesh during the years 1956-57 and 1957-58 for giving free legal aid to the Adivasis to settle their disputes,

(b) the money actually spent for this purpose, and

(c) how many families have been benefited by this?

The Deputy Minister of Home Affairs (Shrimati Alva): (a) No grant was sanctioned to the Government of Andhra Pradesh for this purpose during the years in question as they had no such scheme in their programme

(b) Does not arise

(c) Does not arise

Scheduled Tribes

1090. Shri Sanganna: Will the Minister of Home Affairs be pleased to

refer to the answer given to Unstarred Question No 1206 on the 4th September, 1957 and state:

(a) whether the revised plans for the socio-economic development of the Adivasis have since been received from all the States, and

(b) if so, the financial commitments of each State?

The Deputy Minister of Home Affairs (Shrimati Alva): (a) Out of the States affected by reorganisation, revised plan has been received so far only from the Government of Andhra Pradesh

(b) A statement is laid on the Table of the Lok Sabha [See Appendix III, annexure No 57]

Welfare of Children of Scheduled Tribes, Scheduled Castes and ex-Criminal Tribes

1091 Shri Sanganna: Will the Minister of Home Affairs be pleased to refer to the reply given to Starred Question No 1335 on the 30th August, 1957 and state the amount of grant placed at the disposal of the Government of Orissa for the welfare of the children of the Scheduled Tribes, Scheduled Castes and ex-Criminal Tribes?

The Deputy Minister of Home Affairs (Shrimati Alva): A statement is laid on the Table of the Lok Sabha [See Appendix III, annexure No 58]

Scholarship at the National Defence Academy

1092 Shri Assar. Will the Minister of Defence be pleased to state:

(a) whether it is a fact that "Parshuram Bhau Patwardhan Scholarship" is granted to those boys from Maharashtra and Karnatak who are under training in National Defence Academy, Khadakvasla; and

(b) if so, the number and names of boys who have been benefited by the same since its inception?

The Deputy Minister of Defence (Sardar Majithia): (a) Yes, to the needy cadets from Maharashtra and Karnatak at the National Defence Academy and also to such cadets at the Military College, and the corresponding Air Force and Naval Training Establishments.

(b) A statement giving this information is laid on the Table of the Lok Sabha. [See Appendix III, annexure No. 59].

Ganja Plantations

1093. Shri L. Achaw Singh: Will the Minister of Finance be pleased to state:

(a) whether it is a fact that tenders are invited for the plantation of ganja plants and the highest tender for plants is accepted by the Government; and

(b) the highest tenders accepted by Government during the years 1954-55, 1955-56 and 1956-57?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) The answer is in the affirmative.

(b) 1954-55 -/4/- per plant.
1955-56 -/6/- per plant.
1956-57 1/-/- per plant.

Payment of War Compensation Claims

1094. Shri L. Achaw Singh: Will the Minister of Defence be pleased to state:

(a) whether representations have been made to the Government of India regarding the payment of compensation to war affected people in Manipur for houses and property destroyed by enemy fire during the last war;

(b) whether it is a fact that war reparations to be paid by Japan have been written off; and

(c) if so, whether that is the reason for withholding payment of compensation for houses and property destroyed by Japanese bombing?

The Deputy Minister of Defence (Sardar Majithia): (a) Yes.

(b) Yes.

(c) No. It is only one of the reasons.

Tripura Raj Family

1095. Shri Basumatari: Will the Minister of Home Affairs be pleased to state:

(a) whether Government were aware of the economic distress of members of the Raj family of Tripura; and

(b) whether the Raj family of Tripura is considered as Tribal under the Constitution of India?

The Minister of State in the Ministry of Home Affairs (Shri Datar): (a) Not all the members of the Raj family of Tripura are in economic distress.

(b) The members of the Raj-family of Tripura are considered as belonging to the S.heduled Tribe, Tripura.

Reservation for Scheduled Castes and Scheduled Tribes

1096. Shri Basumatari: Will the Minister of Home Affairs be pleased to state:

(a) the percentage of reservation of posts for Scheduled Castes and Scheduled Tribes staff in Tripura for (i) initial appointment, (ii) departmental promotions and (iii) promotions through U.P.S.C.;

(b) how much of the quota is filled up at present; and

(c) whether Government have any alternative way of assessing departmental candidates except by the Confidential Reports?

The Minister of State in the Ministry of Home Affairs (Shri Datar): (a) to (c). A statement is laid on the Table of the Lok Sabha. [See Appendix III, annexure No. 60.]

Wind Electric Generator

1098. **Shri Narasimhan:** Will the Minister of Education and Scientific Research be pleased to state when the Wind Electric Generator promised as a gift by the West German Government is expected to arrive?

The Deputy Minister of Education and Scientific Research (Shri M. M. Das): Within six to eight months' time.

Non-industrial Employees in I.A.F.

1099. **Shri S. M. Banerjee:** Will the Minister of Defence be pleased to state:

(a) whether it is a fact that civilian non-industrial employees at the I.A.F. Station, Chakeri (Kanpur) are granted extension of service beyond the age of 60 years;

(b) if so, number of such men who have been granted extension of service; and

(c) whether this is not against the existing Government orders?

The Deputy Minister of Defence (Sardar Majithia): (a) Yes, in very exceptional circumstances.

(b) One.

(c) No.

Coal Development Projects

1100. **Pandit D. N. Tiwary:** Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) the number of coal development projects undertaken after the enactment of the Coal Bearing Areas (Acquisition and Development) Act, 1957;

(b) the extent of land acquired under the Act; and

(c) the capital investment in the projects undertaken?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): (a) Three schemes have been sanctioned

by Government for being taken up by the National Coal Development Corporation (Private) Limited for implementation.

(b) 3283.29 bighas have been acquired in the Hazaribagh District; also mining lease has been acquired over an area of 1392.27 bighas in the same district.

(c) The total estimated capital cost of the project sanctioned amount to Rs 487 lakhs.

बम्बई में लोहे का कारखाना

११०१. श्री घासर : क्या इस्पात, खान तथा ईंधन मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार बम्बई राज्य में लोहे का एक बड़ा कारखाना खोलने का विचार कर रही है; और

(ख) यदि हां, तो क्या प्रस्तावित कारखाने के लिये स्थान का चुनाव कर लिया गया है ?

इस्पात, खान तथा ईंधन मंत्री (सरदार स्वर्ण सिंह) : (क) तथा (ख) . द्वितीय योजना काल में रुरकेला, मिलाई और दुर्गापुर के तीन कारखानों के प्रतिरिक्त और कोई इस्पात कारखाना खोलने का प्रस्ताव नहीं है । बिहार में बोकारो नामक स्थान को विकसित किया जा रहा है जो कि तृतीय योजना काल में लगाये जाने वाले इस्पात कारखाने के लिये सम्भावित स्थान है । लोहे के उत्पादन की दृष्टि से प्रणाली के लिये केवल खनिज लोहे का ही नहीं, बरन् धातु-शोधक कोयले की पर्याप्त मात्रा में आवश्यकता पड़ती है, अतः इस्पात के बड़े कारखाने उन्हीं क्षेत्रों में लगाने पड़ेंगे जहाँ खनिज लोहा तथा धातु-शोधक कोयला उपलब्ध है, जैसे बिहार, उड़ीसा, मध्य-प्रदेश और पश्चिमी बंगाल । बाह्य के कुछ देशों में निरूप्य कोयले के

द्वारा, लोहे के निर्माण के लिये जो बिकास हो रहे हैं, उन्हें देखा जा रहा है। जमशेदपुर की नेशनल मैट्रोलोजिकल लेबराटरी में एक प्रारम्भिक परीक्षणत्मक कारखाना खोला जा रहा है जिसमें देश के उन क्षेत्रों के लोहा खनिजों के साथ प्रयोग किये जायेंगे, जहां धातु-शोधक कोयला उपलब्ध नहीं है। और यह देखा जायेगा कि स्थानीय कोयला लोहे के निर्माण में कहां तक उपयुक्त होगा। इन प्रयोगों से प्राप्त परिणामों के पश्चात् इस नई प्रणाली पर आधारित इस्पात कारखानों के निर्माण पर विचार करना संभव होगा। यह कारखाने उन क्षेत्रों में लगाये जायेंगे जहां अच्छा लोहा के खनिज हैं परन्तु धातु-शोधक कोयला नहीं।

इस समय बम्बई राज्य में कोई लोहा या इस्पात कारखाना खोलने का प्रस्ताव नहीं है।

श्रीविजय मन्दिर

११०२. श्री बाजवेयी : क्या शिक्षा और वैज्ञानिक गवेषणा मंत्री यह बताने की कृपा करेंगे कि

(क) क्या यह सच है कि विदिशा स्थित श्रीविजय मन्दिर के पुरातन स्मारक को लेकर विभिन्न सम्प्रदायों में कोई विवाद चल रहा है ;

यदि हा, तो यह विवाद कब से चल रहा है और इसे हल करने के लिये अब तक क्या कदम उठाये गये हैं ; और

(ग) क्या यह सच है कि इस सम्बन्ध में मध्य प्रदेश सरकार ने एक पत्र भेजा है ?

शिक्षा और वैज्ञानिक गवेषणा मंत्रालय में राज्य-मंत्री (डा० का० ला० श्रीवाली) :
(क) प्राप्त सूचना के अनुसार, इस प्रकार का विवाद पिछले साल तक चलता रहा था।

(ख) यह विवाद १९४७ में प्रारम्भ हुआ था। १९४९ में मध्य भारत सरकार ने नीचे लिखे आदेश जारी किये थे :—

(१) बीजामण्डल मस्जिद, जो कि सरकारी सम्पत्ति थी, अब भी पुरातत्व विभाग (ग्वालियर) के अधिकार में रहनी चाहिये।

(२) मुसलमानों को ईद के दिन प्रार्थना करने देने की आज्ञा जारी रहनी चाहिये।

(३) हिन्दुओं को बीजामण्डल में प्रार्थना करने का कोई अधिकार नहीं था।

(ग) ऐसा कोई पत्र प्राप्त नहीं हुआ है।

Celebration of Independence Day in Himachal Pradesh

1103. Shrimati Parvathi Krishnan: Will the Minister of Home Affairs be pleased to state:

(a) whether the Himachal Pradesh Government gave parties at Cecil Hotel, Simla in celebration of Independence Day and 1857 Centenary;

(b) if so, the amount spent thereon, and

(c) the total expenditure incurred by the Himachal Government for the general celebrations of these two occasions?

The Minister of State in the Ministry of Home Affairs (Shri Datar):

(a) No

(b) Does not arise.

(c) Rs. 37,600-00 approximately.

Land Reforms in Himachal Pradesh

1104. Shrimati Parvathi Krishnan: Will the Minister of Home Affairs be pleased to state:

(a) the number of applications received by the Compensation Officers

in each District of Himachal Pradesh from tenants for the acquisition of proprietary rights under the Abolition of Big Landed Estates and Land Reform Act; and

(b) how many of them in each District have been granted these proprietary rights?

The Minister of State in the Ministry of Home Affairs (Shri Datar): (a)

1. Mahasu.	2282.
2. Mandi	2118
3. Sirmur.	1720.
4 Bilaspur	221
5 Chamba	264.

(b)

1 Mahasu	886.
2 Mandi	Nil.
3 Sirmur	16.
4 Bilaspur	64.
5 Chamba	2.

Defence Accounts Department

1105 Shri Braj Raj Singh: Will the Minister of Finance be pleased to state

(a) whether it is a fact that a number of persons who are graduates or have higher qualifications are working in the Defence Accounts Department as Lower Division Clerks, while the department is recruiting Upper Division Clerks directly;

(b) whether Government propose to promote qualified persons already working in the department if found suitable and

(c) if not, the reasons therefor?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) Yes.

(b) and (c) Lower Division Clerks, whether graduates or non-graduates, are promoted to the grade of Upper Division Clerks on seniority cum-merit basis, against the quota of

vacancies in the Upper Division Clerks Grade reserved for promotion. No preference is shown to graduate Lower Division Clerks.

Retrenchment of Employees in Tripura

1106. Shri Dasaratha Deb: Will the Minister of Home Affairs be pleased to state:

(a) whether any steps have been taken to protect temporary employees belonging to scheduled tribes of Tripura Administration from being retrenched or their services terminated;

(b) the number of such persons who have been retrenched or whose services have been terminated since 1954; and

(c) how many of them have been re-employed by Tripura Administration so far?

The Minister of State in the Ministry of Home Affairs (Shri Datar): (a) No But steps are taken to absorb them in vacancies as and when such vacancies occur provided they are qualified and otherwise suitable

(b) 36.

(c) 22

Employees' Strength

**1107. { Shri Sadhu Ram:
Shri B. D. Misra:**

Will the Minister of Home Affairs be pleased to state:

(a) the total strength of employees category-wise working in the financial year 1956-57 in all the Ministries, attached and subordinate Offices under the Government of India,

(b) the total number of scheduled caste/tribes and other Backward Classes employees amongst them, category-wise;

(c) whether the reserved percentage has properly been implemented; and

(d) if not, the reasons thereof?

The Minister of State in the Ministry of Home Affairs (Shri Datar): (a) and (b). A statement showing the total number of employees in the Ministries of the Government of India and their Attached/Subordinate Offices as on 1st January 1957, and the number of members of the Scheduled Castes and Tribes among them, is laid on the Table of the Lok Sabha. [See Appendix III, annexure No. 61]. Other backward classes are not given special representation in posts and services under the Government of India.

(c) and (d). The intake of members of the Scheduled Castes and Tribes in the public services has not been up to the quotas of appointments reserved for them, particularly, at the higher levels. Governments have adopted various measures to improve their representation. These include lowering of standards of suitability and relaxation of the age-limits by five years in their favour. Wide publicity is given to the reserved quotas of appointments and it is only when suitable candidates from among the Scheduled Castes and Tribes are not available that appointments are made from among others. At the same time, the reservations are carried forward for two years. Despite these measures, suitable members of these Castes and Tribes have not been available for appointment in sufficient number.

Taxes on Foreign Concerns

1108. Shri Kodiyan: Will the Minister of Finance be pleased to state the amount of revenue derived from taxation of foreign concerns in India in each of the year from 1951-52 to 1956-57?

The Deputy Minister of Finance (Shri B. R. Bhagat): The information asked for is being collected and a statement will be placed on the Table of the Lok Sabha.

Purchase of Canadian Aircrafts

1109. Shri T. K. Chandhuri: Will the Minister of Defence be pleased to state:

(a) whether it is a fact that the Government of India are purchasing

De Havilland and other aircrafts from the De Havilland Company of Canada and that the first four of these aircrafts have already been turned over to a representative of the Indian Air Force;

(b) whether it is also a fact that these four aircrafts are being sent to India from Canada by sea; and

(c) the approximate cost for each of the above aircrafts purchased from the De Havilland of Canada?

The Deputy Minister of Defence (Sardar Majithia): (a) to (c). An order has been placed on M/s De-Havilland Aircraft of Canada Ltd., for the supply of a certain number of Otter aircrafts for the I.A.F. It is not in the public interest to give out any details relating to the transaction.

Aid to Punjab for Employment Schemes

1110. { Sardar Iqbal Singh:
Shri D. C. Sharma:

Will the Minister of Finance be pleased to state:

(a) the assistance so far given to Punjab in the years 1954 to 1957 by way of loans and grants for schemes for relief of unemployment; and

(b) the schemes and measures so far suggested by the Government of Punjab to increase its employment potential?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) and (b). All schemes, in general, have an element of relief to the unemployed. The schemes proposed by the Government of Punjab and approved by the Planning Commission under this programme, so far as this Ministry is concerned, are given below:—

(1) UHL power development schemes.

(2) Bhakra Nangal Local Power Distribution.

(3) Ambala Cantt (Town). Loan assistance to M/s Ambala Cantt. Electric Supply Corporation Ltd., for conversion of A. C. (Power) to D. C. (Power).

(4) Ambala City (Town). Loan assistance to M/s Ambala Electric Co. Ltd, Ambala, for improvement in the existing power system.

(5) Jagadhri (Town). The Jagadhri Electric Supply and Industrial Co. Ltd., Jagadhri for improvement in the existing power system.

(6) (i) Rohtak (Town)
(ii) Hansi (Town)
(iii) Hissar (Town)
(iv) Bhiwani (Town)
(v) Kaithal (Town)

M/s Rohtak and Hissar District Electric Supply Co. Ltd., Rohtak for improvement in the existing power system.

(7) Rewari (Town). M/s Rewari Electric Supply and General Industries Ltd, Rewari, for improvement in the existing power system.

(8) Sirsa (Town). M/s. Sirsa Electric Supply Co., Sirsa for improvement in the existing power system.

The following loan/assistance has been given or allocated to the Punjab Government during the years 1954-55 to 1957-58

(Rs. in lakhs)

(1) UHL Power Development Schemes.	60
(2) The Bhakra Nangal Local Power Distribution	222
(3) For scheme Nos. 3 to 8 above.	10

Survey of India Employees

1111. Shri S. M. Banerjee: Will the Minister of Education and Scientific Research be pleased to state:

(a) whether class III and IV employees under the Survey of India are granted any extra allowance while on field duty; and

(b) whether any separation allowance is also paid to the married employees?

The Deputy Minister of Education and Scientific Research (Shri M. M. Das): (a) and (b). A statement giving information regarding the allowances admissible to class III and class IV employees of the Survey of India while on field duty is laid on the Table of the Lok Sabha. [See Appendix III, annexure No. 62].

Publication entitled—"Andaman and Nicobar Information"

1112. { Dr. Ram Subhag Singh;
Shri A. S. Saigal:

Will the Minister of Home Affairs be pleased to state:

(a) the number of copies printed of the 1st and 2nd issues of the "Andaman and Nicobar Information" separately;

(b) the cost of printing and the amount realised as sale-proceeds of each issue;

(c) whether imported art paper was used for its printing; and

(d) if so, the reasons therefor?

The Deputy Minister of Home Affairs (Shrimati Alva): (a)

(a) 1st issue .. 400 copies
2nd issue .. 800 copies

(b) The cost of printing
1st issue .. Rs. 2,600
2nd issue .. Rs. 3,320

All the copies of the 1st issue were distributed free of cost. Out of 800 copies of the 2nd issue, 404 copies have been distributed free; 168 copies have been sold at Re. 1/- each and the rest are for sale. Besides a sum of Rs. 900/- is recoverable as advertisement charges in respect of the 2nd issue.

(c) and (d). Art paper of good quality was used to give an attractive get-up to the "Andaman and Nicobar Information" but it is not known

whether the paper was imported or indigenous.

Conversion of Wheat Credit Into Rupee Loan

1113. { Shri Raghunath Singh:
Shri B. Das Gupta:
Shri Gajendra Prasad Sinha:

Will the Minister of Finance be pleased to state whether there is any proposal to replace U.S. wheat credit of 1951 by rupee loan?

The Deputy Minister of Finance (Shri B. R. Bhagat): The whole question of U. S. aid to India is under consideration.

Central Secretariat Staff

1114. { Shri Surendranath Dwivedy:
Shri B. C. Mullick:

Will the Minister of Home Affairs be please to state:

(a) on what principles promotion of Grade IV officers to long terms officiating appointments in Grade III of the Central Secretariat are made:

(b) whether it is a fact that recently a large number of senior permanent Grade IV Assistants have been superseded by their juniors.

(c) if so, the reasons therefor, and

(d) the number of cases approved for promotion and the number of those rejected?

The Minister of State in the Ministry of Home Affairs (Shri Datar): (a) Such appointments are made on the basis of seniority subject to fitness

(b) and (c). In preparing the panels for long term officiating appointments in Grade III, eligible Grade IV officers, who do not come up to the requisite standard of fitness, have necessarily to be left out. This does not, however, mean that these officers are permanently superseded by their juniors. Their cases will come up again for consideration in the light of the reports earned by them in the meantime.

(d) Between September 1956 and end of November 1957 540 Grade IV officers were approved for long term officiation in Grade III; the number of Grade IV officers of the same zone of seniority, who were not so approved, was 205

Sales Tax

1115. { Shri Radha Raman:
Shri Shree Narayan Das:

Will the Minister of Finance be pleased to state:

(a) the sales-tax figures of Delhi for the half year ending 30th September, 1957 commodity-wise, of cloth, kirana, iron and hardware general merchandise, cycles and cycle parts; and

(b) how these compare with the figures of last year for the corresponding period?

The Deputy Minister of Finance (Shri B. R. Bhagat): (a) and (b). The requisite information is laid on the Table of the Lok Sabha [See Appendix III, annexure No. 63].

Engineering Services Examination

1116. Shri B. S. Murthy: Will the Minister of Home Affairs be pleased to state:

(a) the number of candidates who appeared for the Engineering Services Examination held in December, 1956 by the Union Public Service Commission;

(b) the number of those who qualified in the written examination.

(c) the number of those who qualified in the viva voce;

(d) the number finally selected;

(e) the number of total vacancies and the number reserved for the Scheduled Castes and Scheduled Tribes respectively; and

(f) the number of Scheduled Caste and Scheduled Tribe candidates finally selected?

The Minister of State in the Ministry of Home Affairs (Shri Datar): (a) 573.

(b) to (d). 235 candidates were recommended for appointment on the result of the written examination and the Personality Test.

(e) There were 185 vacancies, out of which 50 were reserved for Scheduled Castes and 21 for Scheduled Tribes.

(f) 3 Scheduled Caste candidates and 1 Scheduled Tribe candidate were amongst those recommended for appointment.

Compensation for Acquired Lands

1117. { Shri Sadhan Gupta:
Shri S. M. Banerjee:
Shri Prabhat Kar:

Will the Minister of Defence be pleased to state.

(a) the number of persons whose lands or other immovable properties were requisitioned for purposes of Defence Services in the territories which now form Pakistan during the Second World War;

(b) in how many such cases rent upto the 14th August, 1947 is still in arrears;

(c) whether it is proposed to pay such arrears of rent upto the 14th August, 1947 to persons entitled thereto and who have since migrated to India,

(d) how many such persons have applied for payment of arrears so far;

(e) the amount of arrears outstanding and payable to such persons, and

(f) the time by which such arrears will be paid to them?

The Deputy Minister of Defence (Sardar Majithia): (a) and (b). Not known as the relevant records are not available in India

(c) to (f). It is proposed to pay the dues of those persons whose properties were requisitioned and de-requisitioned before partition and who are now Indian nationals. The number of persons and the amount involved will be known only after the 28th February 1958 by which date the claimants have been invited to register their claims with the Director, Military Lands & Cantonments, New Delhi. The actual payment will be made after the registration and scrutiny of the claims are completed.

Age of Entry into Service

1118. Sardar Iqbal Singh: Will the Minister of Home Affairs be pleased to state:

(a) whether the University Seminar held at Hyderabad has recommended the reduction in the age of entry into Government service; and

(b) if so, the views of Government on this subject?

The Minister of State in the Ministry of Home Affairs (Shri Datar): (a) Government have no information.

(b) Does not arise

अस्पृश्यता

१११९. श्री क० मे० नारसीय : क्या गृह-कार्य मंत्री यह बताने की कृपा करेंगे कि उन २५१ ग्रामों के नाम क्या हैं जिन में स्थित होटलों में अस्पृश्यता निवारण में मध्य प्रदेश के हरिजन सेवक संघ को सफलता मिली है और जिसका उल्लेख अनुसूचित जातियों तथा अनुसूचित प्राथम जातियों के आयुक्त की वर्ष १९५५ की रिपोर्ट के पृष्ठ १४५ पर किया गया है ?

गृह-कार्य उपमंत्री (श्रीमती शारदा) : 'होटलों' के स्थान पर 'होस्टलों' शब्द गलत छप गया है। गांवों के नाम अभी उपलब्ध नहीं हैं। यह सूचना एकत्र की जा रही है और प्राप्त होते ही वह समा-पत्र पर रक दी जायेगी।

Hindi Assistants

1190. **Shrimati Shakuntala Devi:** Will the Minister of Home Affairs be pleased to refer to the reply given to part (b) of Unstarred Question No. 1630 on the 12th September, 1957 and state the steps taken by Government to replace the persons recruited as Hindi Assistants on ad hoc basis through the Employment Exchange or from the subordinate offices?

The Minister of State in the Ministry of Home Affairs (Shri Datar): A proposal for holding a departmental examination for the selection of Hindi Assistants has been finalised, and it is expected that an announcement in this regard will be made by the Union Public Service Commission shortly.

Commissioner for Scheduled Castes and Scheduled Tribes

1121. **Shri Balkrishna Wasnik:** Will the Minister of Home Affairs be pleased to state:

(a) the amount of T.A. claimed by the Commissioner for Scheduled Castes and Scheduled Tribes for the calendar years 1955-56 and 1956-57; and

(b) the number of miles he covered during tours in these years?

The Deputy Minister of Home Affairs (Shrimati Aiva): (a)

(a) 1955	Rs. 11,702/-
1956	Rs. 10,606/-
(b) 1955	34,045 miles
1956	35,178 miles

Medical Officers for Rourkela Steel Plant

1122. **Dr. Samantsinhar:** Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) whether it is a fact that interview was held recently for appointment to the posts of Surgeon-Physicians and Senior Surgeon Physicians for the Steel Plant Project at Rourkela;

(b) if so, when;

(c) the number of candidates who appeared at the interview and how many were from the State of Orissa;

(d) whether the appointments have been made; and

(e) if not, when the appointments would be finalised?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): (a) Yes, Sir. The views were for appointment to the posts of Senior Surgeons, Senior Physicians, Surgeons and Physicians for all the three Steel Projects.

(b) On the 8th, 9th & 10th October, and on the 25th, 26th and 27th November, 1957.

(c) 68 candidates appeared for interview out of which 8 were from the State of Orissa

(d) and (e) No appointments have been made so far. It will take some time before the appointments are finalised.

पाठ्य पुस्तकें

११२३. श्री महाद्विया क्या शिक्षा और वैज्ञानिक गवेषणा मंत्री यह बताने की कृपा करेंगे कि

(क) क्या केन्द्रीय सरकार ने राज्य सरकारों को शिक्षा विभाग द्वारा पाठ्य पुस्तकें तैयार कराने के लिये १९५६-५७ और १९५७-५८ में अब तक कोई वित्तीय सहायता दी है; और

(ख) यदि हा, तो कुल कितनी सहायता उन्हें दी गई है और किन्-किन राज्यों को कितनी-कितनी सहायता दी गई है ?

शिक्षा और वैज्ञानिक गवेषणा मंत्रालय में राज्य-मंत्री (डा० का० ला० श्रीवास्ती) :

(क) जी हा ।

(ख) १६,७६२ रुपये ।

असम १९५६-५७ में १२,००० रु०

उड़ीसा १९५७-५८ में ४,७६२ रु०

Soldiers' Home in Punjab

1126. **Sardar Iqbal Singh:** Will the Minister of Defence be pleased to state the names of places in Punjab where Soldiers' Homes are situated?

The Deputy Minister of Defence (Sardar Majithia): Soldiers' Homes in Punjab are situated at the following places:—

Ambala
Amritsar
Dharmasala
Ferozepur
Gurdaspur
Hamirpur
Hissar
Hoshiarpur
Kapurthala
Karnal
Ludhiana
Narnaul (Mohindergarh)
Palampur
Patiala
Rohtak
Sangrur
Gurgaon

Constitution of India

1126. **Sardar Iqbal Singh:** Will the Minister of Law be pleased to state when the editions of the Constitution of India incorporating all the amendments will be published in all the regional languages?

The Minister of Law (Shri A. K. Sen): An up-to-date Hindi version of the Constitution is under print and is likely to be published by the end of this month. The Urdu translation is under preparation and may take 4 or 5 months for printing and publication. The Malayalam translation is expected to be published by the Government of Kerala shortly. Information regarding translations in the other regional languages is being collected from the States concerned.

Wealth Tax on Ex-Rulers

1127. **Sardar Iqbal Singh:** Will the Minister of Finance be pleased to state whether any estimate of the total tax on wealth to be paid by the

ex-rulers of States has been prepared?

The Deputy Minister of Finance (Shri B. R. Bhagat): No, Sir.

As the necessary details are not available at present, it is not possible to make a separate estimate for the Rulers. It may, however, be stated that the Wealth-tax revenue from all individuals (including Rulers) and Hindu Undivided Families has been estimated at Rs. 6.0 crores.

P.T.O. Forms

1128. **Shri N. R. Munisamy:** Will the Minister of Home Affairs be pleased to state:

(a) the steps taken to get the forms printed to avail of P.T.O. concessions; and

(b) the expenditure incurred on this grant of privilege to the Central Government servants for the year 1956-57?

The Minister of State in the Ministry of Home Affairs (Shri Datar): (a) The question is still under the consideration of Government.

(b) The required information will be available only by the beginning of 1958.

ढोक में प्राचीन गुफा

१९२६. श्री पहाड़िया : क्या शिक्षा और वैज्ञानिक गवेषणा मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार को यह ज्ञात है कि राजस्थान में: जिला ढोक में ढोक से लेकर निवाई तक एक २० मील लम्बा ऐतिहासिक महत्व की गुफा है ,

(ख) यदि हा, तो क्या सरकार इसे साफ कर कर चालू कराने का विचार कर रही है; और

(ग) क्या यह सच है कि इस गुफा में प्राचीन काल का बहुत सा खजाना खिया पड़ा है ?

किसी और वैज्ञानिक शोधका संभावना में
राज्य-मंत्री (डा० का० ला० श्रीमाली) :
(क) से (ग). आवश्यक सूचना एकत्र
की जा रही है और यथासमय समा पटल पर
रख दी जायेगी ।

Nationalisation of Kolar Gold Mines

1130. Shri Mohamed Imam: Will the Minister of Steel, Mines and Fuel be pleased to state:

(a) the number of Gold Mines that were nationalised in the Kolar Gold Fields area;

(b) the output of gold of these mines during the years 1954-55, 1955-56 and 1956-57;

(c) the number of those mines which are about to be closed or have already been closed; and

(d) the profit made by Government from these mines during 1956-57?

The Minister of Mines and Oil (Shri K. D. Malaviya): (a) Three Mines.

(b) 1954-55:	211312 ozs
1955-56:	193443 ..
1956-57:	187000 ..

(c) Nil

(d) Rs 3.76 lakhs for the period 29-11-1956 (date of nationalisation) to 31-3-1957.

D. M. College, Imphal

1131. Shri L. Achaw Singh: Will the Minister of Education and Scientific Research be pleased to state:

(a) the number of vacancies in the staff of the D.M. College at Imphal and for which posts; and

(b) the action taken to fill up these vacancies?

The Minister of State in the Ministry of Education and Scientific Research (Dr. K. L. Shrimall): (a) Four posts of Lecturers, one each in Commerce, Mathematics, English and Chemistry.

(b) Candidates for Commerce, Mathematics and Chemistry have been selected and have been asked to join. No candidate is yet available for the post of Lecturer in English in spite of two advertisements. The post is being re-advertised.

RE. NOTICE OF HALF AN HOUR DISCUSSION ON THE INVEST- MENT OF THE LIFE INSURANCE CORPORATION

12 hrs.

Shri Feroze Gandhi (Rai Bareilly): I had given notice of half an hour discussion on the investment of the Life Insurance Corporation in the concerns of Mr. Mundra I have received an intimation that this has been rejected and that my name has been clubbed with Shri Gupta The Life Insurance Corporation report will not deal with this period in which these particular investments were made The Ministry should lay a detailed statement of the investments in the concerns of Mr. Mundra on the Table of the House Therefore, Sir, I request that my motion may be allowed as it stands and a discussion may be allowed on the 10th.

Mr. Speaker: It will be considered at the appropriate time. The Hon. Member is giving the time, date etc. Hon Members table Motions and I am here to look into it. In such cases the hon members may write to me.

Shri Feroze Gandhi: I received the intimation before coming to the House. I am very sorry.

PAPERS LAID ON THE TABLE

NOTIFICATION re: KHADI AND VILLAGE
INDUSTRIES COMMISSION ACT

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): On behalf of Shri Kanungo, I beg to lay on the Table, under sub-section (2) of Section 3 of the Khadi and Village Industries Commission Act, 1956, a copy of Notification No. S.R.O. 3629, dated the 16th November, 1957 making certain amendment in the Ministry of Commerce and Industry Notification No. S.R.O. 1310 dated the 23rd April, 1957. [Placed in Library. See No. LT-413/57].

NOTIFICATION re: MOTOR VEHICLES ACT

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): On behalf of Shri Raj Bahadur, I beg to lay on the Table, under sub-section (3) of Section 133 of the Motor Vehicles Act, 1939, a copy of Notification No. F. 12(50)/57-MT&CE/HOME, dated the 2nd September, 1957, making certain amendments to the Motor Vehicles Rules, 1940. [Placed in Library. See No. LT-414/57].

STATEMENT CORRECTING REPLY GIVEN TO
QUESTION

The Deputy Minister of Defence (Sardar Majithia): I beg to lay on the Table a copy of the statement correcting the reply given on the 27th August, 1957 to a supplementary on Starred Question No. 1219 regarding Egyptian Air Force Personnel. [See Appendix III, Annexure No. 64].

MESSAGE FROM RAJYA SABHA

Secretary: Sir, I have to report the following message received from the Secretary of Rajya Sabha:—

"In accordance with the provisions of rule 97 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to enclose a copy of the Indian Telegraph (Amendment) Bill, 1957, which has been passed

by the Rajya Sabha at its sitting held on the 28th November, 1957".

BILL, AS PASSED BY RAJYA
SABHA—LAID ON THE TABLE

Secretary: Sir, I lay on the Table of the House the Indian Telegraph (Amendment) Bill, 1957, as passed by Rajya Sabha.

CALLING ATTENTION TO A MAT-
TER OF URGENT PUBLIC
IMPORTANCEREPORTED BURNING OF PRINTED
COPIES OF INDIAN CONSTITUTION

Shrimati Ha Palchoudhuri (Nabadwip): Under Rule 197 I beg to call the attention of the Minister of Home Affairs to the following matter of urgent public importance and I request that he may make a statement thereon:—

"Reported burning of printed copies of Tamil version of the Indian Constitution at a number of places in Madras State."

Raja Mahendra Pratap (Mathura): My name is also there.

Mr. Speaker: The Hon. Minister will make a statement covering all the points.

The Minister of Home Affairs (Pandit G. B. Pant): Sir, as the House is aware, a special convention of the Dravida Kazhagam was held at Tanjore on the 3rd November to consider ways and means of bringing about caste abolition. A resolution was passed at the convention giving 15 days' notice to Government to delete the provisions in the Constitution dealing with safeguards for religious freedom failing which it was threatened that copies of the Constitution would be burnt on the 26th November, and if the burning of the Constitution did not have the desired effect, portraits and statues of Gandhiji would be removed and broken and that if even

[Pandit G. B. Pant]

that produced no results they would ask their followers to kill Brahmins and burn their residential localities.

In order to effectively deal with the threatened agitation of the Kazhagam, the Madras Legislature enacted recently the Prevention of Insults to National Honour Act, 1957. Under the provisions of this Act, the wilful burning or desecration of or insult to the Constitution, the effigies and pictures and portraits of Gandhiji and the Indian National Flag and damage to or destruction of any statues or busts of Gandhiji are offences punishable with imprisonment.

On the 26th November some members of the Kazhagam burnt copies of the Constitution in various parts of the Madras State. Necessary action has been taken against them by the State Government. In the Tiruchirappalli district some members of the Kazhagam threatened some Brahmins at a bathing ghat on the Cauvery river and cut their sacred threads and portions of the tufts of hair of a few of them. The police have registered a case in this regard and investigations are proceeding.

According to the information available 2,884 persons in all were arrested on or prior to the 26th November in connection with the Constitution burning agitation. The public has evinced little or no interest in the agitation and the situation which is being carefully watched is well under control.

CORRECTION OF ANSWER TO SUPPLEMENTARY QUESTION

The Minister of Mines and Oil (Shri K. D. Malaviya): In reply to a supplementary question by Shri Bose on 13-11-57 regarding price structure of the petroleum product, I had mentioned that one of the oil companies was considering to give some further reduction on the oil products distributed in Assam. In actual fact some

reduction in the prices of their petroleum products sold in Assam market had already been effected by the Assam Oil Company with effect from the 15th October, 1957. According to the Assam Oil Company, the revision in the prices will reduce their recoveries from the Assam market by about Rs. 52 lakhs per annum. They have been asked to give the details of this calculation.

POINT OF ORDER

Raja Mahendra Pratap (Mathura): On a point of order, Sir. The burning of the Constitution resorted to by some unruly elements in the South is a serious matter in regard to our culture, religion and our society. It affects the future of the country and the unity of the country. So, I would request that this matter must be taken up very seriously. After 10 years of Congress rule such things are happening. The Brahmins are being killed...

Mr. Speaker: Order, order. With respect to such statements where information is given, there are a number of methods by which the matter can be brought up. No questions are asked on any statement that is made in the House by any Hon Minister.

STATEMENT RE: REPLY TO STARRED QUESTION NO. 208

Shri Narasimhan (Krishnagiri): On the 18th November, 1957 on a supplementary to S.Q. No. 208 regarding Shri Pataskar's report on Madras-Andhra Pradesh border dispute I asked the Minister in the Ministry of Home Affairs whether since the Pataskar Report had been published and accepted, Government had received any representation from two villages of Krishnagiri taluk which had been recommended for transfer from Andhra and urging the maintenance of status quo.

The Minister in reply stated

"I am not aware of having received any such Report"

On a further Supplementary he replied

"just now made enquiries I paid that I was not aware of this particular representation"

With your permission, Sir, I am in a position to produce in this connection the acknowledgment of the petition (to which I had referred) by the Ministry of Home Affairs dated October 31, 1957 which reads as follows —

"I am directed to acknowledge your letter, dated the 12th October, 1957 addressed to the Home Minister regarding Andhra Pradesh-Madras border adjustments

Sd/- R N Kalis,
Section Officer"

The Minister of State in the Ministry of Home Affairs (Shri Datar). I regret the error The concerned officer who looked into all these things was not here at that time and he was on leave and the other officer who was here stated that he had not received it I regret it

PAYMENT OF WAGES (AMENDMENT) BILL.*

The Deputy Minister of Labour (Shri Abid Ali): Sir I beg to move for leave to introduce a Bill further to amend the Payment of Wages Act 1936

Mr. Speaker: The question is. That leave be granted to introduce a Bill further to amend the Payment of Wages Act, 1936

The Motion was adopted

Shri Abid Ali: Sir I introduce the Bill.

THE CAPITAL ISSUES (CONTROL) AMENDMENT BILL

The Deputy Minister of Finance (Shri B R Bhagat): Sir, I beg to move

"That the Bill further to amend the Capital Issues (Control) Act, 1947, be taken into consideration"

The House will recall that early in 1956 Parliament had agreed to make the Capital Issues (Control) Act a permanent measure Experience during the years that the Control has been in existence and, particularly, during the last few years, has indicated the desirability of more clearly defining certain provisions of the Act so as to make the control fully effective

Apart from the main object of the control, which is to prevent the diversion of investible resources to non-essential projects or to projects which are being conducted in an undesirable manner, one of the incidental uses to which this control has been put is the control over the issue of bonus shares by companies by capitalisation of profits and reserves Capitalisation of reserves would not, however, involve issue of new shares where the reserves are capitalised only to credit partly paid up shares as fully paid or to increase the par value of shares already issued

It may be mentioned that by an Order made under this Act, a general exemption has been granted, among others, in favour of the issue of securities not exceeding Rs 5 lakhs in value during any period of one year This exemption, however, is not applicable to the issue of bonus shares the issue of which requires consent irrespective of the value of the bonus shares to be issued Government have in the past taken the view—a view which is in accord with the recommendation of the Taxation Enquiry Commission

[Shri B. R. Bhagat].

that Government should exercise control over the issue of bonus shares to avoid over-capitalisation—that consent is required under the Act not only for capitalisation of the reserves for the issue of unissued shares as bonus shares, but also for capitalising profits or reserves either for the purpose of crediting partly paid up shares into fully paid shares or for increasing the par value of shares already issued, for the reason that such transactions contain an element of bonus. Several companies have accepted this view and have applied for consent, but, recently, there have arisen a few cases where the companies took a different view that consent of Government is not necessary. It is proposed, therefore, to place the matter beyond doubt by amending the definition of the term 'issue of capital' so as to include the capitalisation of profits or reserves for the purpose of converting partly paid up shares into fully paid shares or for increasing the par value of shares already issued

Similarly, it has all along been the intention that the control should cover the execution of mortgages or hypothecation bonds and several companies have been applying to Government each year for consent to the execution of mortgages or issue of hypothecation bonds. However, a view was recently expressed that the word 'issued' in section 2(b) of the Act was used in the sense of 'putting into the money market' and that it was not used in relation to 'instruments creating a charge or lien on the assets' or 'instruments acknowledging loan to or indebtedness of the company and guaranteed by a third party or entered into jointly with a third party' in the sense of securities 'created' or 'executed' but in the same sense in which it was used in relation to the "shares, stocks, bonds and debentures". It was further held that the expression "other instruments" section 2 (b) (iii) of the Act does not have reference to mortgages or hypothecation bonds, Section

2 of the Act, therefore, is proposed to be amended so as to clarify the position in respect of the creation of mortgages, hypothecations, pledges or other instruments creating a charge or lien on the property of the company.

The interpretation of section 4 of the Act dealing with the control over prospectuses and other advertisements has also given rise to some difficulty, because the expression 'public offer', 'prospectus' and 'private company' have not been defined in the Act. It is also intended to make this section applicable to an offer made by a company to existing holders of securities of the company in question or to members of any other company specified in the offer.

By another minor amendment being made by clause 3 of the Bill, it is proposed to take power to revoke the consent or recognition accorded or vary any of the provisions of consents once granted, provided, of course, that before an order of revocation is passed the company concerned shall be given reasonable opportunity to show cause why such order should not be made. This has become desirable in view of the fact that in some cases the objects for which companies had obtained consent may not subsist after the consent had been obtained. For example, several companies who have obtained a licence for manufacture under the Industries (Development and Regulation) Act and also consent under the Capital Issues (Control) Act for the issue of the capital, have had their licences revoked in terms of section 12 of the former Act. In such cases, Government have, at present, no power to revoke or modify the consent order although the manufacturing licence had been revoked.

Again, section 8 is being amended to remedy an obvious drafting omission. A view has been expressed that this section, which deals with the making of false statements, has

reference only to false statements made when complying with any requisition under section 7 of the Act or in making applications for consent and would not be applicable to a false statement made in connection with any of the other provisions of the Act.

Although Government are empowered to condone offences involved in the issue of securities without their prior approval, Government have at present no powers to condone offences involved in the acceptance or payment of consideration for such securities. Thus, while condonation of the former offence would by itself regularise the latter kind of offence, there might be stray cases where an innocent party who, in good faith, had accepted securities issued unauthorisedly, could not be saved from being penalised even where it is not considered necessary to penalise that party without going to the extent of condoning the main offence. It is therefore desirable that Government should have an independent power of condonation in such cases.

Another minor amendment proposed to be made is in respect of section 7 of the Act empowering Government to call for information to enable them to collect fuller particulars of the total capital issued by companies and to prescribe a time limit within which the information called for is to be furnished.

Opportunity has also been taken to incorporate a few other amendments which are mostly of a drafting nature. Section 2 of the Act has been amplified not only to expand the existing definitions of certain terms but also to define terms like 'company', 'private company', 'prospectus' and 'public offer'.

Sir, with these words, I move:

Mr. Speaker: Motion moved:

"That the Bill further to amend the Capital Issues (Control) Act, 1947, be taken into consideration."

Shri Prabhat Kar (Hooghly): Sir, I support this Bill; but in order to ensure effective control the Government should come forward with further amendments of the Companies Act. It goes without saying that in any approach to the overall economy, in the condition of today, control of capital issue is an essential operation. We do not, therefore, hesitate to support the Government's measure. But our difficulty is with the Government's manner of doing things than with their wishes or intention.

We have had a revision of the Company law nearly two years ago, but lacunae and loop-holes persist. Until the lacunae and the loop-holes are plugged, all talk about the public sector controlling the strategic heights of economy cannot be secured.

No doubt, this Bill intends to put some control on capital issues. The hon. Deputy Finance Minister has explained that although the issue of bonus shares already required prior permission, the conversion of partly paid up shares into fully paid up shares or increasing the par value of the shares was not so elaborately or explicitly there in the main Act and that is the reason why this amending Bill has been brought forward.

But, Sir, I would say that in view of the fact that the private sector today enjoys the maximum benefit in this country and the private sector rules the field of economy, it is necessary that in view of our planned economy some more control should be effected.

Sir, we know that very recently the Governor of the Reserve Bank of India in his speech in San Francisco reassuring the United States businessmen said that the private sector here ruled the country's economy and had a dominant role in the industrialisation of the country, and there is a possibility of the foreign capital to come into this country and have free movement. Now, if we are serious

[Shri Prabhat Kar]

about our planned economy it is necessary that in spite of the fact that today we need not stress upon the nationalisation of all the industries—we agree that the private sector should remain—but there should be control in respect of every branch of it.

Sir, we know of the lapses and lacunae in the Companies Act. The Managing agency system has been bid a good bye but we are aware that today there are selling agencies and purchasing agencies established—the same group of persons earning perhaps more now—and the purpose for which the Companies Act was amended has not been fulfilled. It is high time that the Finance Minister should think in terms of bringing a comprehensive amendment to the Companies Act. Take, for instance, some foreign companies. The Assam Oil Company, for instance, in 1954 earned a net profit of 14.9 per cent of its capital investment. In 1955 it earned a profit of £6,46,000 i.e., 25.4% of its capital investment. So it is necessary that not only there should be a control on the capital there should be a proper control on the profits itself. I welcome the Bill as presented before the House, but I take this opportunity to urge that the Finance Minister should, at an early date, bring forward a comprehensive amendment to the Companies Act so that the private sector—although they may be given free hand in the business—should move in the manner that the country's planned economy may not suffer.

I would also point out that the hon. Finance Minister should have placed before the House a statement showing in how many cases the companies have taken advantage of the lacunae in this Act and should have informed the amounts involved in these cases, as the House is always prepared to strengthen the hands of the Government. While introducing certain progressive legislation it is

necessary that the House should be taken into confidence instead of simply making certain vague statements. With these words, Sir, I welcome this Bill.

Shri Naushir Bharucha (East Khandesh): Mr. Speaker, Sir, I think that once we accept planned economy and the principle of controlling capital issues a measure of this type becomes inevitable. One has no quarrel with the Bill in so far as it seeks to plug certain loop-holes in the principal Act, and, I think, the Bill was overdue.

As a matter of fact, Clause 2 of the amending Bill defines issues of capital as covering capitalisation of profits or reserves for the purpose of converting partly paid-up shares into fully paid-up shares or increasing the par value of shares already issued. If we examine the principal Act it will be found that the definition of issue capital, which only meant issuing of any securities whether for cash or otherwise, did not cover cases of the type contemplated by the present Bill. In fact, I am surprised how such a lacunae could remain in the principal Act for so long because one of the methods of procuring additional capital is to cover up partly paid up shares and regard them as fully paid-up shares. In that way reserves can be capitalised and the purpose of controlling capital issues could be defeated. Therefore, it is certainly very desirable that this loop-hole should be plugged.

Sir, I am also in favour of amendment of the definition with regard to the hypothecation or mortgage instruments. It is conceivable, in principal Act, the words "other instruments" mentioned in Section 2(b) certainly does not cover cases of mortgages because that says:

(iv) other instruments creating a charge or lien on the assets of the company;

"charge or lien" is totally different from hypothecation or mortgage. And hypothecation and mortgage are also improved methods by which additional capital can be procured for a company.

Sir, there is one clause to which I strongly object and that is clause 3 of this Bill, which says:

"In section 3 of the principal Act, after sub-section (5), the following sub-sections shall be inserted, namely:—

"The Central Government may by order at any time—(a) revoke the consent or recognition accorded under any of the provisions of this section;"

If we turn to section 3 of the principal Act, we find that it deals with control over issue of capital and it provides that no company, whether incorporated in British India or not, shall, except with the permission of the Central Government, make a capital issue in British India. Therefore, the operative clause in the principal Act is clause 3.

Now, we seek to amend it by giving additional powers to the Government to revoke the consent. I ask, how this thing will operate. Let us consider a typical case. A company applies to the Government for issue of capital. The Government grants the consent. After six months or a year, when the position is altered, so far as the company is concerned, by the grant of permission to issue more capital, the Government suddenly wakes up and says, "We revoke that permission".

Take, for instance, a particular case. Supposing a company has got certain reserves and it wants to capitalise those reserves, which, let us say, run into Rs. 50 lakhs. The Government gives its permission to capitalise those reserves. The Company thereafter launches upon a programme of extension of its plants. Orders are placed

with foreign companies, and then suddenly, the Government finds that the foreign exchange situation is so tight and that it should not permit any of these things to be done. So, the Government may use its powers under this amending Bill, clause 3, to revoke the consent. What would be the position of the company then? The company would crack-up immediately and go into liquidation. I ask, how can this House give powers to the Government to revoke permission once it has consented, and when the other innocent side has acted upon the consent in a *bona fide* manner, and altered its economic situation in such a way that it becomes irrevocable. I ask the hon. Minister in charge of the Bill to explain to me this point.

Supposing for some reason or other, the Government chooses to revoke the consent which is once given and when certain capital has been issued, and the company enters into a programme of expansion of its plants, and when contracts are placed and the machinery is about to arrive, the Government suddenly says, "No, under section 3, we shall revoke the consent or recognition given to you," the company would be completely stranded.

The same thing applies when the revocation or consent or recognition has been qualified with conditions when Government assumes power to vary or alter the position. How can that happen? When certain companies or corporations have been permitted to issue capital, and these conditions are fulfilled, how can, six months or a year later, the Government say "We will vary those conditions"? And there is no appeal over it except that the company will be heard before such an order is passed. I ask, how can this House give to the executive such vast powers which, at the stroke of the pen, the executive can utilise and crack up a company completely? It is unthinkable. It would make the business of companies impossible. I am absolutely in favour of regulating capital issue, because in planned economy, it has got to be done. But

[Shri Naushir Bharucha]

once that is done, the consent is given, then, that peculiar suspense and suspicion ought not to be created. Otherwise it will be impossible for a company to function. I submit that these are extraordinary powers.

The hon. Minister said that this was a minor matter. It is not a minor matter. It is of fundamental importance. It will upset all the programmes and all the plans any company may have. It is very necessary that there should be some finality prescribed to the consent given to the issue of capital. Let the Government think ten times before they give the consent. But once it is given, it has got to be held sacrosanct. It ought not to be permitted to be revoked. In this way, shareholders will be completely ruined. Small middle-class people who have invested their life-savings in companies will be affected. Suddenly, when this type of revocation order comes, thousands and thousands of poor, small shareholders will be ruined completely.

Let us have by all means a perfect Act, as far as is humanly possible to have, to see that no loopholes are there. This was a loophole and we welcome the measure which plugs the loophole. But on the pretext of plugging the loophole Government goes still further and wants to have extraordinary powers which are unheard of, which are with retrospective effect, and which will completely paralyse and cripple a company. I am very much against that.

With regard to the other provisions, I have got nothing to say. If fuller returns and information are required, certainly they must be given, because without the information given to the Government, it is not possible for the Government to see if any of the provisions have been violated. Therefore, with the exception of clause 3 of the Bill to which I strongly object, I welcome the Bill based as it is on principles which we have already accepted, namely, there has got to be

a planned economy, and in that case, capital issues must certainly be controlled.

Mr. Speaker: May I ask this of the Minister? In all cases where previous sanction is sought to be revoked, is it done without prejudice to all that has happened in pursuance of the consent order? How is it that a provision has not been made here to that effect? Whatever has happened in pursuance of a consent or recognition order will be affected. What is the meaning of revoking that also whatever might be the future?

Shri B. R. Bbagat: It is not that if the capital has not been issued that can be revoked. But when the company, in pursuance of the consent, issues the capital, and enters into some contract that the hon. Member has mentioned, certainly the Government will take into account that fact, and capital issue cannot be revoked.

Mr. Speaker: Where is the proviso? Provided that, whatever has happened and if steps have been taken and capital has been issued, this will not be in derogation of what has happened under the consent given, so that it may be for the future only.

Shri Bimal Ghose (Barrackpore): I think it is implied. I think the idea was, when certain new facts come into the possession of the Government, that something has been done fraudulently and that a situation has arisen which would adversely affect the interests of anything that might have been done, then the Government might enter into the affair.

Shri Naushir Bharucha: No fraud is mentioned.

Mr. Speaker: There may be altered circumstances. The Government require all this money for a particular sector, public sector, and therefore, it may not be desirable that in future years the profit should be capitalised.

Shri Bimal Ghose: Today licences are issued. It does not materialise, because it will take sometime, and during that time the Government may revoke the licence.

Mr. Speaker: Whatever has happened in the meanwhile.

Shri B. R. Bhagat: Usually, a period is given for the issue of capital. Even now, although the Government has not the power to suggest to the company, all the companies have accepted the suggestion that if the object of the consent does not exist, for which the consent has been given, where the situation has changed or the market is not such as they desire, for such eventualities, power may be taken. Such powers are taken in those circumstances. Even now, similar powers exist....

Shri Naushir Bharucha: Where are the similar powers? Which are the Acts?

Shri B. R. Bhagat: ...in the Industries (Development and Regulation) Act and also in the United Kingdom, in respect of capital issues, similar powers are taken. It is only an enabling power.

Mr. Speaker: Without any proviso, that would not affect the situation which has altered in pursuance of the previous consent or recognition?

Shri B. R. Bhagat: Certainly no Government will say that if the contract has been entered into, the power will be revoked. Even today, when the IFC gives loans and when loans are sanctioned, the company or the corporation takes some more time for contracts, etc., it is binding on the Government.

Mr. Speaker: If there is no amendment to this effect, the hon. Minister will make it clear in his statement.

Shri Somani (Dausa): Mr. Speaker, Sir, it is generally recognised that there is need under the present circumstances to continue to regulate and control the issue of capital at a

time when our resources are small and there is every need and desirability to canalise these resources into planned development. My friend from the Communist Party raised certain issues about the working of the Companies Act and certain profits which the various companies are making through certain loopholes in the working of the Act. I do not think this is the occasion, when we are dealing with certain specific clauses of the Capital Issues Control (Amendment) Bill, to deal with those things, which are of a general character about the functioning of the companies in the private sector.

As I said, there is need to regulate the functioning of the private sector so that its working and resources may be utilised in the desired channels. Still, there are factors which come in the way of development if these restrictions go too far. Therefore, we have to strike a golden mean under which, while to the extent desirable the functioning of the private sector is regulated, at the same time, its development is not retarded.

Coming to the specific clause of the present Bill, I agree with the clarification which is being made, that is, to include "in the issue of securities" profits or reserves for the purpose of converting partly paid shares as fully paid or for increasing the par value of the shares. I don't think any objection can be raised to this point. Therefore, I have no objection to that amendment.

But I would like to draw the attention of the Deputy Minister to the observations that have already been made by my preceding speaker, Mr. Bharucha, regarding amendments to section 3 of the principal Act. It is being sought to be amended so as to enable the Government to revoke the consent or recognition accorded under any of the provisions of that Act. It is necessary to remember that if after the necessary consent has been given to the party concerned when the party enters into certain commitments or

[Shri Somani]

takes certain action in accordance with that consent, then, naturally, any action on the part of the Government to revoke or even to modify the terms of the consent will create a very awkward situation. It is, therefore, necessary that this clause should be amended in a manner which will not create any such situation.

One can visualize a situation where any company or party, which is holding that consent has not taken any action under that consent in view of certain circumstances which have arisen, and the Government under their powers amending or revoking that consent within a certain period because in that case the company has not taken any action or made any commitments. But the way in which this clause is being sought to be amended enables the Government to revoke or modify the consent even in cases where commitments have been entered into or where certain action has been taken by the company or party concerned, which has received that consent.

I would, therefore, like to draw the attention of the Government the serious repercussion which such power in the hands of the Government may have upon the smooth functioning of the companies by the difficulties which might be created.

I would also like to seek some clarification from the hon. Minister about mortgages. In clause 2(1) (e) the definition of "securities" has been amended to include creation of mortgage deeds, instruments of pawn, pledge or hypothecation and any other instruments, creating or evidencing a charge or lien on the assets of the company". So far as mortgages are concerned, the mortgagees would themselves take proper precautions and there are also provisions in the Companies Act for the registration of mortgages to protect the interests of the public and others as well. So, I don't think there is any necessity for

the prior sanction of the Capital Issues Department for the creation of mortgages. Therefore, I would like to know from the hon. Minister the need for extending the scope of this definition.

Shri Nathwani (Sorath): This Bill is intended to plug certain loopholes in the principal Act and it seeks to enlarge the scope of the definitions of the terms "issue of capital" and "securities". It proposes to remove uncertainties or doubts created by those definitions.

I am afraid, as the definition of the term "issue of capital" stands at present, the purpose is likely to be defeated. The definition is sought to be enlarged by including "capitalisation of profits or reserves for the purpose of converting partly paid-up shares into fully paid-up shares". I stop here to ask one question. Suppose a share of the nominal value of Rs. 100 is issued and on that only Rs. 25 is paid. Now, if the company converts that partly paid-up share into a fully paid-up share, it would amount to an issue of capital. But, if the company merely converts into paid-up to the extent only of Rs 99, then it would not amount to an issue of capital. Therefore, my first submission is that the inclusive part of the definition should be so amended as to cover converting partly paid-up shares into further paid-up shares, whether fully or not. That is my first suggestion.

My second point is about the definition of the term "securities". In the Statement of Objects and Reasons it is stated that from the very beginning the object was to include "the execution of mortgages or hypothecations" and the definition is so extended or enlarged as to put the matter beyond doubt. But, I am afraid, that purpose is not likely to be achieved by the present definition. "Securities" includes *inter alia* "mortgage deeds, instruments of pawn, pledge or

hypothecation and any other instruments, creating or evidencing a charge or lien". Sir, as you know, there are various methods of creating a mortgage. One of the well-recognized methods is by depositing the title deeds of an immovable property in certain cities.

Now, when an equitable mortgage is created by deposit of title deeds, there is no mortgage deed as such. But, subsequently, a memorandum is prepared, which is known as the memorandum of equitable mortgage. I am afraid that such documents are not covered by the expression "any other instruments, creating or evidencing a charge or lien". "Charge or lien" is definitely distinct from mortgage. In the Transfer of Property Act we have got the definition of the term "charge" and that definition specifically excludes mortgage. Therefore, my suggestion is that if you want to include all instruments, whether creating or evidencing the mortgage, pawn, pledge or hypothecation or lien, you can do it by stating that "instruments creating or evidencing mortgage, pledge, pawn, hypothecation, charge or lien". Unless you so change the definition, I am afraid, your object to cover all mortgages would not be achieved and the present practice of avoiding the principal Act by creating securities in the form of equitable mortgages will continue.

I associate myself with what the previous speakers have said as regards clause 3. Government seeks to take very wide powers, but the intention has been not to affect the transactions which might have been entered into pursuant to that consent or recognition. And I hope the Government will come forward and enact a suitable proviso to that effect, or at any rate give an undertaking not to disturb transactions which have taken place in pursuance of such consent or recognition. This is all that I have to say.

Shri Bimal Ghose: A lot of things have changed since 1947 when this Act was first introduced, and I see that even at that time you had opposed that Bill. But times have changed

Mr. Speaker: Did I oppose the Capital Issues Bill?

Shri Bimal Ghose: Yes, in 1947. Mr. Liaquat Ali Khan introduced the Bill then.

Mr. Speaker: Not after 1947. There is change of circumstances.

Shri Bimal Ghose: Yes, and we are now for planned investment, and this has become necessary. But there were one or two doubts about this Bill which I wanted to be clarified

I should first say that it is unfortunate that although we had an amendment in 1956, these things were not thought of then. These are not new things, and it is unfortunate that we have amendments after amendments to Bills to provide for things which should have been known at the time when the amendments were last brought forward.

The first was a doubt to which Mr. Nathwani had referred, namely whether this would provide for the contingency if reserves are capitalised not for fully converting shares but making them still partly paid up but increasing the value by taking money from reserves. The doubt is whether it will cover that. That was one of the doubts that I had in my mind.

The second was with reference to the second objective of this Bill, namely the bringing of mortgages and hypothecations within the ambit of the Bill. I am not quite clear whether this will also affect mortgages and hypothecation for taking loans for working capital purposes or whether it is only for loans or public issues for raising capital,

[Shri Bimal Ghose]

for what we call fixed capital purposes. Now, it would appear that this is only for public issue of capital, not for working capital purposes or loans for working capital. I should like the point to be cleared as to whether it would also affect the position of a company which wants to take a loan from a bank against mortgage or hypothecation. I am not a lawyer, that is my difficulty. And if it does, then it will very much adversely affect the working of ordinary trading companies. Because, if I want to take a loan for working capital of the concern and I have to go to the Capital Issue Department and obtain prior approval, it would make the working of trading companies extremely difficult. So I should like to know as to whether that is also included. If it is not included, then I have nothing against the Bill—although I do not see how that can be done as a public issue except through a debenture, and debenture is already provided for.

Then, what is the way in which a public issue of capital can be made for raising capital from the market by mortgage deeds or by hypothecation I should like to know that. As I said, if it also includes ordinary loans, then I am certainly opposed to it, because it would make the working of companies extremely difficult. If companies have to approach Government every time a loan has to be taken against mortgage or hypothecation, it would make an extremely difficult situation. So I should like Government to explain that position to me.

Finally, there is one other general thing that I should like to say, and that is this. We have provided for regulating the issue of capital. We have all agreed to such regulation of capital issues. But what happens after Government have given their consent for regulation of capital issue? Have they any machinery to see that the capital issue power which the Government have or the authority to raise capital which they

have given to certain companies is being properly used? Because, the purpose of capital issue is not merely to regulate the direction of the investment but also to see that the money which is raised is not frittered away. What is the machinery that the Government have to see that the money raised by different companies is not frittered away? Even today my friend Shri Feroze Gandhi raised the question of the company of Mundhra and investments in various types of companies. That is capital being utilised in a very bad way, where we are not getting the full advantage of the resources we have. What machinery do Government have, once they have permitted capital issue, of seeing that the companies are being properly run or that the capital raised is being channelized to certain directions and we are getting the best results? What is the administrative machinery that Government have for linking up all the different things, so that right from the time of issue of capital down to the formation of the company and its administration thereafter Government can see that things are proceeding as they had planned?

I know that the Government have sufficient power in their hands either through companies administration or capital issue or through any other kind of measure. They have sufficient power. But even so, things are happening today in the market which certainly are not desirable. Not that Government do not know of these happenings. But even if they do know and if these things happen, are we to understand that Government have not sufficient power in their hands to prevent such happenings? If not, we are willing to give those powers. But it is certainly desirable that Government should take a general view of the whole situation and see that capital that is raised is not frittered away in undesirable directions.

The Minister of Finance (Shri T. T. Krishnamachari): The main point that seems to have provoked such an amount of comment is the amendment to section 3, the additional sub-section (6). Here the power that is taken by Government is to revoke consent or recognition accorded under any of the provisions of this section. I think you pointed out what are the limitations to the exercise of this power. Under circumstances where this power should not be exercised in a manner detrimental to the interests of the company, where the company has proceeded to take certain action as a result of the consent given. May I in all humility point out to you that the proviso is comprehensive? The proviso enjoins upon the Government giving the party a reasonable opportunity of showing cause why such an order should not be made. I would like the House to note the proviso. If the conditions implied in the proviso are not fulfilled, Government will be exposing themselves to a question of review by judicial authority, if their action is *mala fide*. In fact, certain things have to be taken for granted. If under a misapprehension certain action has been taken by a company, you can ask them to show cause; but if they say they have taken this action because they felt it would be the best, nothing could be done, except perhaps administering a warning. Nothing could be done even under this section by the Government unless it is going to be extremely unreasonable, to the detriment of the party concerned in which case we have the court still to function.

Then the question was raised by my friend Mr. Nathwani, and very legitimately too, in regard to the construction of two clauses in the definition clause. I agree that in regard to the issue of capital, there might be a loophole. I cannot see how it can be amended unless we make it an elaborate one. Normally, the cases which have come before the Government are cases where it has

been converted into fully paid up capital. If it is partially paid up capital and recourse is had to this device, may be, we may not be able to stop it. I am not quite sure that that can be met by any amendment to this particular section now. I am afraid we have to see how it operates.

13 hrs.

So far as securities are concerned, two doubts have been raised. One is raised by Shri Nathwani that a particular type of mortgage, equitable mortgage would not come within the mischief of this particular definition in spite of the fact that there is a further amplification to mortgage deeds, instruments of pawn, pledge or hypothecation which says, any other instruments, creating or evidencing a charge of lien on the assets of the company. I am not a lawyer. The question of creating a lien will certainly come in the case of an equitable mortgage. From the mere fact that there has been a specific mention of a mortgage deed, whether that covers every case or this type of mortgage should be left out is a matter which is, again, open to question. I do not think there is any need for further strengthening the particular definition.

My hon. friend Shri Bimal Ghose has always got a vision much beyond our own capacity on this side. He said, there was an amendment last year, why was not the Government forward looking or outward looking enough to find out what all will happen and why there is an amendment now? I plead guilty to the charge. The Government's capacity to think ahead is somewhat limited.

The second fact that he mentioned—he mentioned, unfortunately, a number of facts—arises out of mistaking this particular enactment that we are seeking to amend to something which he has in mind, taking his experiences in regard to some other enactment and dovetailing it.

[Shri T. T. Krishnamachari]

This is purely a matter of capital issue. Capital issue is not a matter which ultimately governs the company law. Capital issue is a matter connected with the monetary policy of the Government, whether they are going to permit capital issues, in which case, of what nature and how they propose to control the market. The administration of the consequences of capital issues falls within the purview of company law. I think my hon. friend is trying to take it away from its proper normal setting on to the company law side of it.

Undoubtedly, he is, perhaps, right in whatever he has said about the acts of commission and commission on the part of the Government in regard to the company law. I am quite prepared to admit that he has made out a case. The case will have to be examined and answered or admitted as the case may be. But, it is totally a different question. Undoubtedly, his knowledge ranges over a wide field. In this particular instance, we have to have a narrow vision of the orbit in which Government propose to act, namely, control capital issues for a purpose—administration of company law is something totally different—namely, in order that capital issues might conform to the monetary policy that the Government has for the time being, whatever it may be. Therefore, I do not think my hon. friend Shri Bimal Ghose has made out any case either for amendment of this provision or for any explanation because what he has been asking is something else and has no relevancy to this particular provision before the House. Therefore, I hope the House will accept the explanation.

Shri Bimal Ghose: One point: I wanted to know whether this will also apply to the working capital.

Mr. Speaker: He wanted to know that.

Shri T. T. Krishnamachari: The position is, there is no estoppel here. The question of working capital does not come in. I may tell you, so far as this is concerned, there are certain capital issues or augmentation of capital contemplated by different methods. We have, perhaps, a case in mind, which it is not possible for me to divulge. I do not think the normal working of a company is going to be affected by this.

Shri Bimal Ghose: Does that also come within the purview of this? Suppose I am a company and I want to borrow from a bank.

Shri T. T. Krishnamachari: I do not think Government is likely to interfere in matters of normal working of companies by means of this. It is intended only where capital is being augmented by mortgage. As I said, we have a case in mind and we find that we are completely powerless to prevent that company from raising a very large amount of money. I can give him this assurance that we will not—after all, it is a question of operation—allow this to operate against a company finding normal finance.

Shri Bimal Ghose: Do I understand that the Act would embrace also all those cases but that is not the intention of the Government to so operate that? That is the point.

Mr. Speaker: The question will be this. The hon. Minister may consider. So long as this Act stands, in every case, an application has to be sent to the Government for augmenting the capital or taking a loan for expenses. In each case, the sanction of the Government has to be obtained. The hon. Minister says that sanction may not be withheld. Also he has at the back of his mind and he feels that an application need not be made. It is not so. Possibly rules may be made in the first instance,—the rules can be changed.

from time to time—under what circumstances regarding these mortgages application should be made and permission of Government should be obtained.

Shri T. T. Krishnamachari: May I tell the House that in the original Act which this Act seeks to amend, securities are not comprehensive, but nevertheless include what my hon. friend has in mind, that is section 2 (b).

“‘Securities’ means any of the following instruments issued, or to be issued, by or for the benefit of a company, whether incorporated in the States or not, namely:

- (i) shares, stocks and bonds;
- (ii) debentures;
- (iii) other instruments creating a charge or lien on the assets of the company; and
- (iv) instruments acknowledging loan to or indebtedness of the company and guaranteed by a third party or entered into jointly with a third party.”

More or less, item (iii) above would cover what my hon. friend has in mind. It has not been pointed out to us that the Act has been operated in such a manner as to prevent anybody creating a charge or lien for the purpose of running a company.

Shri Bimal Ghose: I do not quite understand what the hon. Minister said. Under the old Act, it was only section 4 which had reference to offering publicly for sale of any securities and the provision was made applicable. When you took a loan from the bank, it was not publicly offering for sale any securities.

Shri T. T. Krishnamachari: Under the Capital Issues Exemption Order, loans and advances given by banks are totally exempt.

Mr. Speaker: Even now it is covered. Mortgages are impliedly

covered. They create a charge or lien, a stronger lien or a stronger charge.

Shri T. T. Krishnamachari: As I have said now, under the Rules, as the Chair rightly pointed out, we have the Capital Issues Exemption Order in which it is said that loans and advances given by banks are exempt.

Mr. Speaker: Already, it is there.

Shri T. T. Krishnamachari: It is 4 (a).

“The following shall be exempt from the provisions of sub-section (1) of section 3, clause (a) of sub-section (2) of section 3 and sub-section (4) of section 5:—

“The issue and acceptance of securities other than debentures being an issue made by a person in the ordinary course of his business and solely for the purpose of that business to another person carrying on the business of banking or to such other persons nominee in respect of advances or overdrafts from time to time granted or to be granted by such other person.”

Mr. Speaker: Under what rule is it issued?

Shri T. T. Krishnamachari: Rules framed under the Act.

Mr. Speaker: I would like to know under what section of the original Act that rule has been framed.

Shri T. T. Krishnamachari: There is rule-making power, section 14.

Mr. Speaker: Power of exemption is given?

Shri T. T. Krishnamachari: Rule-making power is given.

Mr. Speaker: Can it include power to exempt?

Shri Naushir Bharucha: Yes. It includes. Section 12 is so widely worded. It says:

“The Central Government may by notification in the official

[Shri Naushir Bharucha]

Gazette make rules for carrying out the purposes of this Act."

Shri T. T. Krishnamachari: Section says that the Government may provide for the granting of exemption or condone a contravention. Specifically, it is stated there.

Mr. Speaker: Specifically? All right.

Shri Bimal Ghose: Is it also covered by the proviso to clause 2? What is the meaning exactly in this Bill of the proviso:

"Provided that the foregoing provisions shall not be taken as requiring any offer to be treated as made to the public if it can properly be regarded, in all the circumstances, as not being calculated to result directly or indirectly in the securities becoming available for the subscription or purchase by persons other than those receiving the offer...."

Not being a lawyer I do not understand the language so much. That is why I am trying to get the point clarified.

Mr. Speaker: Offering securities to the public. It is not to the general public, it is only for a mortgage to the bank. It may come under that also. I think so.

Shri Naushir Bharucha: I think it should be referred to a committee. There are so many complications in it. One week's time is not going to make any material difference. We can pass it after a week.

Shri Bimal Ghose: Government can take it up tomorrow. I am only trying to point out the difficulties.

Shri T. T. Krishnamachari: I am equally in the same position as the hon. Member, very much in the hands of the draftsmen, but if the hon. Member will read the second part of that proviso carefully, I do not think it will cause much confusion.

Mr. Speaker: There is an exemption provision, and then there is also notice being given under clause 3 before any revocation takes place, and then its applying to mortgages or not may come under the proviso. In the working of the Act nothing has happened so far adversely.

Mr. Speaker: The question is:

"That the Bill further to amend the Capital Issues (Control) Act, 1947, be taken into consideration."

The motion was adopted.

Clauses 1—8

Mr. Speaker: There are no amendments to this Bill.

The question is:

"That clauses 1 to 8, the Enacting Formula and the Title stand part of the Bill."

The motion was adopted.

Clauses 1 to 8 the Enacting Formula and the Title were added to the Bill.

Shri B. B. Bhagat: I move:

"That the Bill be passed".

Mr. Speaker: Motion moved:

"That the Bill be passed."

Shri Naushir Bharucha: I May be permitted to make some observations with regard to clause 3.

It may be that in practice the Government will be very reasonable in revoking the consent or recognition accorded, under the provisions of this particular section. The hon. Finance Minister has pointed out that there is a certain safeguard incorporated, namely that the company will be given an opportunity to show cause. I am afraid this safeguard is not enough.

I should like the hon. Finance Minister to tell us categorically on the floor of the House, what are those particular cases which he has in mind on the basis of which the Government would revoke a consent once given. If it is a matter of fraud or gross or material misrepresentation in obtaining the consent or abandonment of the purpose for which the capital issue was obtained or misuse of such issues, why can we not put that down here, or at least will the hon. Finance Minister give an assurance on the floor of the House that this clause is intended only to be brought into use in case of fraud, gross or material misrepresentation or abandonment of the purpose for which the capital was obtained or misuse of such issues? I think even a clarification on a point like this, while it is not law in the eyes of law, will certainly help administrative practice to be followed along particular lines, and that will practically secure a safeguard which otherwise I do not see at all in this case.

I do appeal to the hon. Finance Minister at least to make the position clear, as to what are the cases in which this extraordinary power is sought to be wielded by Government.

Shri T. T. Krishnamachari: It would also mean in a particular case where no effective steps are taken and no damage is done, then the consent might also be withdrawn. I would not say that it would be circumscribed by the point mentioned by the hon. Member. The only thing that we can give an assurance about is that the powers will not be utilised to the detriment of the parties concerned where their actions have been completely *bona fide*. Even under the Industries (Development and Regulation) Act we have power to ask for people to whom licences have been given whether they have taken effective steps. You might get a capital issue consent, and it might just lie dormant. We do not want that sort of thing to come up some time later. It might be for a large amount and not for a small amount. And then

we would say: "You have not taken effective steps. Show cause why we should not revoke the consent"—because consent cannot be given indefinitely. There is no question of limitation here operating otherwise we should put a provision here and say that the consent that is given is only valid for a year or six months as the case may be unless it is extended. We have not taken any power of that nature. If the hon. Member says: "You better imagine all contingencies and put down", then legislation, with all the latitude that this House generally allows, will become meaningless.

Mr. Speaker: Consent can be given conditionally also?

Shri T. T. Krishnamachari: Yes.

Mr. Speaker: All profits need not be ploughed back?

Shri T. T. Krishnamachari: Yes, that is mentioned in clause 3(b). Varying of the conditions is possible.

Shri Naushir Bharucha: You have the right to vary that consent. First you say that 40 to 50 per cent. of the profits can be capitalised. Afterwards you say suddenly two per cent. You have got a right to do it.

Mr. Speaker: The only point for consideration is this. I am concerned only about subordinate legislation, how far that power is given. Even the Government must be interested in limiting the exercise of the power in case somebody should think of doing it arbitrarily, that is in so far as transactions have taken place in pursuance of the consent. I think reasonably it may be expected that they ought not to be adversely affected whatever may happen for the future.

Shri T. T. Krishnamachari: I think the proviso is itself a sufficient safeguard. Once we ask them to show cause, we cannot merely reject it even when the explanation offered is a

[Shri T. T. Krishnamachari]

genuine one. There it is a matter where immediately we shall attract the intervention of the courts.

Mr. Speaker: All that I can suggest is that the Government may consider this, of course, after gaining experience in this regard as to whether any particular forms of rules or instructions can also be framed under the rules here.

Shri T. T. Krishnamachari: I shall certainly bear in mind the direction of the Chair.

Mr. Speaker: The question is:

"That the Bill be passed."

The motion was adopted.

CENTRAL EXCISE AND SALT (AMENDMENT) BILL

The Deputy Minister of Finance (Shri B. R. Bhagat): I beg to "move:

"That the Bill further to amend the Central Excises and Salt Act, 1944, be taken into consideration."

This is a non-controversial Bill. It is proposed in the Bill to amend the Central Excises and Salt Act, 1944 in the following manner:

- (i) delete the proviso in clause 16 of sub-section (2) of section 37, and
- (ii) amend Explanation No. 2 to Item 12 of the First Schedule.

13.18 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

The proviso referred to was in fact borrowed from the Iron and Steel Duties Act, 1934 which was consolidated along with other similar Acts into the Central Excises and Salt Act, 1944, and it specifically lays down the quantum of rebate to be granted on the

duty paid on steel ingots and articles of iron manufactured from such ingots on export out of India. This quantum is related to the excise duty in force in 1944 when the Central Excises and Salt Act was passed, that is Rs. 4 per ton. In the Finance (No. 2) Act of 1957 the excise duty on steel ingots has been raised to Rs. 40 per ton. It will, therefore, be necessary to revise correspondingly the quantum of rebate. This will necessitate an amendment of the clause in question.

In respect of other excisable goods, however, the quantum of rebate has been specified in the Act, but has been left to be regulated by the rules. It is, therefore, proposed to bring the position in regard to steel ingots into line with that prevailing in respect of the other excisable commodities by deleting this particular proviso in the clause in question.

It is also proposed in the Bill to amend Explanation No. 2 in Item No. 12 of the First Schedule to the Central Excises and Salt Act. In Item No. 12 the term "cotton fabrics" is defined to mean all varieties of fabrics manufactured either wholly from cotton or partly from cotton and partly from wool, rayon or art silk.

The rate of excise duty depends upon the average count of yarn. For the purpose of determining the average count of yarn, certain rules have been laid down in Explanation II under the item. In respect of the fibres other than cotton, in commercial practice, the idea of 'count' i.e. a ratio between weight and length of yarn is expressed in different terminology. For example, in the case of rayon art silk, the expression used is a "denier" and in the case of wool, it is called "Yorkshire Skein". On purely technical grounds some doubts have therefore been expressed as to how far the use of the expression 'count' in the tariff can be actually related to yarns made out of other fibres. To put the matter beyond

doubt and to provide a uniform basis for determining the average count, it is proposed to insert a new rule in the explanation II to the effect that in the case of fabrics manufactured out of cotton and other yarns, such other yarns shall be deemed, for the purpose of determining the average count of yarn, to be cotton yarn. With these words I move.

Mr. Deputy-Speaker: Motion moved:

"That the Bill further to amend the Central Excises and Salt Act, 1944 be taken into consideration".

I find that there are no speakers.

Shri B. S. Murthy: The Bill is non-controversial.

Mr. Deputy-Speaker: The Minister did not say that. I find that there are no amendments. I shall now put the Motion to the vote of the House.

The question is:

"That the Bill further to amend the Central Excises and Salt Act, 1944 be taken into consideration".

The motion was adopted.

Clauses 1—3

Mr. Deputy-Speaker: There are no amendments. I shall therefore put all the clauses together. The question is:

"That clauses 1 to 3, the Enacting Formula and the Title stand part of the Bill".

The motion was adopted.

Clauses 1—3, the Enacting Formula, and the Title were added to the Bill.

Shri B. E. Bhagat: Sir, I move:

"That the Bill be passed".

Mr. Deputy-Speaker: The question is:

"That the Bill be passed".

The motion was adopted.

INTERIM REPORT OF THE LIFE INSURANCE CORPORATION

Shri Sadhan Gupta (Calcutta East): Mr. Deputy-Speaker, Sir, beg to move:

"That the interim report on the activities of the Life Insurance Corporation be taken into consideration".

As I was reading the report, I was struck by the failure to pinpoint the real problems confronting the Corporation and the real features regarding the upsurge of its activities and the expansion of its business in quantity and in quality. Cases of inefficient functioning have not been few in number. The attitude of the Government has not been to see that the Corporation is doing as well as the private sector. Indeed, I am a little surprised that a little consideration of the report will show that judged partly by the standards of the private sector, the Corporation has not fared so badly and its business is by no means less than the private sector. For instance in 1956, the placement was Rs. 240 crores and at the normal rate of completion of business, that is to say, even allowing for 1 per cent. non-completion, the output of new business might have been about Rs. 238 crores, which is the highest new business figure in the private sector. This has happened in spite of the fact that the output on account of staff insurance, married women policy and Estate duty policy has decreased and is bound to decrease further. In regard to the placement of Rs. 240 crores, we must take into account the adverse circumstances in order to arrive at an unbiased comparison with the private sector. We may make allowance for the chaotic conditions that followed nationalisation, the adverse reaction that was created by the announcement about the reduction of the amounts payable on policies in respect of the different companies and the chaotic disorganisation in the wake of the setting up of the Corporation. Above all, there was the colossal loss of business that took

[Shri Sudhan Gupta]

place in the first 8 or 9 months after the Corporation came into existence due to the disastrous strike of office employees. It is clear that the private sector under similar circumstances would not have done any better.

The same picture is revealed regarding the figures for 1957, upto June, even in 1957, for 4 months, there was chaotic disorganisation and offices had not been set up and yet 111.69 crores have been placed and, making some allowance, 110 crores would have been completed had the offices functioned normally. The failure in this regard is due to lack of administrative efficiency.

So, the real worry is not that it does not fulfil the standards of private sector but the real problem today is that the traditions of the private sector still continue to hold the Corporation. The private sector achieved new business of 238 crores in 1955, 232 crores in 1954 and so on. That is not the way to judge the real merit of an Insurance Corporation.

What we want is not merely business. What was the new business under the private sector? A business 60 to 80 per cent of which lapsed in the course of three years. Do we want that kind of business? Do we want more crores of new business of which 60 to 80 per cent. would be non-existent by the time three years are out? Yet that is the principle which the Corporation seems to be following in computing its success. When we look at the report we only find the new business figures, how much new business has been brought in. As I shall show later on, there is great danger in this mode of computation and this attitude has led the Corporation into channels which are bound to prove disastrous from the point of view of growth of our insurance business.

I have shown that the Corporation in comparison with the private sector is not doing badly. I want to emphasise that even from the real

potentiality of insurance business, even from the point of view of the possibility of getting business in quantity as well as in quality, the Corporation is in a better position than any private insurer. The corporation possesses a kind of capital which no insurer in the private sector could boast of. It possesses a goodwill of thousands of employees, 27,000 office employees, 6,000 field employees and a good number of smaller officials who want this national venture to succeed, who want this nationalised corporation to succeed, and who would do all to see it successful, provided they had a fair deal from the Corporation. So it is this problem that we have to consider.

Is the Corporation evolving policies which would keep the employees contented, the different sections of the employees contented? Is the Corporation following a policy which will enthrone the employees to give of their best for the purpose of making the business of the Corporation grow? That is the real thing to be considered; because it is only through the exertion of the employees that the Corporation can hope to give the country a really good quality of insurance business and can hope to extend social security to the vast masses of the people. It is no use aiming at the kind of standard set up by the private sector. It is not a desirable standard and the sooner we forget all about those standards, the better for us.

Has the Corporation evolved a policy which would keep the employees contented? We know how the life of the Corporation began with a disastrous strife with the office employees. For six months, the strike went on with a huge fall in the efficiency and, ultimately, as soon as the right thing was done a settlement was arrived at which, under the circumstances of the case, was reasonably satisfactory. A bipartite conference was the demand and the Corporation took six months to come to a bipartite conference and when it came to it, then, the settlement was arrived at.

One would have thought that this happy experience would have given the Corporation a lesson and the Corporation would follow the same policy in the case of all other employees. As a matter of fact, the Finance Minister promised in reply to one of my speeches that that is the way the Corporation sought to solve the problem of the field staff. But, when it came to the actual execution of the affair, it was quite a different thing. The field staff were no doubt asked to give their suggestions. They gave their suggestions and, after taking their suggestions, the Corporation imposed a unilateral decision about categorisation of the field staff.

This decision has given rise to great resentment among the field staff and I only raise this point, not with a view to any recrimination but because I want the Corporation to avoid the kind of thing it did and follow a policy which would be conducive to its own interests, which would satisfy the employees.

What did the Finance Minister's promise mean? The Finance Minister's promise no doubt meant that the scheme of categorisation of the field staff would be evolved after discussion with the field staff. By just taking the suggestions from them, and then coming out with a unilateral decision is not the way of settling by negotiations. You have to formulate your scheme, place it before the field staff for their consideration and then, after negotiation on that point, you may keep something, you may give up something, you may allow something; and in that way a kind of satisfactory solution emerges, just as it happened in the case of the office employees. This is the way to go about. But, instead of doing that, they worked out a mathematical formula and said that they categorise on the basis of so much quota. If he gives so much, if the Inspector brings in so much business, he will be categorised at such and such a level; if he brings less than that, he will be categorised at a lower level and so on; and, if he

brings in less than a certain figure, his services will be terminated.

These mathematical formulae may be ingenious; but, the trouble is they have their anomalies. They have many difficulties; they leave out of consideration many things which deserve consideration. For example, I had been to a conference of the field staff operating in North Bihar. Their complaint was that when so much premium was stipulated to be collected, how could it be done when the whole area was stricken with drought. There are many local difficulties which these mathematical formulae must ignore. On account of this, it creates a sense of uncertainty.

Secondly, not only does that ignore local difficulties but it ignores one basic fact that the standards prescribed, that is to say, six times of the salary as premium income has rarely been reached even during the private sector period when there were not so many adverse circumstances coming into play and, as a result, when it was perhaps much easier to operate. During the private sector time, the usual assumption was that a field staff did reasonably well if his salary came up to 50 to 60 per cent of the premium income he brought in. And if he could manage within the salary—40% of the income—it was thought to be a very good performance in most companies. There were certain exceptions in the case of certain companies. In the case of those companies the Inspector appointed was handed over an organisation which already put in a certain amount of premium as in the case of Oriental, and his task was to expand that organisation, to bring in further business and collect further premium. For instance, when he was given a stipulation of Rs. five lakhs he would be given an organisation which, for instance, was already bringing in Rs. two and a half lakhs a year, and his function was really to expand the business upto Rs. five lakhs. Now, all this was ignored at the altar of mathematical formulae.

[Shri Sadhan Gupta]

Besides, it completely ignored the difficulties created by disorganisation of the insurance business due to the setting up of the Corporation. When a new organisation is set up there is the muddle in the office. In many cases offices were not set up even upto March and April. Even where they were set up branch managers did not come to the assistance of the field staff. You know, Sir, during the private sector it was the custom of the Branch Manager to see why a particular member of the field staff or a particular Inspector was not doing as well as he ought to do and to give him guidance, to go round with him and so on. That is not being done.

Then, the main problem was that many of the field staff were appointed from the supervisory cadres. The supervisors had no organisation of their own. They had no direct experience in the field. Suddenly they were asked to go in the field to set up an organisation and to give business. They found themselves in a soup especially in view of the difficult conditions created by the setting up of the Corporation. I can multiply instances to show the adverse circumstances in which a member of the field staff had to work.

The same thing happened about agents. The agents were given a stipulation of Rs. twenty thousand minimum in the mofussil and Rs. forty thousand minimum in the towns. With due respect that was Utopian figure looking at the conditions of our country. In our country insurance market is not a seller's market. The tradition of our country is that when an insurance man approaches anyone, the tendency is to slam the door on his face. Under these circumstances it is idle to say that the agent should give a minimum of Rs. Twenty thousand in mofussil and a minimum of Rs. Forty thousand in towns.

I tried to work out the statistics from the figures supplied to us in the Report. There are 1,08,000 agents. Assuming that 54,000 of them work in the mofussils and 54,000 work in the bigger towns. It would require a business output of Rs. 324 crores in order to enable every agent to stick to the minimum.

Then, Sir, the agent's commission was reduced from 35% to 25%. At that rate an agent who contributes a lakh of rupees of business would not even earn Rs. 100 as his monthly emoluments. Sir, on that basis, in the context of the insurance market in our country it would be very difficult to find agents enough to work under such conditions.

Again, an unimaginative step was taken. The hereditary commission for agent's family was suddenly stopped throwing large number of agents' families into great distress. Happily that is being restored. This uncertainty destroys the confidence which is requisite for the proper functioning of the Corporation. But the worse part of it is that in the case of agents and particularly in the case of field staff the emphasis on new business is absolutely mis-placed.

The emphasis on new business was a thing introduced by the private sector. As I said, the Corporation has done well by the standards of the private sector, but that is not the standards we should aim at. Yet, that is the standard we find the Corporation is aiming at. They are trying to emphasize the outturn of new business. No doubt the stipulation of so much premium collection is bound to have very serious repercussions on the quality of business. It might outwardly bring in a quantity of business but that business is bound to be of an inferior quality as happened during the period of the private sector. Now, we ask the field staff to bring as much new business as possible. I understand it is the practice now of even putting the branches on competition

as far as new business is concerned. For getting new business the same malpractices will continue—rebating and other malpractices—which will lapse the policy in three years. Do we want business of that kind which private sector brought in or we want good business. It may be lesser in volume but let it be good in quality. It is much better to have a good business of Rs. One hundred crores than have a business of Rs. Three hundred crores, 80% of which will lapse in three years time.

Now, Sir, that is the way the Corporation is proceeding. Alarming stories are told; alarming things are happening in this regard. I know of cases where uninsurable persons are being insured. First premiums are being paid in order to inflate the premium collections, in order to show up the outturn of new business. And in a short time these persons are dying and claims are maturing. In order to avoid the difficulties of medical examination, I am told, that in some cases with the connivance of the Branch Manager, with the collusion of certain favourite Inspector some other person was produced before the Medical examiner. He was examined and pronounced fit and on the results of his examination a bad case was insured and the claim, I believe, has matured by this time. This kind of thing is going to happen if you put undue emphasis on new business and if you do not evolve some other standard of judging the quality of the field staff.

We have to change our attitude towards the evaluation of the quality of field staff. What we want is not a huge volume of new business; we want new business no doubt, but we want new business of the kind that will endure. It may be lesser in volume than that which we now get but let it be good in quality. What is the way of getting good quality of new business? The first essential is to provide the field staff with security of service. Let me tell you that without security of service, the business that the field staff will procure will not be of the satisfactory charac-

ter. With our present attitude "you have to secure so many crores of business or out you go" he will try to secure which will ultimately result in loss to the Corporation. This is not the way to deal with it, and indeed, scientifically and actuarially it is possible to provide him security of service without insisting on new business.

Now, the field staff organisation of the National Federation of Insurance Workers have submitted a charter of demands in which they have shown how through conservation of policies, the services rendered by the field staff in conserving the policy-holders may form the basis of guaranteeing to them an amount of security. If a small percentage, 2 or 2½ per cent, of the renewal premium income is allocated to the field staff, it will provide them with a basic salary and a secure basis of employment and then incentives may be provided for the securing of the correct type of new business.

What is important to realise is that the old method of the private sector, of keeping the service of the field staff insecure, is not going to work. At that time it worked, because it was due to the mad competition between private companies. The insecurity in a particular company did not matter, because the field staff could get service in some other company. Today, if you insist on the same pattern of organisation and the same pattern of functioning, then the field staff will be uncertain about its future and its efficiency cannot in any case be expected to be what it should be if you put him on an insecure basis. There is no ground for judging his efficiency by the quantity of outturn of new business. In industrial factories, labourers are often employed to produce certain goods, but they are paid not wages according to piece-rates but wages on monthly basis, and yet, the employer knows how to judge the efficiency, on the whole, not by meticulous calculation, whether he has produced!

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three units or two and a half units but by taking into account his whole work in the factory. It is in that way that efficiency is judged in the case of the monthly rated workers.

The same thing must be introduced in the case of the field staff. Of course, if a member of the field staff does not show any efficiency, does not show any exertion or does not exert himself in procuring business, you can easily fathom his inefficiency and in that way you can administer suitable warnings or other correctives. But it is not necessary that you should put him to a strict mathematical quantity every year. It may be that in one year the quantity may be less and in another year it may be more. That is the way of insurance. So many factors influence the outturn of insurance business in particular localities and particular areas or even in the case of particular persons. Therefore, you must judge his efficiency over a long period and for this purpose you must not make new business outturn alone a basis of security.

In the case of agents, it is the same thing. You cannot insist on a utopian figure of 40,000. Whatever figure you may prescribe, you must calculate it on a long-term basis and not on a month-to-month or a year-to-year review. It may be in one year the agent has failed and in another year he may be successful. Above all, the figure must be fixed with reference to the potentialities of the market and not with reference to a utopian idea. The commission may be such as to enthuse the agents to work. Today, as I said, even with a business worth a lakh of rupees, an agent cannot earn a hundred rupees. If you increase his commission to 35 per cent, then he can earn about Rs. 1,575. If you increase it to 40 per cent, he can earn about Rs. 1,800. That is the real incentive for him to go ahead. It may be that if the market gets better, if it is easier to get more volume of business with

equal exertion, you can reduce the commission, and you will not do any harm if you reduce the commission then. But the insurance market being what it is today, you cannot think of reducing the agent's commission and yet keep the agents enthusiastic.

Already many good agents in the life insurance line have been driven away to the general insurance line by this unreal quota. So far the average is 3,000. You cannot push it up by only 40,000 or 20,000, because the circumstances are so adverse. You cannot yourself complete the policies. There are cases where claims have not been paid for a long time. There are yet other cases—at least one case I know—where the Corporation has been a bit too quick. For example, there has been a case when a condolence letter was sent to a wife with a claim form and, unfortunately for the Corporation, and to the great mirth of the family, the letter was opened by the husband!

I do not say these are going to last. These are bound to happen perhaps when an organisation is coming into being and when uniform standards and uniform procedures of work are being introduced. There are many people who are taken in and who have no experience in the line. But what is necessary to realise is that these things at least temporarily spoil the reputation and make it all the more difficult for the field staff or the agents to procure business. Allowance must be made for this and utopian figures cannot be insisted upon.

It must be definitely provided that the field staff will have security of service on a minimum salary that should be fixed, and for new business, they will have to be given an incentive bonus. How this has to be worked out, I shall not advise the Finance Minister. I have given figures. He might give counter-figures. That will not improve matters. We are

not interested in destroying each other's arguments by proving that I am right or he is right. What we are interested in is to have a satisfactory solution of it. If he cannot destroy my case, it is a case for granting the field staff's demand. If he thinks he can destroy my case, it is a more convincing argument for opening negotiations and coming to some settlement.

What must be realised is that it must be done by negotiation—a settlement of the outstanding issues by negotiation, by sitting across the table and discussing the formula proposed by the Government and proposed by the other side.

Similar is the case with regard to the agents, and the same is the case regarding the employees. Although the major question of the employees has been settled, there are still certain points on which doubts have arisen and on which even some pin-pricks have been given. For example, there is the question of staff regulation where galling restrictions have been put on the participation of employees in politics. I do not see what insurance employees have to do with in participating or not participating in politics. They have always participated in politics during the private sector regime. I do not see the reason why a difference is to be made when they have been in the public sector now. It may be understood that a policeman should not participate in politics or a magistrate or even a judge may not be allowed to participate in politics perhaps. But why an insurance clerk cannot participate in politics, I cannot see the reason for the life of me.

Today, the public sector is going to increase. The public sector is going to expand and lakhs if not perhaps crores of employees are going to be employed by the public sector. If they are shut out from politics, altogether, it would be a travesty of democracy. I may tell you that the employees look at this with the ut-

most resentment and so these restrictions should go.

14 hrs.

Then, there is one case involving 2,000 employees of the Hindustan Insurance Company who, by an agreement was promised by the company the payment of certain adjustments, which were more or less due to them because they were not given the benefit of the agreement arrived at with the employees in 1947. The adjustments were due to them and the Corporation had decided to pay them and payments were made to a large number of them. Now the Corporation comes with the decision that they are not going to be paid. If they are now going to decide that those who have been paid will have to refund, that would be a great hardship on them. Now the decision seems to be that the Corporation will not pay the adjustment.

It is very unfortunate because it was earned and the employees were not given that adjustment in 1947. That is how it fell due and the Company recognised it before there was any question of nationalisation. The agreement is binding on the Corporation under the law and it is not a good policy to rescind from the agreement, which would cost only a few lakhs of rupees, which the Corporation can very well afford. These pin-pricks must be avoided. I am bringing this instance to show what the Corporation must avoid.

Then there is the case of officers. A Senior Services Committee has been set up, which is known as the Lall Committee. It has made its report and there is undue delay in the publication of the report. It is said that the report has categorised certain officials and it is being re-examined by those very persons who have dissented from the majority recommendations. The Corporation members

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placed on the Committee have dissented and it is they who are re-examining the report.

Now there has been considerable grievances among the officials about the placement of officials. When a new organisation is set up and officials are drafted from different companies with different experiences, there is bound to be much heart-burning. Everyone thought that they would get justice from the Lall Committee. It was practically taken for granted that whatever the recommendations of the Lall Committee were, they would be accepted by all. If these recommendations are not accepted, then it would again keep alive a great source of heart-burning and must tell on the efficiency of the Corporation.

Under these circumstances, I would request the Government not to delay the publication of the report and to implement the report as it is. And if there is any ground not to implement anything, let them come up openly and give a public explanation why certain recommendations of the report are not being implemented.

As a matter of fact, rumours circulate that it is only in the interest of three officials, who have been placed, much less than the present status in the report, that the report is sought to be side-tracked. Now, whatever the truth, these rumours should not continue and they must be set at rest once and for all, in the interest of efficient functioning of the Corporation. If the Corporation is able to do it, if it is able to satisfy its 27,000 office employees, 6,000 field employees—and I do not know how many officials—there is no reason why the Corporation should not be able to present the country with a sound insurance business.

The Corporation has great potentialities. If it likes, it can manage to put in business without the evil aspects of the private sector. It can give the society a wide basis of

security. It can extend insurance business to those classes to which the private sector never dreamed of extending insurance business. It can extend insurance business to the industrial workers, to the low-income groups in towns and villages which the private sector had never cared for. In this way the Corporation can really do a valuable service and it has the means to do it because it has the goodwill of thousands of employees, who were ardent advocates of nationalisation.

Therefore, I would request the Finance Minister to act in such a way that the Corporation would evolve proper standards to keep the employees satisfied. The proper way is to look at them, not as servants and the Corporation as the master, but to look at them as partners in the common venture and to consult them freely and frankly in matters in which they are concerned, whether it is the field staff, whether it is the office employees and whether it is the agent. It is only in this way that you can have a contented body of employees.

If the Corporation can do it, all the little hindrances in the way of its efficient functioning, all the difficulties about inefficient functioning, about the late delivery of claims, about sending lapse notices to those who have already paid premiums, all that will evaporate. For that you have to create enthusiasm among the employees. If you cannot, then the Corporation will face disaster and if the Corporation sticks to the standards of the private sector, it will make no greater contribution to the interests of the country than the private sector had made.

I do not say anything about the investment policy.....

Mr. Deputy-Speaker: Long ago the hon. Member began "finally". Now he should conclude.

Shri Sadhan Gupta: I do not say anything about the investment policy because a statement is going to be

laid on the Table. But the policy is very unsatisfactory and we have to say something when the occasion comes, when investment is discussed in this House. With these words I move the motion.

Mr. Deputy-Speaker: Motion moved:

"That the interim Report on the activities of the Life Insurance Corporation be taken into consideration".

There is one amendment by Shri T. K. Chaudhury. It can now be moved.

Shri T. K. Chaudhury (Berhampore): While moving the motion I may point out that due to inadvertence, certain errors have crept in. I have corrected those mistakes.

Mr. Deputy-Speaker: The hon. Member may move it in the amend form.

Shri T. K. Chaudhury: I beg to move:

That for the original motion, the following be substituted, namely:—

"This House having considered the interim Report of Life Insurance Corporation, records its strong disapproval of,—

(a) the manner in which the Investment Committee of the Corporation has conducted its investment policy in regard to private equity capital and debentures, preference shares of certain companies in private sector and other securities of such Companies;

(b) the policy of the Corporation in regard to its employees, and particularly in regard to emoluments and service conditions of field workers who procure business for the Corporation;

(c) the unsatisfactory condition of various services rendered to policy holders; and

(d) its policy regarding organisation of branches."

The Corporation has come into existence one year and three or four months ago. Of course, the statutory annual report is yet to come. But we have been furnished with an interim report which gives us an opportunity to discuss some of the affairs of the Corporation.

The House acclaimed, and, if I may say so, the whole country acclaimed the nationalisation of life insurance business. It was thought that this would be a step in the direction of expanding the ambit of nationalisation to other spheres also, to other financial institutions also. It also evoked the hope that this Life Insurance Corporation would set up a standard of functioning and administration which would be an example to be followed with regard to all such institutions. But unfortunately those hopes have to a large extent been belied.

I want to discuss the affairs of the Corporation, firstly in regard to its employment policy; secondly with regard to the complaints of the policy-holders regarding the administration of policies and the various services which they used to get from private insurers and which they now find they are not getting from the Corporation; thirdly, its policy regarding organisation; and lastly, its policy with regard to investments.

With regard to employment policy and reorganisation of the higher services, particularly of the officers, it seems strange that not only in this interim report but even after that, up-till now I think, the Corporation has not been able to lay down any clear rule or policy with regard to the grading and seniority of its officers. One Member of the Lall Committee is a Member of this House and he is present here. We hope he will throw some light on the conclusions which were arrived at by that Committee. But that report was submitted in

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June, and it is very strange that nothing much has been done uptill now to implement the recommendations of the Committee. We understand that an Implementation Committee has been appointed but the whole matter is being held up and no satisfactory explanation has been forthcoming as to what the Corporation is going to do about those recommendations.

In this connection I may refer to a case which was instituted in the Patna High Court recently, where this principle with regard to the ranking of officers was commented upon by the honorable Court. This is a fairly important case. There was a petition filed by one of the insurance employees there who was employed as Divisional Superintendent but whose rank was reduced to that of Inspector; after nationalisation he was asked to join the service and take up work as an Inspector. I may quote the findings of the honourable High Court in this case, Sir, where the learned Judges have clearly stated:

"In any event, the respondents (that means the Corporation) have no statutory power to reduce the rank of the petitioner from Class I post (which he was holding) which he is entitled to hold under the express language of section 11(1) of Act XXXI of 1952 and so long as there is no order by the Central Government under section 11(2) reducing his rank."

Sir, if the Government asks the Corporation to study carefully the judgment in this case, they would realise what sort of victimisation has been perpetrated by the vested interests who somehow or other have entrenched themselves in the big joint-stock Corporation—I mean the top-ranking officers of the big joint-stock companies who have managed to worm their way into the Corporation, although the Corporation is now a nationalised institution.

Although this is but just one particular case, if an enquiry is made it will be found that in every zone, in every division such complaints are hampering the work of proper administration and organisation of the Corporation. It will not be far from wrong to say that the top officers who are managing the Corporation have no spirit of nationalisation in their heart of hearts. They are incapable of understanding the present needs of the country. They cannot enthuse the spirit of nationalisation either in the masses or in their employees, and we feel that the Government should take serious note of all these complaints and try to put things in proper order.

I do not want to add much to what has been said by our esteemed friend, Shri Sadhan Gupta, about the policy which is being followed with regard to the field workers. That policy, to say the least, is highly unsatisfactory from the point of view of procurement of business and from the point of view of just remuneration that should be paid to those on whose labour the Corporation stands and other terms and conditions of their service. As a matter of fact, unless the field workers work properly, there can be no business for the Corporation. Perhaps, the top-ranking officials of the Corporation have an idea that now that life insurance business is a sort of a monopoly in their hands, people would come and purchase policies of their own accord, because in modern society civilised man has found that insurance is a necessity and therefore, he would of his own accord purchase policies. But, if we take into account the practical conditions that obtain and the realities of the situation,.....

Shri Dasappa (Bangalore): Who has said that, please?

Mr. Deputy-Speaker: Shri T. K. Chaudhuri is saying that.

Shri Sadhan Gupta: It is implied in the policy pursued.

Shri T. K. Chaudhuri: The policy that has been pursued makes it clear that that is the idea with which the Corporation is being worked.

Then, I come to the unsatisfactory condition of the services rendered to the policy-holders. You go to any town in India or any district where there is some insured persons, whose life has been insured or who have purchased a life policy; you will find complaints about the smallest things. I have known numerous cases where people have sent their premia, but no receipts have come uptill now. Nobody knows where to complain, how to complain. All these small matters cannot possibly be brought either to the notice of the Government or the higher officers of the Corporation.

Mr. Deputy-Speaker: Did the hon. Member pursue any of these cases and find out whether money had not been received or only receipts had not been issued?

Shri T. K. Chaudhuri: Money has been received. No formal or *pukka* stamped receipt has been given. You will find numerous cases like this. At least 20 cases are within my knowledge.

In regard to claims, similar complaints are there. One case has been brought to my notice from Poona where a claimant, whose claim is to the tune of Rs. 82,000 submitted his claim in October last, and uptill now, he has not heard anything about it. Of course, this is a legal claim. Perhaps, the case will go to court. Ordinarily, the private insurers, of their own accord, would, at least, when a claim matured, inform the claimant that his claim has matured and that he is entitled to such and such payments. That sort of thing is, somehow or other, found to be not being done since nationalisation. Of course, for these reasons, I do not want to say that nationalisation as a policy or as a principle is bad or that private insurers should again be brought

back. But, it points to something wrong in the total administrative set up of the Corporation which must be set right immediately.

Lastly, I come to investment policy. Here, of course, we get certain bare facts. A most serious doubt that has arisen in the mind of the public in the course of the last few months is that the investment policy of the Corporation is being conducted in order to benefit certain private capitalist groups. The other day, during the interpellation hour, the question of investment of sums to the tune of Rs. 1,26,00,000 in companies controlled by a particular group of capitalists came up for questions and answer. The Government admitted that about the end of June 1957, in the Mundra group Rs. 1,26,86,000 were invested. I find here from the report that in debentures of companies, preference shares of companies, ordinary shares of companies, Rs. 8,82,00,000 have been invested of which nearly, you might say, one-sixth or one-seventh has gone to a particular group of companies owned by a particular group of private capitalists.

From the time this investment was made, various questions have been asked in the press and leading financial journals in the country have commented on the mode in which this investment was made and the propriety of this investment. The hon. Finance Minister told us the other day that the only principle that guides the Corporation or the policy of the Corporation with regard to investments is profitability. They put money wherever they can earn a regular income. I do not want to say that the shares controlled by this particular group of managing agents which were purchased were all bad shares and no money ought to have been put in them from that point of view. But, unfortunately, the timing of this investment has been such and the circumstances have been such that have justifiably given rise to many questions and

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doubts which have not been answered by the Government uptill now. I am referring to this question because this investment was made within the period under review, that is, up to June, 1957.

Mr. Deputy-Speaker: The hon. Member should conclude now.

Shri Bimal Ghose (Barrackpore): There is no business today.

Mr. Deputy-Speaker: Even then we have to regulate. I have got a list of eight hon. Members.

Shri T. K. Chaudhuri: What happened was that the values of certain shares held by this group, even of companies like Jessop & Co., Richardson & Cruddas, were rapidly falling, and it is reported, or was rather freely rumoured, that the fall became precipitate when there was a whisper in the market that a big cheque issued by the managing agents had been dishonoured. Of course, I do not know whether it was actually dishonoured, but that was the rumour which was rife in the market, and the market began to recover only when it was known that payment had been arranged. Just at this juncture the Life Insurance Corporation stepped into the field, and saved the Mundras by acquiring shares of some of their companies through private negotiation.

The Finance Minister told us the other day that there was nothing under-hand, everything was plain, and it was just that some good shares were in the market and the Corporation could not but regard the investment in these shares to be lucrative, and so they purchased them. But it has been said, and openly charged, that along with the shares, blue chips of the Mundra group like the shares of Jessop & Co., and Richardson & Cruddas, the shares of some other companies controlled by the group were purchased whose balance sheets have not been published up-

till now. Although these things have appeared in the papers, and sharp comments have also appeared in the press uptill now, neither from the Corporation nor from the Government has any answer been forthcoming.

The Finance Minister in another place some months ago enunciated the principle with regard to the investment policy of the Life Insurance Corporation or of the provident funds of different companies which are now administered by the Government. He said that through these investments Government would be controlling or having a hand in the management of the private sector also. The savings come from the public, but they would be controlled by the Government, and would together form one big investment fund, and by virtue of or on the strength of this investment fund Government would be able to have a voice in the affairs of private companies as well. That was a very salutary principle.

I felt very much encouraged during the last session of the Parliament when Government took up the Life Insurance Corporation (Second Amendment) Bill which wanted to reorganise the investment side of the Corporation. We definitely felt then that something healthy, something salutary was going to be done by the Government. Of course, we do not know what are the intentions of the Government with regard to that Bill, and why that Bill was not moved during last session. We do now know as yet whether that Bill is going to be moved in this session at least. We were also encouraged because already there were many complaints with regard to the activities of the Investment Committee of the Corporation, and everybody felt that the investment side of the Corporation need a thorough reorganisation. We do not know what the intentions of the Government are in this regard.

With regard to this particular affair, this investment in the companies of the Mundra group there is a further fact which should have been taken cognizance of by the authorities of the Corporation. Government cannot escape by saying that the Corporation is an autonomous body and that the Investment Committee is just under that Corporation, because Government appoints its own officers in the Executive Committee of the Corporation, and they ought to have known—this fact and this must not have escaped their notice. They had known it, and even knowing it, this fact which I am going to state, they had put public money, held in trust, into the companies controlled by this group.

It was reported in *The Statesman* of Calcutta dated the 29th May that two companies of this group were prosecuted on the complaint of the Enforcement Unit of the Department of Economic Affairs at Calcutta under the Ministry of Finance. Three counts of charges under the Foreign Exchange Regulation Act were framed by the Chief Presidency Magistrate against the two companies. One is a tea company and the other is F. & C. Osler (India) Ltd. Both these are controlled by this group. This was just one month, not even one month, before the investment was made. Do the Government want us seriously to believe, or do the Life Insurance Corporation want us seriously to believe that they did not know of this case which had been instituted with regard to two of the companies controlled by this group? The country, the large body of policy-holders and this House have the right to know why at this particular juncture the Corporation stepped in and put such large funds into the companies controlled by this group.

I would ask the Finance Minister to find out from the Corporation who

initially decided to invest such large funds in these companies. This is a very serious question, and I ask this question with all the seriousness that I can command: was the Investment Committee consulted before a decision was taken, or was the Committee informed after a decision was taken and implemented? The proceedings of the Investment Committee should be immediately examined by the Government in this regard.

As I have already said, I am impelled to ask these questions because Government have themselves instituted proceedings against certain important companies controlled by this group. We do not know the scrips of which companies controlled by this group the Government has purchased, but it has been freely stated in the market that some of the companies have not even published their balance sheets. I also want to know whether the Life Insurance Corporation has received the share certificates for all the shares that have been purchased from the banks.

That is also a fact upon which some light should be thrown. In regard to the investments of the Corporation, the Finance Minister denied that the Corporation does not engage in open market operations. This is what one responsible financial journal of Calcutta, *the Indian Finance*, has remarked on this point:

“The essence of open market strategy is that its *bonafides* must never become a topic of controversy, or a subject matter of suspicion. The Reserve Bank of India has conducted open market operations on gilt edged for over twenty years. Crores and crores of stock have been bought and sold. And be it said to the Reserve Bank's credit that never once has its *bonafides* in this regard been questioned”....

But, with regard to the Life Insurance Corporation, the *bonafides* have been questioned. These allegations

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may be unfounded but I want Government to take serious notice of these doubts and allegations that have been made openly. One of the members of the Council of Ministers was lately connected intimately with the Mundra group of companies. I have great respect for the Hon'ble Minister for the sake of the fair name of the Government, it should come forward with a full statement with regard to this affair and if there had been any secret deal, the Government should immediately institute an enquiry. With these words Sir, I close.

Mr. Deputy-Speaker: Substitute motion moved:

That for the original motion, the following be substituted, namely:—

"This House having considered the Interim Report of Life Insurance Corporation records its strong disapproval of,—

- (a) the manner in which the Investment Committee of the Corporation has conducted its investment policy in regard to private equity capital, and, debentures, preference shares of certain companies in private sector and other Securities of such Companies;
- (b) the policy of the Corporation in regard to its employees, and particularly in regard to emoluments and service conditions of field workers who procure business for the Corporation;
- (c) the unsatisfactory condition of various services rendered to policy holders; and
- (d) its policy regarding organisation of branches."

Shri Dasappa: Mr. Deputy-Speaker, I think the motion before the House namely, to consider the interim report of the Life Insurance Corpora-

tion of India has come very timely. Whether I agree with the Mover in all respects or not, I think that this debate is bound to serve a very good purpose; and it is from that point of view that I welcome the Motion before the House.

When the Insurance Corporation Bill was under consideration here, I used to take some interest in the discussions and I saw some amendments also. Then, the issue was narrowed down to one simple thing, namely, that the people who are the principal agents—firms and partnerships—should be enabled to function as ordinary agents. The Act itself had given them a period of 7 years' existence. What I want to say is that the experience and knowledge of these agents should not be lost to the industry. The disability under which the people of the Life Insurance Corporation are working should also be removed, and the counterparts of these principal agents who are known as Chief Agents in so far as Life Insurance industry is concerned, should be enabled on identical terms, namely, to function as ordinary agents with the special privileges which were attached during the earlier period, before the Corporation was constituted.

I am glad to hear that a suggestion was made on the floor of the House but that there was not time enough for the Government to examine this suggestion and that it needed a much more careful examination. I take it that in debates of the kind it is not the intention that all views of Members should be responded to completely. They have to analyse it and scrutinise it and it should be examined by those who are experts and I am sure, no Government would reject a suggestion if it is going to serve the national interest.

That is the spirit, I thought, which was behind the Hon. Finance Minister's reply during the Debate. I

hope that he will welcome any suggestions that will be emanating from the Members and I hope the suggestions will merit his earnest consideration.

I would like to briefly refer to the progress of the Life Insurance work during this period to which the report relates. Some of the remarks made by my hon. friends here who preceded me related not to the interim report, but something outside it. Probably, certain things have happened subsequent to the period of the report. It is rather difficult for me to deal with those points either by way of refutation or by way of support, especially relating to that part which relates to investments. The House has already been assured by the Finance Minister that a comprehensive statement will be laid on the Table of the House.

Shri T. K. Chaudhri: The Minister himself stated the other day that these investments which I referred to were covered by the period under review.

Shri Dasappa: I am sorry. But this report gave no indication of that. If it relates to the period under consideration, I am sure that the hon. Member is perfectly within his right to make those comments. Anyhow, since the material before us is not quite sufficient, I would like to withhold my remarks. I am glad to learn that a comprehensive statement will be laid on the Table of the House and I think there is also an attempt on the part of another hon. Member to move for a separate discussion. That probably would be the proper occasion for us to discuss about this question about investments.

Mr. Deputy-Speaker: Today we have got the interim report under consideration and not any particular period of it. The hon. Member may continue his speech.

Shri Dasappa: I was hoping that there would be a separate opportunity afforded to this House to discuss this particular investment, which was the

subject-matter of a question before the House. Whether that comes or not, that is not a matter for me to say. And, as I said, if that matter pertains to this particular period, the Members who have commented on that are well within their rights. I am only pleading that I have no particular enlightenment on the nature of the investments and so it is difficult for me to express my opinion on this matter.

I was saying about the functioning of the Life Insurance Corporation. Shri Sadhan Gupta was referring to the expanding of the operations of the Life Insurance Corporation. I think he was somewhat apologetic for the fact that the total business of Life Insurance Corporation was not so much as in the previous year. He was, in fact, trying to find many more excuses than what the Corporation authorities themselves say in this brochure. I do not want to go into that question; but, as I said then, I am prepared to say that there must have been some teething troubles. Therefore, I was not going to draw any general conclusions merely because during the first year of its operation, that is, from 19th January, 1956 to the end of the year, the industry had fallen short by more than Rs. 50 crores.

In any case, what did the hon. Minister say was the main objectives of nationalising insurance when he moved for the consideration of the Bill for the establishment of the Life Insurance Corporation? I am not going into the details. The first thing is to eliminate malpractices. He has narrated a host of them. The second important thing is that it is going to fulfil one of the objectives of our Welfare State. This is what he has said. 'We should be able to augment the total volume of savings required for implementing our next Five Year Plan and further Plans.' Since those are the objectives, we have a right to consider whether the Corporation is fulfilling those objectives.

Let me take the second objective first; and that is with regard to the

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extent of the business of the industry after nationalisation. If we see the figures given in the report, we find that the industry has been expanding in a very rapid manne. from year to year. In 1953, it was Rs. 179·86 crores; in 1954, it jumped to Rs. 243·99 crores; in 1955, it again rose to Rs. 258·66 crores. But, in 1956, the year under review, it fell to Rs. 200·28 crores.

What I am going to deduce from these figures is this. There was a momentum gaining in the country so far as this industry was concerned, from year to year. There was acceleration of the work. But what the then Finance Minister assured us, namely, the mobilising of more of savings for the Second Five Year Plan and the subsequent Plans, unfortunately, till today that has not materialised.

There is an old French proverb that he who offers excuses accuses himself. My friend, Shri Sadhan Gupta's passion for nationalisation may be, to some extent, satisfied because of this. But, then, we, I think, are anxious that the purpose for which it was done should be fulfilled. Let me assure him that I am not in the least against nationalisation. I have welcomed nationalisation. In fact, I loved this nationalisation so much that I wanted not only one nationalised Corporation but more than one nationalised Corporation. I wanted almost every State to have a nationalised Corporation so that there may be an element of competition introduced into this nationalised concern and we can aid this kind of mobilisation of savings to an infinitely larger degree than has now been presented to us. I am pretty sure that if every State had its own nationalised Corporation and the Centre had its own, there would have been an enormous amount of work all over the country. Each State would have galvanised the process of mobilising the savings. I referred to the Mysore State Life Insurance Corporation last time and said that that was competing against 200 other companies and yet

it was thriving well. So, we need not be afraid of competition and I thought that this would be a better way of enthusing the whole of the masses in India. I think I may be credited with the idea that I want the nationalised section of any activity of the Government to succeed and fulfil the objects it has placed before itself.

Let me come to the other questions before the House. I followed very closely the speeches of my hon. friends who have preceded me, and especially of Shri Sadhan Gupta. He made out a number of points. Having started very enthusiastically about the virtues of nationalisation, the latter half of his speech related to one woeful tale of acts of omission and commission of the Corporation. I do not want to repeat what he said, that this Corporation is following in the footsteps of the previous private companies and merely trying to mobilise savings without reference to the lapses and the quality of the business, that in regard to claims there was so much of dilatoriness, that in regard to the treatment of its employees—of course, that was the gravamen of his charge—he said it was nothing that was commendable. In fact, he has indicated that it was really bad treatment that was meted out to the employees right from the lowest field worker, the agent up to the officers and so on.

I shall deal with certain aspects of these matters also. I do not think that the idea of expanding business should not be before any Life Insurance Corporations. He said that that should not be the proof at all; or, rather, he said he would be satisfied with a 100 crores of good business than 300 crores of expanded business. If he proceeds on that basis, I am afraid the primary objective that we had placed before ourselves when nationalising this would never be fulfilled. I agree that there must be a real attempt made to get good quality business and the ratio of lapses should not be there. I quite agree. But, how are you going

to secure that? The only remedy that Shri Sadhan Gupta suggested was that we must see to the security of the employees. Is that all the only mistake in the Corporation's activities and is there nothing else? That is a matter which I want to address myself to today. I am not in disagreement with my hon. friend with regard to the treatment of the employees. I am pretty sure he is more in the know of these things than myself. The criticism that he is very elaborate may be very legitimate, but I am sure, the Finance Minister will be able to apply his mind towards that end, and if there are any shortcomings in that respect he is going to remedy them.

15 hrs.

In fact, the basic thing in any activity of any concern—either the Government or private enterprise—is that the people who work for it ought to be satisfied with the terms and conditions of their labour and service. If the employees find themselves terribly dissatisfied with their terms and conditions of service it should be looked into as early as possible. I am aware of this defect in the working of the Life Insurance Corporation. A number of agents have come and told me “well we are not at all happy with the way in which we are treated” and there is no enthusiasm on their part to continue to work; many of them have either left the service or have changed to general Insurance. How are we going to enthuse these workers on whom the entire edifice of Corporation rests? That is a matter on which I would like a great deal of consideration. Now not only with regard to this but with regard to all the other things which my predecessors have referred to, and which I am going to refer to, I have a suggestion to make. It would be better the matter is subjected to a proper evaluation by some high authority. It should not be put off to an indefinite period. This is the just occasion when there should be a proper evaluation of the working

of the Corporation, and I do not think, the hon. Minister should reject that suggestion. If he does it, it will throw a flood of light on the whole working of the Corporation from which, I am sure, the Corporation will stand to gain.

Now with regard to the defects to which Shri Sadhan Gupta referred. I do not want to deal very much with regard to the lapses. This Report does not give us any idea of the lapse ratio. In fact, the speeches at the time of the introduction of the nationalisation Bill pin-pointed this particular fact, viz., there were considerable lapses. I would very much request the Finance Minister to let us know as to the particular lapse ratio after we nationalised the life insurance. That would show whether the sins were on the side of private insurers or whether the Life Insurance Corporation also has to shoulder a great deal of the blame in that regard. We do not know exactly what the position is. From the Report that I have got, the lapse ratio has not decreased in the slightest. In fact, I am told, it is a little higher than before. I wish I am wrong because I can only depend upon such investigations as I could make in a busy parliamentary career.

Let us take the question of expense ratio. It was stated that the expense ratio in India was the highest in the world, or, at any rate, compared to the western insurance companies, the expense ratio in India was very high. I want to know whether after the merger of these insurance companies and elimination of lot of overheads and duplications and over-lapping, there has been any reduction in the expense ratio. How are we going to discuss this matter without some kind of enlightenment on these, what are known, as primary tests of a successful insurance industry? We do not know anything about it. All my information, as I said, is that the expense ratio has gone up. Why? Because the whole hierarchy of officials from top to bottom is so big and complicated that you find that the expense

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ratio has mounted up. I am told the expense ratio should not exceed 60% or so of the first year's premium. But today in my part of the country after nationalisation the expense ratio has mounted up to 99%. This is something serious and merits investigation. As I said, I do not have time to investigate into every detail but there are statements made in some responsible journals and my information is based on the reports of these journals and papers.

The next question is of agents. This is yet an inexplicable and ununderstandable thing for me. That only individuals should be encouraged to be agents and not co-operatives is a thing which baffles my imagination. Apart from raising this question on the floor of the House, I have tried to pursue this matter by way of correspondence. And I have received an answer that the Corporation prefers personalised service. It was heartening for me to understand I should like to know whether there is any partnership, firm or company which can deal with things excepting through persons and individuals. It may be that the Corporation or the company may have a continuous existence in life but they will not be effective except through personalised service I do not understand. And, therefore, they say that an agent should always be an individual. Sir, if A, B and C could work as separate individuals why should they not form a co-operative organisation, pool their resources, have a common office, a common typewriter, a common cashier, a common car and do a lot of business? Shri Sadhan Gupta was pleased to say that here with the best of his efforts a man cannot get more than Rs. 100 per month. With that what office can he manage, what services can he render to his clientele and what real propaganda he can carry on God alone knows. And why these companies or these firms which pool their resources, all for expanding, should become an anathema, I do not

understand. I can very well understand if the Government says they should not claim extraordinary privileges, but when they come forward to function as ordinary agents, with no better commission than an ordinary individual agent what sin is there for them to have a co-operative organisation. I am saying this not with a view to criticise the Corporation. As I said, I want the whole work to be galvanised; in fact, I would like this Rs. 250 crores to be doubled in less than a year. It can be done if only we work it in the right way.

With regard to agents, one of the accusations was that these permanent officers would have their own relations—wife, son or daughter—as an agent and get the best of both bargains, one side salary and the other side the agency commission. Because he has got to tour round and with his experience it is a very easy job for him to have the work done actually by himself but the name is being lent by his wife or his daughter or his son. Sir, will the Government be pleased to assure me that no such thing is taking place with regard to the appointment of agents? My reports are somewhat disturbing. I am told that the same thing is even now going on. The relations of these salaried people are there as the agents and the malady is as aggravated as ever before. I hope these things which are appearing in the Press and so on are all false; and therefore I say that evaluation becomes necessary.

Then there is the question of service. This is a matter where I have a little personal knowledge. I am told that the claims take a long time for being disposed of. The hon. Member Shri Sadhan Gupta referred to it today. I do not think he was merely exaggerating it. It seems to be a fact that they now take a long time for being disposed of. Since it is only a case of individuals, an individual may die and there is no heir to pursue the matter. The individual may go on a pilgrimage,

may take leave, may fall ill, etc., and there is no service whatever to his clients. Whereas, if that was a firm, having a continuous existence, it would get ready service. Therefore, there is that difficulty.

Then Shri Sadhan Gupta also referred to another matter, namely, that there must be inducement or incentive to the staff, the field workers. If they do more work and bring in more business, they must get a higher rate of commission. There may be a lot of justification for a suggestion like this. It will merit the consideration at the hands of the Corporation. What I say is this. Formerly, these private companies used to reward good work.

Shri Sadhan Gupta also rightly referred to the quality of work—good quality work and bad quality work. In the good old days, they used to reward good quality work and bad quality of work would attract some form of punishment. Now, I ask whether there is that particular procedure being followed now. Is there an attempt on the part of the Corporation authorities to reward good work and punish poor quality work? Supposing the lapse ratio within a couple of years is 60 or 80 per cent—Shri Sadhan Gupta said that it used to be 60 or 80 per cent or something like that and I do not think it is as high and as bad as that—what I say is, I am afraid it is at least as bad as before. I plead that the punishment that the old private companies used to give to those people who brought little business should be given now also. The same kind of punishment must be meted out to them. But that is not being done today.

Mr. Deputy-Speaker: The discussion is to last for 2½ hours only.

Shri Dasappa: I shall finish. I am anxious that the Life Insurance Corporation must be a great success and I am going to buttress the argument that I was making—that these firms and companies which have knowledge and experience of insurance business should not be prevented from placing

their services at the disposal of the Corporation.

I would like to refer to the proceedings of the Joint Committee on the Life Insurance Corporation Bill where Shri Sadhan Gupta himself put a question to one of the witnesses. He asked: "Would you accept the authority of the Corporation to direct you as to how you should proceed regarding the development of business?" The answer given by the witness—he was one of the chief agents—was "certainly".

I would just refer to one other matter. A representative of the chief agents said at the Committee that "if we are to continue in the new set up, we shall be happy to serve the Corporation as loyally as we served the insurance companies so far". So, I am saying that we must not let the knowledge and experience of the people go away. We should not place a discount on the knowledge and experience of theirs.

The interim report says:

"The Corporation has also recruited more than 20,000 new agents up to 31st March, 1957, and further efforts towards augmenting the agency force are being made. According to detailed reports received from divisional and branch offices for the period ending 31st March, 1957, 54,807 agents have actively procured new business for the Corporation since its inception".

One of the reasons for the low average productivity of agents in the past was that the agents did not receive any training in insurance salesmanship".

So, I would like this matter to be kindly considered, namely, that the firms and companies should not be prevented from placing their knowledge and experience before the Corporation. As regards the evaluation of the work of the Corporation—I do not want to insist upon any particular

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form or method by which this must be done—it is better that the whole thing is properly evaluated by some high authority. I am sure the hon. Finance Minister, for whose ability and industry I have nothing but most unqualified praise, will consider this matter. I am sure and I know that when he takes up a matter, he brings a lot of industry into it. I am sure he will be able to pull this Corporation through and make a success of it.

I only hope that such suggestions as we have made here will be considered sympathetically.

Shri Naushir Bharucha (East Khandedh): Mr. Deputy-Speaker, Sir, having once accepted the principle of nationalisation of life insurance, it is our duty to stand by this principle and to see that the Corporation becomes a brilliant success. I have no doubt that notwithstanding the fact that there has been a precipitate fall in the amount of business, which was due to a dislocation which was absolutely inevitable, the Corporation will proceed to function well. I am not, therefore, prepared to pass my judgment that this Corporation will not function well. I am inclined to believe that as more and more economies of a commercial combine are realised, for instance, in the matter of less advertisement than what was previously prevailing, less of directors' and others' pay and travelling allowances, printing and publications, etc., we shall increasingly be able to get better results from the Corporation. If one may put it, if there is dislocation, if there is trouble, these are bound to appear, because it was not a small venture that the State undertook. Nearly 250 insurance companies were taken over almost overnight, and it is to the credit of this Government, I must say, that they managed to train people without the least knowledge of anybody, and those people were able to take over the management of these

insurance companies almost overnight. That was really a creditable performance.

Having given them credit for this, I now proceed to voice the point of view of the employees. I have been getting piteous letters from the All-India Life Insurance Corporation Employees' Association that somebody on the floor of Parliament should voice their grievance. I propose to confine my speech only to that aspect of the problem.

It has been said in this report with regard to the integration of services that the thing has been satisfactorily attained. It has been pointed out that even long before the ordinance, the Corporation had initiated a *fresh study* of the problem of pay-scales with a view to evolving new scales of pay and formula for fitting in existing employees. One realises the difficulty of integrating the staff pertaining to so many different companies. I have not been satisfied with the way in which things have been managed.

It has been mentioned in this report that the employees are satisfied. Far from it. The All-India Life Insurance Employees' Association, for instance, writes to me that they are not satisfied at all and the arrangement that has been arrived at is only a make-shift for a year or so. Their main grievance has been this: they are not getting bonus to the extent of three months' pay, which 90 per cent of the employees were getting prior to nationalisation. Of course, the answer of the hon. Minister in charge is that the Government does not pay bonus to its department.

Now it is here that I want to raise the question of a new principle and a new policy which the Government must evolve. It is not enough when nationalisation has been accomplished that we get the profits which the private enterprise used to get. It is also our duty to see that we pay as the private enterprise used to pay. Nationalisation is no excuse, if I may

use a harsh word, for defrauding the employees of their legitimate dues.

It may be said that it is a question of policy. Then I want the Government to apply its mind to the creation of a new policy and a new concept altogether. It may sound very strange that Government servants should ask for bonus. Well, increasingly this State will go in for commercial enterprises where we will be invading increasingly the private sector. Therefore, let us distinguish between the functions of the Government as sovereign functions and the trader's functions.

This is not a distinction which I am creating. It is a distinction which is recognized by the court of law. When the Government functions as a sovereign body, when it taxes for defence and security of the State or for maintenance of law and order, it is discharging its sovereign functions. But when the Government enters the market as a trader, it ceases to be a sovereign body and, therefore, it is no use arguing that it is not the principle of this Government to give bonus.

If the Government assumes the garb of a trader, a commercial entrepreneur, it is the duty of the Government to see that it will abide by all those hazards of commerce and trade which an average trader is subjected to. Therefore, it is no argument to say that because this service is nationalised, the employees are not entitled to have bonus.

I want this Government to consider and evolve a new policy, not merely confining it to the Life Insurance employees, but also to other sectors which may be in future nationalised. If tomorrow we decide to nationalise sugar trade then, can the Government say that because it is a nationalised concern, no bonus must be paid? No Sir. I submit that it is nothing but defrauding the employees. They must properly compensate them.

It is not merely a question of bonus. I may tell you that formerly the em-

ployees were having medical aid, elementary education for children, housing schemes and so on. Now all these have gone. Why? It is because of this nationalisation. We are in favour of nationalisation. But we are not in favour of depriving the employees of their legitimate dues.

It has also been stated—and it is so—that the machinery for reconciliation of disputes between the employees and the Corporation is no longer in existence. I want this concept also to be removed. If we are increasingly for nationalisation then I think the House must decide on this policy that whatever is nationalised in the purely commercial sector, in that case the employees must have all the benefits that they used to have before. At the same time, they must also have a machinery for reconciliation of industrial disputes.

When the Government enters as a trader, why should they not be subject to the laws and machinery created for resolving industrial disputes? Why should they be above them just because they are Government?

These are the points which, I think, the Government should bear in mind. Also, one point has been made about participation in politics. That is also a question of policy. If we bear in mind the distinction of the Government discharging its sovereign functions and the Government entering fields of trade and commerce, I think it will be possible for us to create a concept under which the employees of nationalised concerns will be given all the benefits which a private commercial concern would normally extend.

I put in this plea on behalf of the Life Insurance employees because I think theirs is a just cause. As this House knows, they actually went to a court of law and the court of law pronounced that they were entitled to the benefits which they were enjoying. The Court also held that under the Act the Government was not entitled to change or alter the conditions of

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service to the disadvantage of the employees. What did they do? They promulgated an Ordinance to deprive the workers of the dues, which had been pronounced by the court as just.

The point that I am making is this. Just because a concern is nationalised, it does not give the Government carte blanche to deprive people of their dues. We must make a distinction and I hope that a time will come when we shall increasingly see that the employees of nationalised concerns do not suffer simply because the concern has been nationalised in the interest of the nation.

श्री रामेश्वर टाटिया (सीकर) : डिप्टी स्पीकर साहब, मैं बहुत देरी से लाइफ इंश्योरेंस कारपोरेशन के बारे में सुन रहा हूँ। उस तरफ के मित्रों ने भी कुछ कहा है। इस लाइफ इंश्योरेंस कारपोरेशन को बने अभी डेढ़ बरस का समय हुआ है। एक बच्चा जो पैदा होता है वह डेढ़ बरस में न तो ठीक से चल पाता है और न ठीक से बोल ही पाता है। इसी तरह से हम इस कारपोरेशन के बारे में नहीं कह सकते कि इसने ठीक काम नहीं किया है, क्योंकि इसे बने अभी समय ही बहुत कम हुआ है। फिर भी कुछ बातों की तरफ सरकार को ध्यान देना चाहिये जो कि हमारे मित्र श्री साधन चन्द्र गुप्त ने और दूसरे मेम्बर साहब ने कही हैं। सन् १९५३ से १९५५ तक बराबर इंश्योरेंस का काम बढ़ रहा था लेकिन सन् १९५६ में एक साथ कम हो गया। गवर्नमेंट ने नई नई स्कीमें बनायीं, जनता पालिसी बनायी, आयकर में जो ६ हजार की छूट दी जाती थी उसको बढ़ा कर ८ हजार कर दिया, फिर भी जितना बीमा होना चाहिये था उतना नहीं हुआ। इसलिये हमें सोचना चाहिये कि प्राइर इच्छा क्या कारण हुआ। हिन्दुस्तान में लोगों की पर कपीटा धामयनी भी बढ़ गयी है,

लोगों का ज्ञान और विद्या भी बढ़ी है, और लोगों में इंश्योरेंस की भावना भी बढ़ी है, फिर क्या कारण हुआ कि जो प्रगति हो रही थी वह रुक गयी और सन् १९५७ के छः महीनों का नतीजा देखने से तो यह मालूम होता है कि वह और भी घटती की तरफ है। सन् १९५६ में जो हुआ था उससे भी इन ६ महीनों में कम काम हुआ है। इसका क्या कारण है यह हमको सोचना चाहिये।

श्री साधन गुप्त ने कहा कि प्रॉजेंट सेक्टर में आपस में होड़ सी रहती थी और जो एजेंट सबसे अच्छा काम लाता था उसको स्पेशल बोनस प्रादि दिया जाता था, उसके सम्मान में स्पेशल फंक्शन होते थे। पायद वंसी चीज अब नहीं है। जो एजेंट सबसे अच्छा काम लावे उसको अगर हम बोनस प्रादि देने की व्यवस्था करें तो मैं समझता हूँ कि काम बढ़ सकता है।

मैं खुद लाइफ इंश्योरेंस का काम करता रहा हूँ, मैं एजेंट था, इसलिये मैं इसके बारे में कुछ कह सकता हूँ। कुछ सदस्यों ने कहा कि लाइफ इंश्योरेंस की क्वालिटी खराब हो गयी है। मैं इस बात को मानने के लिये तैयार नहीं हूँ। आज से दस १५ बरस पहले लाइफ इंश्योरेंस की क्वालिटी आज की अपेक्षा खराब थी। उस समय ६० बरस के आदमी को ४० बरस का बतलाकर उसका बीमा करवा दिया जाता था। कम्पनियां भी विदेशी थीं, इसलिये ज्यादा जांच प्रादि भी नहीं होती थी। आज उस तरह की घाघली नहीं है। मैं निश्चयपूर्वक कह सकता हूँ कि काम की क्वालिटी खराब नहीं हुई है। और इसका ठीक पता तो आपको प्रांकड़ों से चलेगा जब आप देखेंगे कि कितनी पालिसीज लेप्स हुई हैं। मेरा नज़रतापूर्वक कहना है कि क्वालिटी खराब नहीं हुई, क्वालिटी बरकर कम हुई है।

तीसरी बात मुझे इनवेस्टमेंट के बारे में कहनी है। हम यह नहीं कह सकते कि एक इनवेस्टमेंट खराब हो गया तो सब खराब हो गये। अगर आपको यह मालूम होमा कि यह चीज बढ़ने वाली है तो उस चीज के शेयरों के दाम ज्यादा बढ़ जाते हैं। हमने देखा है कि कुछ शेयरों के दाम बढ़े हैं और कुछ के घटे हैं। फिर सारी रकम के तो शेयर हैं नहीं। ७० पर सेंट की तो गवर्नमेंट सीक्योरिटीज हैं जिन पर पौने चार पर सेंट या चार पर सेंट ब्याज है। कुछ डिबेंचर्स हैं। कुछ प्रिफरेंस शेयर्स हैं। प्राडिनरी शेयर तो सिर्फ ८ पर सेंट के हैं। जब लाइफ इंश्योरेंस कारपोरेशन बना उस समय २४ करोड़ के शेयर थे। इन दिनों में साढ़े पांच करोड़ के शेयर लिये गये हैं। कुछ शेयरों में दाम घटते बढ़ते रहते हैं। हो सकता है कि कुछ शेयरों के दाम कम हो गये हों। पर प्राडिनरी शेयरों में आप देखेंगे कि आज एक शेयर का दाम १० रुपया है तो आगे उसका बढ़ कर २०० रुपया भी हो सकता है। टाटा के जो शेयर निकले आज उनके दाम ५० और ६० गुने हो गये हैं। इसलिये यह कोई नहीं कह सकता कि अगर एक किस्म के लाइफ इंश्योरेंस के शेयरों के दाम कम हो गये तो सब के कम हो जायेंगे। लेकिन मैं यह नहीं कहता कि इसकी जांच नहीं करनी चाहिये। इस बात का पूरा ध्यान रखना चाहिये कि प्राइन्दा ऐसा न हो, लेकिन यह उचित नहीं है कि किसी एक शेयर में लास हो गया, तो उस बात को पकड़ लिया और हल्ला मचा दिया। कई बार ऐसा भी होता है कि अच्छे शेयर ले लिये जाते हैं, लेकिन मार्केट में डिप्रेशन की वजह से उनके भी दाम घट जाते हैं।

लेकिन यह एक हकीकत है कि आज पालिसी-होल्डर्स में पहले की निश्चल ज्यादा सिक्योरिटी है। इसकी वजह यह है कि लाइफ इंश्योरेंस कारपोरेशन के रुपये की हालत

वह कभी भी नहीं ही सकती है, जो कि एम्पायर आफ इंडिया और जुपिटर आफ इंडिया वगैरह कंपनियों के मामले में हुई। वह कोई पुरानी बात नहीं है। सिर्फ दो चार बरस की ही बात है। आज तक उन के मुकदमे चल रहे हैं।

15.31 hrs.

[SHRIMATI RENU CHAKRAVARTY in the Chair.]

वैल्यूज में एक ग्राध परसेंट की तेजी मन्दी शक घा जाय, लेकिन वह हालत कभी नहीं हो सकती है।

हम इस बात को भी इग्नोर नहीं कर सकते कि शेयर्स का बाईन्दा मैचड ठीक नहीं है। श्री दासप्पा बे भी इस का जिक्र किया है और मैं भी कहना चाहता हूँ कि फ़ाइनेंस मिनिस्टर साहब को सोचना चाहिये कि कोई ऐसा तरीका अपनाया जाय, जिससे प्राइन्दा ऐसी भूल न हो। तीन महीने पहले जो शेयर लिये गये, उन में चालीस लाख रुपये का लास हुआ है। इस बात को मद्दे-नज़र रखना चाहिये कि प्राखिर यह पब्लिक का रुपया है। और शेयरों के दाम दस परसेंट बढ़े हैं, लेकिन सवा करोड़ के जो बे शेयर लिये गये, उन के दाम तीस, पैंतीस, परसेंट घट गये। यह कोई भ्रष्टाचारी बात नहीं है। लाइफ़ इन्शोरेंस कराने वाले बीस, तीस चालीस रुपया महीना देते हैं। अगर उन्हें नुकसान होता है, तो यह सोचने की बात है। मैं निवेदन करना चाहता हूँ कि शेयर्स के लेने में प्राइवेट सेक्टर का भी ध्यान रखना चाहिये और कुछ परसेंटज उसके प्राडिनरी शेयर्स लेने चाहियें। वहाँ से बारह, पंद्रह परसेंट घाता है, जब कि डीवैन्चर्स या बॉन्ड से चार, पांच परसेंट ही मिलता है।

प्राखिर मैं मैं फिर यह कहना चाहता हूँ कि लाइफ़ इन्शोरेंस कारपोरेशन नेशनलाइजेशन की तरफ हमारा एक एक्सपेरिमेंट है और

[श्री रामेश्वर टॉट्टिया]

इस एक्सपेरिमेंट को हम सब को मिल कर सक्सेस बनाना है, जिससे और चीजों के नेशनलाइजेशन के सम्बन्ध में हमारी हिम्मत बढ़े और हम नई नई चीजों का नेशनलाइजेशन कर सकें ।

Shri Prabhat Kar (Hooghly): While going through the report of the Life Insurance Corporation and its activities up to June 1957 I find that the vices of the private sector are maintained while the virtues are abandoned. From the figure given here of the business for the years 1954, 1955 and 1956 we find there is a fall of Rs. 58 crores of the sum assured—in spite of the fact that today, according to the statistics, national income has increased per capita, and it is a fact that more and more people have become insurance-minded.

If you look into the figures in the report itself, you will find that while in 1944 the number of policies was 7,24,000 and it was increased to 7,70,000 in 1955, in 1956 there is a fall from 7,70,000 to 5,49,000. For the six months of 1947, the figure is Rs. 74.92 crores.

If you try to understand why there is this fall in business, it is not a new enterprise that we can forgive the person at the helm of affairs of this Corporation. It is an industry which was being carried on for a long time with a growing number of policy holders and amount insured. The moment it is nationalised and taken over by Government it cannot be said that all of a sudden the people have become averse to insurance and therefore there is this fall and that we have to educate the people about the need of insurance and the benefit of insurance. If I may say so, the fault lies with the authorities.

First of all there is so much of centralisation with the result that so

far as the service that is being rendered to the policyholders is concerned, the policyholders instead of being satisfied are today annoyed and scared away. Because of the fact that every small item has to be referred to the top man sitting in Bombay, there is delay either in accepting a policy or in granting a proper receipt after the payment has been made. The system of working needs certain changes, and powers should be given to the agents for the proper discharge of their normal duties and day-to-day functioning. Otherwise it will be difficult to render proper service to the policyholders which, naturally, is one of the main reasons why the people think twice before insuring their lives.

The second most important point is about the field workers, the persons who for all these years were working day and night procuring business and who may be called the life vein of this industry. They have not been properly treated. As regards their service conditions, although very recently there has been a scheme of categorisation, it is not to their satisfaction. When we look into this categorisation scheme we find that, as in the past, too much stress is laid on the figure of the new year's business, that is the first year's business procurement. The same policy is being pursued and the agents are being asked to procure business every year to the tune of Rs. 40,000 which is an absurd proposition today when we know that the average output of an ordinary agent is to the tune of Rs. 3,000. This undue stress on the figure of the first year's business will lead to lapsing of the business. From the report we find figures about the new business, but we are not given the figure about the lapsed policies during this year. We know, as a result of too much stress on the first year's new business during the years lapses were even to the tune of 61 per cent. In the year 1954, only 35.6 percent of the business was in force. The others lapsed. Be-

cause, if you stress too much on the first year's business, naturally, the agent or the field staff will try to give you business which, in quality, will not be such as on which the industry can flourish. As a result, if we take into consideration the figures of lapses in 1946-54, we find, nearly to the tune of 61 per cent.—ranging between 61 per cent. and 50 per cent., there are lapses. When it was expected that after nationalisation, the service that will be rendered by the agent would be taken into consideration, that the old policy of the private sector will be changed, that there will be security of service and the agents will try to bring good life and good business so that the percentage of lapses will be less, the new terms that have been given by the Life Insurance Corporation suffer from the same old defect which the private sector used to have. It is high time that this fact is taken into consideration, and as asked by the field workers, no quota no cost basis, their demand, is worked out and accordingly a settlement is arrived at.

I know very recently, while these field workers were holding their National Federation Conference here in Delhi, the hon Finance Minister met them, discussed with them about their conditions of service and also assured them that he will try to discuss this matter with the Corporation authorities and find out a solution. For one and a half years, the industry has suffered and suffered to the tune of more than Rs. 58 crores in 1956. We do not know what is going to happen in 1957. Although high promises are being held, the figure up to 30th June does not show any improvement. It is necessary in the interests of the country that these field workers are given proper remuneration and are given a guarantee about security of service. I would suggest that, as in the case of the office employees, where the Finance Minister held a bi-partite conference and came to some interim understanding, the same thing may be done in the case of field workers. The sooner it is done, the better for the industry and for the country.

While going through the working of the Corporation, one of the most important points is about this investment policy. While introducing the Bill for nationalisation of the life insurance industry, the hon. Finance Minister said that those persons who were in the helm of affairs in life insurance were not dealing properly with the funds. So far as misuse of funds is concerned, it is that they were investing money in certain shares which were, in the long run, found to be of no value. It was expected that after nationalisation, money lying in the hands of the Life Insurance Corporation will be utilised for the benefit of the country so that the country's economic progress can be properly ensured. From the Table on page 20, we find that from the 1st of September 1956 to 30th June 1957, investment to the tune of Rs. 8.62 crores was made in the debentures of companies, preference shares of companies and ordinary shares of companies. This constitutes 50 per cent of the amount invested during this period, the total amount being Rs. 19.63 crores. Out of this sum of Rs. 19.63 crores of investment, 50 per cent. had been invested in the shares of private companies. We heard the other day from the papers, and it is now a fact, that Rs. 1,26,00,000 of investment has been made in the concerns of one gentleman, Shri H. D. Mundra. As far as we coming from Bengal, are concerned, we can say that this name all the time raises some doubt. In the banks wherever they have got account, as far as I know, the bank managements are in panic. It is also a fact that the bank manager of a Foreign Exchange bank was dismissed for a certain deal with this gentleman's concern. There have been enquiries from the Reserve Bank of India. Any concern connected with the name of this gentleman gives rise to suspicion. I would only say that it is somewhat amazing that while we took away the insurance companies from the hands of certain persons who have been subsequently found guilty by a court of law, we are investing in shares in concerns of persons who are

[Shri Prabhat Kar]

already charged by a department of the Government for having infringed the law of the land, and not a small amount, to the tune of £30,000. I do not know whether the hon. Finance Minister had any knowledge before this investment was made. But, even now, this has been brought to his notice and I would request him to make a thorough enquiry and at least let the country know that after nationalisation, when this investment has been made, the Government takes full responsibility of this investment.

So far as the field workers are concerned, they have placed certain suggestions before the Corporation and perhaps before the hon. Finance Minister. From the premium, 20 per cent is taken away to be utilised amongst agents, medical bill, medical officers, office staff and field staff. The field staff gets 1.5 per cent. out of the 20 per cent. This is from the first year's premium. Then, 15 per cent. is taken away from the renewal premium. Out of this 15 per cent., 5.2 per cent. is given to the agents, 5 per cent. to the administrative staff and 2 per cent. is given to the employees. They are left with 3 per cent. If this 3 per cent. is distributed properly amongst the field workers, there will be no load on the Life Insurance Corporation and yet the field workers will be satisfied. Once we have a contented field staff, we can assure better prosperity to the working of the Life Insurance Corporation. I would request the hon. Finance Minister to take note of this suggestion.

Shri Radha Raman (Chandni Chowk): Madam, I am much thankful to the Finance Minister for having given us an opportunity of discussing the working of the Life Insurance Corporation during its first year. The report contains all the facts and figures relating to the first 12 months of nationalisation of this industry. It also contains some figures for the first six months of the current year.

Some hon. Members have been very critical of the results which the Cor-

poration has achieved in the first year of its nationalisation and the first six months of the second year. I am conscious that when this Corporation came into existence and this industry was nationalised, it had many difficulties to face. It was a very big thing, and we all believed that it was a great step and that the Government had done the right thing. We wanted that insurance should be nationalised and thought that the nationalised industry would prosper much faster than it was doing before, and I am of the opinion that if the working of the first year is reviewed in the light of the circumstances that prevailed then, it is not very disappointing. Although we wanted the results, to be much better, the results achieved were not so bad. We cannot actually judge things unless we bear in mind the circumstances in which the nationalisation of this industry was undertaken.

I am fully aware that the business of the first year was too small compared to our expectations, but the reasons are explained in the report, and I do believe that those reasons are responsible greatly for the low business that we did. The year 1955 was a boom year for insurance in our country and business of the various companies, in that year had gone up by leaps and bounds. I do not want to go into the reasons because they are contained in the report.

In the first six months of the second year I feel that the business has slightly progressed. Although I am not very sure whether we shall be able to achieve the figure of 1955 or do better, I am sure we will fare much better than what we did in the first year. All the same, I feel there is great room for expansion, and if the snags that lie ahead are removed, the life insurance business will go much faster and we will have much better results than what we are having now.

The Finance Minister in a speech at Bombay on the 14th April said that he felt that the functioning of the Life Insurance Corporation was not very

satisfactory and that he wanted to improve it. In this connection he also said that he was contemplating some major changes in the management of the Corporation. We have been waiting for long for these major changes to come. I somehow feel that we are taking unusually long time to set things right, to have those major changes brought about in the Corporation and its functioning.

I fully associate myself with the views expressed by my hon. friend Shri Dasappa that in our country there is very great room for expansion of this business. We were doing business of about Rs. 250 crores through nearly 250 companies throughout the country and there was much room for expanding this business, and we thought that after nationalisation the speed would be faster and our business of Rs. 250 crores would increase substantially in the subsequent years, but so far that has not been achieved.

The success of a life insurance company as was previously judged depended on healthy competition, limiting of the expense ratio and overhead expenses and limiting of renewal expenses. It also depended on easy conditions of payment of premia and quick disposal of claims, and lastly on the willing cooperation between the insurer and the insured, as well as on the satisfied worker. If we look into the present functioning of the Corporation in the light of these factors I feel there are many defects which have greatly contributed to our present results and because of which we were unable to expand the business as fast as we thought we could.

As I said, after nationalisation healthy competition has been removed. There was a suggestion by some hon. Members in this House that if we wanted to nationalise this industry it was better we had more than one corporation, with the object of maintaining competition which was previously maintained by so many companies, but that was not accepted.

When the industry was in the hands of the private sector we were always emphasising that there must be a limit on expense ratio, and each company which had spent more than what was prescribed was taken to task. There was sufficient vigilance over that. But I think under nationalisation there is not much provision made for checking the expense ratio and to maintain it within limits. After the monopoly expenses must go down instead of going up.

As regards overhead expenses too, previously there was a lot of vigilance and each company which exceeded the limit was made to reduce it in one way or another, and there was sufficient check over it. Presently we feel there is not enough vigilance on that account also.

With regard to conditions of payment of premia and quick disposal of claims, when the industry was in the hands of the private sector the companies were affording quite a lot of facilities to the insured for payment by easy instalments. Although those conditions remain, yet I find the policyholder is not very happy with regard to payments. When it is delayed there is always a heavy interest to be paid, even for a day or two. Previously they were just relaxing these conditions to the extent of 15 days and even a month, but at present there is a rigidity and the policyholder who is to pay the premium on a particular day, if he is unable to pay on that particular day and pays a day or two later, has to pay additional sum as interest and he dislikes this. So, I am drawing the attention of the Government and our worthy Finance Minister to the point that there should be some check up in this respect. If we can relax the conditions of payment of premia by the policyholders, it will greatly help to check the lapse ratio, make the policyholders happier and induce them to go in for further policies.

With regard to quick disposal of claims, the Government claims that there is no red-tapism and that every

[Shri Radha Raman]

effort is made to pay the claims as quickly as possible, but if I know rightly and if I have judged the conditions well they stand today, I can say with some knowledge that claims are not disposed of as quickly as they used to be done by the private sector.

16-00 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

Therefore, I would request the hon. Minister to see that these handicaps are removed and necessary steps are taken to expand the business and efforts should be made to pay genuine claims in time.

With regard to cooperation between the Corporation and the insured, I think, the position there is not very satisfactory. Although no specific grievances have been brought out here, I may tell you that when I talked to a friend who was engaged in the industry, I felt that there is a genuine sense of dissatisfaction. The insured feel that the business would be run better than it was during the previous years. He expects that the amount which may be claimed at the time of maturity or in case of death, will be paid with that quickness at least and willingness as was the case when the affairs were in the hands of the private sector.

Mr. Deputy-Speaker: How can willingness be seen?

Shri Radha Raman: It can be seen by the time that is taken and the methods that are adopted. The people may be sitting there just looking after their work, thinking that it is not their responsibility, but, if we make the men personally responsible, that will automatically result in bigger business and all efforts should be made by him to pay the claims as quickly as possible.

When I say this, I feel that the report that has been placed before us, is a thought-provoking one and we have to find out as to what were the reasons which have led to the fall of business and whether that was all inevitable.

It is true that there was bumper business in 1955, because there was staff insurance. There was also the carried forward business. All these factors were there. I am certain that if there was satisfaction on the part of the workers and if the new conditions had been properly adjusted right from the very beginning the results would have been much better than what they are today.

I would now suggest a few steps in order to improve the business that we have undertaken to do through the Life Insurance Corporation.

Previously, I find, there was hotchpotch arrangement and everybody who could use his influence and get some business was made an agent or a special agent or a chief agent, whatever may be the name by which he was called at that time. When the Nationalisation took place we all thought that adequate attention will be paid to the proper training of these people. The agent has got a great responsibility upon himself. He has to be conversant as to what actually Insurance means and how it can benefit the common man or the policyholder. An average agent did not know all these things. An average agent does not know it even now. Government should take special steps to see that every agent who does the business of insurance should know his job well. He should know that he is doing the job not merely for getting some advantage or some remuneration thereby but that he should serve the policyholder who is at his mercy. But, so far Government have taken no steps in this direction.

There is, therefore, a great need of paying some attention to this problem. There should be some training courses or some methods by which the average agent could be trained properly as to what he has to do in the case of non-payment of premiums or late payment of premiums and the job to be done when the claim matures either by death or by expiry of the time.

I do not know whether the Finance Minister will agree with me when I say that Life Insurance business should not be monopolised outside the country. I find that business by private insurers is stopped even outside the limits of the Indian territory. I do not see any reason why companies are not allowed to function outside India. There is a healthy competition there. There are so many companies of other countries which are functioning there and there will definitely be some benefit derived by us if we think in terms of having no monopoly outside our own country. I would like to place this thing before the hon. Finance Minister for his consideration. I feel that in the case of workers, you have fixed certain remunerations. Some are fixed and some others are based on monthly or quarterly returns. These workers just go about and help the agents to get business. I know the agent is given some commission if he does more business. At present, the worker, or the Inspector or the field officer—by whatever name you may call him—is not getting anything beyond what he is getting in the regular course. Previously he used to get some income according to what business he was getting every month. There was a system of payment of bonus and the workers' bonus depended upon the increased business which they brought to the company.

So, this is my appeal to the Finance Minister. Whenever a worker does more or better business, he should get more money either by way of allowance or by way of bonus, i.e. in addition to what he would get in the usual routine manner.

Coming to the question of investments, we have had some talk on this subject in this House. The Corporation has made investments since its functioning but I somehow feel that the investment business should be completely, taken away from the Corporation and there should be a separate statutory body to function for investments. I say this because there is much that is required to be done in the case of our investments. We have

recently seen that in case of one investment the Corporation has lost as much as Rs. 40 lakhs. It is my view that there should be separate provision for investment work. If we do that, that will help in avoiding losses on investments which may occur because of the tendency to invest in securities which are not well secured.

Mr. Deputy-Speaker: The hon. Member must conclude now.

Shri Radha Raman: I will be concluding in one or two minutes. I feel that the policy of investments requires greater vigilance.

With regard to the security of services some hon. members made some suggestions, and, I think, there is a general dissatisfaction on this account as well.

In the first instance, Shri M. C. Shah headed a committee which ultimately decided the fate of so many senior workers who were getting more than Rs. 500. Then, we had the Lall Committee. The Lall Committee also decided about the senior officers and interviewed so many workers throughout the country. But, the Government had been telling that there will be security of service and there will be the implementation of the recommendations of the Lall Committee. There is a provision in the Act also to decide about the service conditions. I think unusual time is taken to decide these matters. I only wish that the Finance Minister may expedite this thing because a lot of dissatisfaction among the workers exists on account of the unusual time that is taken for the implementation of the Lall Committee's report. They are all expecting that anything that is to be decided should be decided as quickly as possible.

Mr. Deputy-Speaker: Shri Ghose. But, I would request the hon. Member to take only 5 minutes.

Shri Bimal Ghose: Sir, I was one of the movers of the motion.

Mr. Deputy-Speaker: It was only at the hon. Member's suggestion that I did not impose any time limit. I agreed with his advice.

Shri Bimal Ghose: Therefore, you are imposing this time limit on me?

Mr. Deputy-Speaker: I have been acting according to his advice; why should he complain?

Shri Bimal Ghose: But why should you impose it on me?

Mr. Deputy-Speaker: I rang the bell and he said some time should be given. He did not rise and I thought he was not anxious to speak.

Shri Bimal Ghose: I may be given 10 to 15 minutes.

Shri Nathwani (Sorath): You may extend the time.

Mr. Deputy-Speaker: The maximum limit of time for such like discussion is only two hours and a half. I have already extended the time by half an hour which is unusual and which would not be a precedent for the future. Therefore, it is not possible to extend it any longer.

Shri Nathwani: You were good enough to extend it by half an hour; you can extend it by half an hour more.

Mr. Deputy-Speaker: There is limit for being good enough also.

Shri Bimal Ghose: As you know my name came to be clubbed with the movers of the motion because I had asked for a half-an-hour discussion in relation to the replies to the question which was tabled by Shri Nathwani and Shri Morarka with regard to the investments of the Life Insurance Corporation. Therefore, I shall be speaking primarily upon this investment aspect of the activities of the Life Insurance Corporation, although I shall take this opportunity to say a few words on certain other aspects of its work also.

In spite of the fact that the working of the Corporation has not been up to our satisfaction, we do not rue the

support we had offered to the proposal for nationalisation and we still hope and are confident that our expectations will not prove false and our hopes would be fulfilled.

With regard to the business of the Corporation, it is true that the business has gone down. As I said on a previous occasion, we should not take an alarming view because there were teething troubles; it had to be reorganised and business in the first year would naturally be lower than it was before. But I am sorry to find that this report tries to belittle the fact that there has been less business and the causes given will not bear scrutiny; because the causes are stated to be that formerly there was a reduction in premium rates, that there was staff insurance and the Estate Duty came in.

The fact is that after the Corporation came into being, the premiums were still further lowered; there have been the Janata policies and there have been the group insurance policies; and yet the business has not gone up. Therefore, their arguments cancel out. Incidentally, I should really congratulate the Corporation for having taken the decision that policies of certain insurance companies would not be written down although they have not sufficient assets behind them.

Coming to the question of the dissatisfaction amongst the workers, there are three categories. There is the question of the officers. I would like to say only two things about the Lall Committee. Although the Lall Committee reported in June 1957, no decision has yet been taken. That is a very long delay and Government should take a decision. The second point is that the hon. Minister here stated that it is the Corporation's business to find out as to how they will deal with the report of the Committee. I do not think that this is quite fair view, because it was the Government which had appointed the Committee and, therefore, Government cannot divest themselves of all

responsibilities with regard to the report of the Committee.

Then, with regard to the administrative staff. The Finance Minister had intervened and had come to a satisfactory arrangement. But, I received a letter from an association to which Shri Bharucha referred that although the general terms are satisfactory, dissatisfaction remains with regard to the question of bonus. And, I endorse everything which Shri Bharucha had said because if Government run these companies as commercial concerns there is no reason why bonus should not be paid to workers if profits accrue. Commercial concerns should be treated on the same par whether they are in the private sector or in the public sector. Shri Bharucha had argued that case and I do not want to take much time.

About field workers there is dissatisfaction and the Finance Minister also knows about it. I only hope that as he had settled the problem in the other case, namely, with regard to the administrative staff, he will intervene and come to some satisfactory solution in this case also.

It is stated in the report that the categorisation was proposed to be done on the basis of the work in the Corporation during the period ending 30th September, 1957. That would have been extremely unfair because during this period the work of the Corporation was disorganised, the workers and the agents did not get the benefit from the Corporation that they should have got and, certainly, their work was hampered. Therefore, this period is not quite fair to take into account for deciding the question of categorisation.

Coming to the last question which is about investment, there are a lot of points that I want to bring to the notice of the Finance Minister. Although when the business was nationalised it was stated by the then Finance Minister that investments in any sector would not suffer, we find that investment in mortgages have been frozen. No further investments under

mortgages are being allowed, and that is a great handicap, particularly to middle-class people who take loans from insurance companies for building their houses. I would like the Finance Minister to intervene and see that this business is revived.

I find that the investment in shares, debentures and preference shares has increased. That is very good because an assurance was also given that the private sector will not suffer by nationalisation. As a matter of fact, the private sector has not suffered at all. It has gained, on the contrary.

It appears that there is a feeling that the Life Insurance Corporation comes into the market whenever the Stock Exchanges are in difficulties. I would like to know from the hon. Finance Minister what the position of the investments of the Life Insurance Corporation in equities is. What is the policy with regard to this? Is it the desire of the Government that the Life Insurance Corporation will carry out open market operations in equities just as the Reserve Bank carries out open market operations in securities to maintain the health of the Stock Exchanges? Because when the Life Insurance Corporation intervenes in the Stock Exchanges we find that they show some life.

The Stock Exchange are often in difficulties, and it is only when the Life Insurance Corporation intervenes that there is some buoyancy imparted to the market.

Incidentally, you will realise that the situation is becoming more dangerous from one respect that today the Stock Exchanges which are in the private sector depend very often for their life, so to say, or for their energy on the Life Insurance Corporation. If the Life Insurance Corporation does not intervene, there is a depression in the market; and, then, when the Life Insurance Corporation comes in the stock market revives. What is Government's attitude in that regard? Do they feel that it is a good thing that the Stock Exchanges should be

[Shri Bimal Ghose]

made dependent upon the public sector for their very existence?

Thirdly, we find that there has been a lot of criticism with regard to certain purchases made by the Life Insurance Corporation, particularly, in regard to the shares of the Mundhra group. There is one thing I should like to ask the Finance Minister in that regard. He stated that in making these purchases Government is concerned only with the profitability of its investments. That is a proposition which, I think, the Finance Minister will not accept in toto. It is not a question of mere profitability but also the soundness of the concern. If the Government comes to know that there are certain shares which are really profit-earning, which give good dividends but at the same time they are managed by people about whom there is lot of suspicion, then certainly an institution like the Life Insurance Corporation would not invest in such companies I am sure that the Government knew about the activities of the person whose shares were brought by the Life Insurance Corporation. Was it a desirable thing to do? I feel that the reason why Government bought the shares of this concern were not merely the question of profitability, but probably Government were to get moneys through other sources from the same person and it was through the purchase of these shares which put that party into funds, which funds were then taken by Government for meeting the other obligations that the person owed to certain government institutions. I am not quite sure if that is so, but even if that is so it is not right and proper that the Life Insurance Corporation funds should be utilised in that fashion—to obtain money in that manner with a view to get the dues owed to certain other government institution by the same person. It is also known that in one of the companies in which shares were bought a large amount of cash from that company was taken away illegitimately by the same person, yet a large group of

shares in that concern was bought. Now, I do not say that the Life Insurance Corporation will lose money by such dealings but what I want to say is that this is not the proper work of a Corporation of this kind which is dealing with poor people's fund.

Thirdly, I find that the Corporation has been engaged in the business of under-writing of shares. We know that when the Industrial Finance Corporation was first set up, although it had the power to under-write shares, that power was not exercised because it was said that this was not a proper thing to do. There were risks involved in that. I should have thought that Life Insurance Corporation funds should not have been utilised for under-writing of private offers of shares. And, we find from the replies to a question that was asked here that in practically all the cases—I believe, excepting one where the Life Insurance Corporation had under-written shares—they had to purchase the whole quantity of the shares that had been under-written, which indicates that the shares were not so much popular. If they were not so much popular then the Life Insurance Corporation should not have cared to under-write those shares. I do not think that it is proper for an Institution like the Life Insurance Corporation to engage in this kind of business.

Finally, there are two other points about investment business that I want to say before I finish. One is, what has happened to the Bill to which Mr. T. K. Chaudhuri made a reference, which Government introduced in last session and which was a salutary measure for controlling and directing the investments of the Life Insurance Corporation. That Bill seems to have been withdrawn or is just in abeyance. We do not know what has happened to it. It was a very high-powered Committee that the Bill envisaged and it would have appeared that that Bill could have done some justice to the question of investment of Life Insurance funds.

Finally, Sir, there is one point with which the hon. Finance Minister may or may not agree, but which I have brought before this House many times, viz. the question of investments being made through particular markets. We find that Bombay is getting all the preference and Calcutta and other markets are suffering. Those responsible for the stock exchange market in Calcutta have brought this matter even before me and have told me that the Calcutta market suffers in relation to the Bombay market. It is not fair. Even with regard to Government securities most of the transactions have gone through the Bombay market. It is true so far as Government securities are concerned, Bombay happens to be more important than any other financial market, but that is probably due to the fact that the Reserve Bank also operates in that market. If it were not so other markets could also gain much better prominence. So, I should like the Finance Minister to take that fact into consideration and see whether he should not offer his support to other markets also and not make them feel that they are being adversely treated in relation to Bombay market.

Shri T. T. Krishnamachari: Mr. Deputy Speaker, Sir, I welcome this discussion. It has got postponed for long and I am glad that the House has been able to express its mind on the working of the Life Insurance Corporation.

At the outset I would like to say that I do not propose to defend some of the charges made, for instance, the question of business, the question of promptitude, the various lapses in the organisation because these are facts which are there, and the mere question of eloquence or marshalling of a few circumstances which perhaps justify them do not hold a cover-up to the issue. The fact remains, Sir, as one hon. friend put it "the teething of this particular baby has taken a very long time."

The manner in which we started—we probably did not know, the ques-

tion of 180 companies being integrated was, if I may venture to say so, almost a superhuman problem. I have mentioned once before on the floor of this House that a very good manager of a medium-sized insurance company does not happen to be as good when he is asked to deal with a Corporation of this magnitude. Hon. Members have been finding fault with us for using the people who have served private enterprise. I offer no apologies to the hon. Members for doing so because these people who were serving private enterprise in the past have been successful insurance men. They are selfmade men. Many of them have built up their companies and it is on the strength of their record that we have taken them and given them positions of responsibility. Even so, it happens that the responsibility is so heavy that they find it very difficult to discharge adequately without further experience of handling a mechanism of this magnitude. Much of our trouble, Sir, I have to put down to the comparative inexperience of the people handling such a big organisation. Maybe, in the light of what has happened, when we are going to nationalise some other organisations of this nature we might begin in a different way but there is no use going back on what has been done. All that we could do is to reorganise it. My hon friend, Mr. Radha Raman said that I have mentioned on the floor of the House that I am not satisfied with the present organisation and that I propose to reorganise the machinery. Such a thing is easier to be said than done because I know that I had to come to this House for legislative sanction in order to drop some of the useless limbs right from the top to the bottom, and perhaps expand some of the limbs which are useful. And the House, hon. Members know, is fully occupied; it has not got much spare time, and preparations of a Bill, having in mind vigilant eyes of people like Mr. Nathwani who would very legitimately and correctly find fault with our bad drafting, takes time. I do hope it will be possible for us to place be-

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fore this House sometime next year a Bill which will ensure better organisation for the Insurance Corporation.

I should like to touch upon one matter before I go into details regarding organisation of the Corporation, viz. the question of investment. I am afraid, Sir, that in this question of investment, perhaps very rightly, prejudices have played a large part in hon. Members' expressing their opinion on what the Insurance Corporation has done.

So far as the insurance companies are concerned, I still maintain that profitability and proper investment of its funds is the main purpose behind the Insurance companies which have been investing money in any form of security. And profitability means enduring profitability, not evanescent profitability. I know that the hon. Member Shri Bimal Ghose knows it but he found that it is suitable for him to make a point of it. A thing must be profitable for all time, because insurance investments are there for all time.

The second fact that the hon. Members would please note is that the insurance companies are not sellers, and therefore Shri Radha Raman is not correct in assessing a loss. Because there is no selling, there is no loss. The question of loss and profit to a man who operates in the stock exchange is different from a person who buys for investment. The man who buys for investment judges the value of the investment on the basis of reasonable return. I do not see any fear being expressed that the return in regard to the companies in which insurance funds have been invested is likely to be jeopardised.

The other fact that the hon. Members opposite, particularly made a point of was that there was some relationship with some particular individual and his, may I say, perhaps reputation. I cannot use the words which they have used, because it would not be proper to use those

words in this House. These are firms. Maybe that one person gets 25 per cent. or 30 per cent. control over the company today or he buys up the managing agency. He goes tomorrow and other person comes. If the insurance company has a substantial stake in it, naturally it will assert itself.

What is necessary is whether the company in which the insurance company invests its money is a substantial one, having regard to the fact that stock exchange value of the shares of the company is not a material factor. It is the real worth of the company which the material factor.

Take, for instance, the investment of the insurance company in Indian iron, which is selling probably somewhere about Rs. 20 or a little less today. There was a time when it went up to Rs. 80 in 1937. Even today, as I know it because I have been in charge of that particular industry, in relation to its capital, the total amount of assets that it has is perhaps several times over. The Government has lent money to this concern, and it is a very substantial investment, because Government sees that it gets a reasonable profit and it will get a reasonable profit because we will need steel for a long time to come. I do feel that this is the type of company in which public funds should be invested, because returns for this public investment will be ensured. Maybe that may be a mistake—I do not direct the investment of the Insurance Corporation—and may be in one or two cases, for instance, they might have gone in for textiles; they might have gone in for some small thing here and there which is not probably good or they might have judged it from the facts of the situation which they have before them.

But so far as I am concerned, looking at it from a distance, I think it is good and proper that public funds should increasingly be invested in those blue-chips, as they call it, where returns are safe, where the industry is a stable one and an

important industry. I cannot see any better use for public funds than for investment in those concerns.

That brings me to another trouble. Hon. Members opposite think that I am favouring the insurance company, and through my instigation, favouring the private sector. Some hon. Members on this side seem to think that the Government is getting control over the private sector through the backdoor. Well, I think my justification any my *bona fides* are established. Naturally, all that I am concerned about and all that the Insurance Corporation is concerned about is to see that the policyholder gets a proper return and an investment which is a safe one, and we also see that in future, as far as possible, the public do have some share in the prosperity that belongs to those concerns which have grown and developed under the auspices of Government influence and Government protection. That is a culmination which I think we should wish for, and if you ask for my own views as a person who had some experience of this, I think it is a proper thing to do in an economy like the one which we want to build up.

So far as the details are concerned, as I have said to the House, the insurance company is not normally a seller. It is only a buyer. Therefore, the question of a loss now can be converted into a profit tomorrow and it does not arise. Of course, probably if hon. Members wish to raise this discussion, I shall ask the Insurance Corporation to put all the papers on the Table of the House, and if there is anything which will perhaps hurt it, the Insurance Corporation will take adequate steps to see that their interests are protected.

It is nowhere the case of trying to help an individual or a group of individuals merely because some one person is connected with a particular company today; he may not be connected with it tomorrow. But the insurance company stays, and its holding stays in its hands. Therefore, I would like once for all to disabuse

the minds of the hon. Members here that there is any policy of helping any individual excepting helping public investment, the investment of insurance companies' funds. I do hope that in future, this aspect of our investment, as insurance companies' fund grows, of insurance companies' fund will also grow.

One matter which was mentioned by my hon. friend Shri Bimal Ghose is about the question of a high-powered body controlling it—about the opportunities for Calcutta to participate in this investment, similar to Bombay. The hon. Members know that we have a Bill here for that purpose. It is my intention that the high-powered body should be the highest that we can possibly get hold of and which can resist to a large extent any pressure that even Government can put on it.

Secondly, it was also my intention that there should be advisory committees in various cities, Bombay, Calcutta, Kanpur, Madras and in other places where there should be a market. It is also my intention that this question of mortgages on which Shri Bimal Ghose laid so much stress should be revived. The insurance companies have in the past played a large part in regard to building houses, in regard to building offices. Nothing would do right, to some extent, wherever investment is safe, wherever returns are reasonable, then these mortgages should be revived. If there is a high-powered board, it might lay down the conditions in which mortgages should be given and the mortgages can be given by the various branches and divisional offices of the Insurance Corporation.

The idea that an investment committee should meet once a quarter and do all sorts of things is difficult. It is better for three or four people to lay down the principle and have an advisory committee in which the insurance company could do all this secretarial work wherever it is necessary. These are suggestions which have to be taken note of and should be implemented as early as possible. But that does not mean, "do it next

[Shri T. T. Krishnamachari] month or two months hence". But it should be done over a period of time. I am grateful to the hon. Members who have made constructive suggestions in this matter.

On the question of the future of the company, it is very difficult for me to say what business they will do this year. I hear that on the 25th of November, they had completed business to the extent of Rs 196 odd crores. They had proposals and business completed, in their hands, to the value of Rs. 248 crores. The Chairman whom I met some weeks ago told me that he expects to reach the figure of 1955 this year. Whether he would be able to reach the Rs. 50 odd crores during the remaining six weeks of the year is a matter for him to judge, but in view of the fact that he had proposals on hand which are very near the figure which were reached in 1955, it perhaps leads us to hope that the 1955 figure might be reached or somewhere near that. It is all to the good. It shows that we are getting out of the morass.

An hon. Member made a reference to the question of lapse ratio. The lapse ratio can only be calculated after a full year's working, but the present trends show that the lapse ratio is certainly better than what it has been. But I would not like to vouchsafe the position as being really true. This is what I have got from the office.

Then the question of bonus was raised. It is very difficult for us, for a Government concern, to think of bonus, particularly in relation perhaps to a set of staff who do not probably do anything to stimulate an increased business. I think the hon. Member who was speaking from the opposite side—L think Mr. T. K. Chaudhuri—made a slight error, that is to say, he more or less equated the position of the field workers with that of the insurance agent. The position is slightly different. Anyway, if he reads the speech, he will find what it is.

I had suggested that we should have some amenities fund. These amenities should grow. And there should be a committee of these people increasingly associated with the question of problems of insurance and their own problems. The Chairman told me that because of preoccupation he could not get the thing moving. But we do hope to be able to do it.

I am very happy that hon. Members do appreciate the little that we have been able to do in regard to staff. I have myself found a very good reward of whatever we have been able to do from the smiles that we often get from these people when we see them. There is no question of hostility either to the Minister or to the management. I might also say that is our approach in regard to field workers as well.

The question of salaried workers and their newly framed pay scales and the method of fitting them in has been engaging our attention for some time. In doing so, we have to keep in mind that field workers are primarily salesmen and that any scheme formulated must provide incentives. I do not, of course, say that we should not depart from the practice of the private enterprise, which resorted to the practice of "hire and fire" and where salaries were more or less proportionate to the actual production of business. But it is essential that there should be incentives.

On the 30th September, 1957 the Corporation announced "the terms and conditions of service of salaried field workers" and the categorisation or fitting of the existing field staff. These were formulated after a good deal of thought and after it has had long discussions with field workers themselves all over India. The scheme provided for a salary scale, the increments depending on a review of the work of the officers during the preceding year and the extension of other benefits like provident fund, gratuity, leave etc. to them.

After the scheme was announced, representatives of field workers met me some time last month. They had also met the Prime Minister before. I had a talk with them, a fairly long one, rather late in the night, and I did assure them that we will try to do our very best in order to give them a fair deal and we shall try to effect such changes and modifications as are necessary in the scheme that has been put out in the interests of these people.

I had also arranged a conference of the representatives of field workers and the Corporation and the discussions that were held between these two, I understand, were free and cordial. It lasted for several days. As a result of these discussions, the Corporation has further liberalised the scheme.

I have before me the scheme which has been liberalised. I do not want to go into the details of all the modifications and concessions made. A copy of the scheme originally framed as well as of the scheme, as modified, are being laid on the Table of the House. I have got it here but they would probably like me to authenticate it. Anyhow, I would certainly lay it on the Table. [Placed in Library, See No. LT-420|57]. They are:—

(1) It is clarified that persons recruited to the cadre of field officers from the ranks of the agents would be placed on the higher scale at appropriate salaries, taking into account their experience. They will not be required to undergo any period of probation.

(2) Irrespective of his previous salary, a field officer who has done new business with a premium income of Rs. 10,000 or more will be fitted into higher scale. This concession, it is expected, would benefit a large number of employees and to a substantial extent.

(3) The conveyance allowance in rural areas have been increased to the level of the allowances available in the cities.

(4) The "quota" has been lowered firstly by reducing the quotas themselves and secondly by liberalising the interpretation of the expression "agent" who has ceased to work in 3-II-B of the categorisation circular.

(5) Under paragraph 4 of the categorisation scheme, emoluments are increased or scaled down according as how the production compares with the quota. The limits of the comparisons have been scaled down so that more persons will get increases, including double and triple increments and fewer persons will have to face a reduction in salary. This concession together with the reduction in the quota means a substantial liberalisation.

(6) The gratuity has been increased from half a month's salary for each year of service (after 1st January, 1958) to one month's salary for each year of service.

The scheme, particularly after its revision, is indeed, I think, a reasonable one and, for the first time, in the history of insurance, provides a regular and stable career to field workers. Hon. Members might note that under the scheme it is proposed to allocate exclusive areas outside the big cities to field officers which they could develop intensively and scientifically. We hope that many field officers would accept transfers from cities and help the Corporation in their drive for new business. The appraisal of field officers' work would not be confined merely to new business but all aspects of work including new business, cost ratio, efforts made in recruiting, training and motivating new agents and routine services to policy holders. In fact, by this scheme, the Corporation has given the field officers a new status which, with a few exceptions, they lacked under private enterprise.

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I may mention that the impressions gained in the talks was that though the modification in the scheme agreed to by the Corporation commended itself to a large number of delegates, a categorical acceptance by them could not be obtained because their mandate from the workers was that there should be no settlement unless it was categorically provided that the services of none will be terminated and there will be no reductions in emoluments. We have gone to the farthest extent possible in accommodating this view, but it would not be possible for the Corporation to agree to the demand in this extreme form. If a person does not do any work, well, he will be affected. But, so far as termination of services are concerned, it is not automatic. Where an officer's performances are very poor, a committee will go into his case individually and only where it is convinced that the poor performance was due to lack of application or diligence, termination would result.

In fact, the approach would be "how many can be saved", rather than "how many can be terminated". As regards reduction, no officer who has applied himself will have to face any cut. They have still time till the end of the month to improve their performance. Any such assurance would be unfair to the large number of workers who have worked hard and increased the level of the business to a new high level.

I hope I will have the endorsement of the other members in this decision of mine, that is, of those who have not yet signified.

I would like to tell the House that in this particular matter there is no question of any hard and fast rule and there is no question of rigidity. We would like to accommodate the largest number of people. So far as I am concerned, I can tell this House—though my friends in the opposition may or may not believe it—that

it is a matter of primary concern to me that the people who work in the insurance field must be satisfied and a reasonable amount of satisfaction should be provided for them.

There are other valuable suggestions made by my hon. friends Mr. Dasappa, Mr. Radha Raman and others. Well, all these will be taken note of. It is not possible for me, not being an insurance man, nor being the Chairman or the General Manager of the Life Insurance Corporation, to be able to give an answer straightaway. But, as I said, I value this discussion greatly because it has given, an opportunity for the hon. Members to express their opinion and for me to explain the position because I do consider that there are defects still in the existing organisation, defects which can be remedied.

My hon. friend, Mr. T. K. Chaudhuri, mentioned about somebody, to whom Rs. 82,000/- was owing. Well, if anybody had Rs. 82,000/-, next time we would have heard from a court. There must be some trouble about it. But that does not mean that the service that is given is excellent. It is not even medium, it is something below medium. The service must be improved, and must be vastly improved. While I do not lay any blame on the staff or on the management, the only blame that we can attach is to the fact that we have to learn and we are learning. I have no doubt if the present spirit that motivates the Life Insurance Corporation, at all levels, continues and progresses, we shall be able to give a better account of ourselves when we give the annual report to this House. In the mean time let me tell the House that there is nothing underhand, there is no question of using the insurance funds to please any category of peoples.

My hon. friend made some mention of some hon. Member in the House and mentioned something about it which, I think, is extremely unfair. No hon. Member of this House can

Minister, has got anything to do with any investment. It is being done by the Corporation and it is purely with a view to benefiting the policyholders. So far as I am concerned, I do not mind even admitting that when a colleague of mine the other day wanted the Corporation to take some subscription in one of his concerns—I mean not his private concern, but one of the government concerns where the return will be poor—I said I shall not exercise my influence to see that the policyholder's money is invested even in a government concern where the return does not happen to be what I consider legitimate. I am not going to use my influence at all in any way so far as investments of the Corporation are concerned.

Shri T. K. Chaudhuri: I never said that that person, that is the particular Minister about whom I mentioned, did use his influence; but he happened to be connected with those firms some time back before he became a Minister; so lest his name gets tarnished, as also the good name of the Government, there should be a thorough enquiry. Not about him, I did not say anything like that.

Shri T. T. Krishnamachari: I know my hon. friend very well. He is always generous. Even when he wants to find fault with us, I know he is generous. I did not mean to say that he found fault with my hon. colleague or anybody. But I do say that the Ministers of this Government have nothing to do with it; the only Minister that has something to do is myself, and I can tell you that it is my policy that even when a government concern wants the Corporation to invest money at a rate which is lower than what the Corporation can get from outside, I do not propose to ask the Corporation to invest the money. Therefore, hon. Members may be assured of the fact that the interests of the policyholders are looked after and are safe and that no investment is being made in a manner which will

jeopardise the interests of the shareholders.

But I am glad that this matter has been mentioned because of one or two points mentioned by Shri Bimal Ghose in regard to the proposals that I have put before the House, which are still pending, in regard to the question of investment and mortgages which would help the small or medium-size people and also help the building of an opposition house. And it is a question of other parts of India also taking part in this investment. I would be very grateful when that Bill comes up before the House if it does approve of the policy that the Government would like the House to approve of, namely that the investments of the Corporation should participate in the progress which achieves in the economy through the measures that we are taking as Government and which have been approved of by this Parliament. That, probably, we would be able to consider when we take up that Bill. Now that I find there are a large number of people in this House who perhaps like the Bill, perhaps that Bill might be given a chance, if not in this session, at least in the next session.

Once again let me say that I am very grateful to all the hon. Members for all that they have said either in favour of the Corporation or against the Corporation all of which has been very valuable so far as I am concerned.

Shri C. K. Nair (Outer Delhi): There is one thing which I cannot understand. He said that Government has yet to learn to organise. I do not understand it when the most experienced insurance veterans are in the country whom the Government could easily utilise for the advance of insurance business.

Mr. Deputy-Speaker: They are utilising them.

I shall now put the substitute motion of Shri T. K. Chaudhuri.

Shri Sadhan Gupta rose—

Mr. Deputy-Speaker: There is no right of reply in these discussions.

Shri Sadhan Gupta: Yes, there is, under rule 358.

Mr. Deputy-Speaker: No, not for this.

I shall put Shri T. K. Chaudhuri's substitute motion to the vote of the House.

The question is:—

That for the original motion, the following be substituted, namely:

“This House having considered the interim Report of Life Insurance Corporation records its strong disapproval of,—

(a) the manner in which the Investment Committee of the Corporation has conducted its investment policy in regard to private equity capital, and debentures, preference shares of

certain companies in private sector and other securities, of such companies;

(b) the policy of the Corporation in regard to its employees, and particularly in regard to emoluments, and service conditions of field workers who procure business for the Corporation;

(c) the unsatisfactory condition of various services rendered to policy holders; and

(d) its policy regarding organisation of branches.”

The motion was negatived.

Mr. Deputy-Speaker: I shall now get on to the next item. Shri Jhulan Sinha. The hon. Member is not present. Then the House stands adjourned till 11 A.M. tomorrow.

The Lok Sabha then adjourned till Eleven of the Clock on Thursday, the 5th December, 1957.

[Wednesday, 4th December, 1957].

Subject		COLUMNS	Subject		COLUMNS
ORAL ANSWERS TO QUESTIONS			S. Q. No.		
		3443—81	774	Export credit cover on shipments.	3482
S.Q. No.			775	Treatment of T.B. patients	3482-83
764	Protection of monuments	3443—45	778	Iron and Steel Control	3483
765	Artificial earth satellites	3445—48	781	Syrian Air Force personnel.	3483-84
766	Mica insulating bricks	3448-49	782	Homeopathic Medical Certificates.	3484
767	Central Indian Medicinal Plants Organisation	3449—51	785	Financial assistance for Madhya Pradesh	3484-85
768	Regional School of Printing, Delhi.	3451-52	788	Theft in Khamria Ordnance Factory.	3485
769	'Legal aid for poor'.	3452—55	790	Foreign nationals	3486
770	Sanskrit Education Commission	3455-56	795	Regional Committee for Telangana	3486-87
771	Committee on Companies Act.	3456-57	796	Mining operations in Nagpur.	3487
773	By-products from steel plants	3458	797	Legal aid to Scheduled Castes and Scheduled Tribes.	3487-88
776	Orissa Iron ore Mines	3459-60	802	Removal of statues	3488
777	Mysore Iron and Steel Works	3460-61	803	World Bank and I.M.F.	3488-89
779	War damage compensation	3461-62	804	Pakistani voters	3489
780	Himachal Pradesh Territorial Council	3462—65	805	Removal of untouchability	3489-90
783	Travelling allowance	3465-66	806	Mining lease	3490
784	Arrest of Pkistanis in Jammu and Kashmir	3467	807	Iron ore deposits in Punjab.	3490-91
786	Annual increments	3467-68	809	National Theatre	3491
787	Visit of British Director of Naval Intelligence	3468-69	810	Free compulsory education	3491-92
789	Beggars problem	3469-70	811	Pension claims of the Second War.	3492
791	Fees on applications for Government posts	3470-71	12	Gold requirements	3492-93
792	Income tax on income from coffee.	3471—73	813	Artificial rain.	3493
793	Beggars	3473-74	349	Jail Reforms Expert Committee	3493-94
794	Assessment of technical and non-technical personnel	3474-75	U.S.Q. No.		
798	Gold smuggling	3475—77	1042	Research and Statistics Section in the Ministry of Finance.	3494—96
799	Indo-Pakistan Agreement on Archaeological Finds	3477-78	1043	Licences for fire-arms	3496-97
800	Central Social Welfare Board's Grants to Punjab.	3478—80	1044	Staff of Life Insurance Corporation of India	3497-98
801	Law Commission	3480-81	1045	Derajat Bank, Kulu	3498
			1046	Gross and net profits of Companies	3498.
WRITTEN ANSWERS TO QUESTIONS			1047	Welfare Extension Projects in Andhra.	3499
S.Q. No.	Subject.	3481—3546	1048	High Court of Andhra Pradesh.	3499
772	Meetings of the World Bank and I.M.F.	3 81-82	I		3500-01

U. S. Q. No.	Subject	COLUMNS	U.S.Q. No.	Subject	COLUMNS
1051	Prostitutes in Delhi.	3501	1087	National Certificate Course in Engineering	3522
1052	Welfare of Backward classes	3501-02	1088	Primary School Teachers, Andhra Pradesh	3523
1053	Hindi.	3502-03	1089	Free legal aid.	3523
1054	Promotion to non-Hindi speaking employees	3503	1090	Scheduled Tribes.	3523-24
1055	National Calendar	3503	1091	Welfare of children of Scheduled Tribes, Scheduled Castes and ex-Criminal Tribes	3524
1056	Memorial o Jhansi-ki Rani	3503-04	1092	Scholarship at the National Defence Academy	3524-25
1057	Corruption among Policemen.	3504	1093	Ganja plantations	3525
1058	Welfare of backward classes	3504-05	1094	Payment of war compensation claims	3525-26
1059	Immoral traffic in women.	3505	1095	Tripura Raj Family	3526
1060	Property returns	3505-06	1096	Reservation of Scheduled Castes and Scheduled Tribes.	3526
1061	Special Reorganisation Unit.	3506-07	1098	Wind Electric Generator	3527
1062	Officers' dependents in private firms	3507-08	1099	Non-industrial employees in I.A.F.	3527
1063	Awards in Hindi learning	3508	1100	Coal Development Projects.	3527-28
1064	Central Bureau for Correctional Services	3509	1101	Iron factory in Bombay	3528-29
1065	Supply of C.I. sheets to Punjab.	3509-10	1102	Shri Vijay Mandir	3529-30
1066	Registered Estate Duty cases in Marathwada	3510	1103	Celebration of Independence day in Himachal Pradesh.	3530
1067	Committee on Drug Control and Customs Laboratories.	3510-11	1104	Land reforms in Himachal Pradesh.	3530-31
1068	National Cadet Corps.	3511-12	1105	Defence Accounts Department.	3531-32
1069	Recognition of Hindi examinations	3513	1106	Retrenchment of employees in Tripura.	3532
1070	Geological Survey of Punjab.	3513-14	1107	Employees' strength	3532-33
1071	Secondary Education Commission.	3514	1108	Taxes on foreign concerns	3533
1072	Second Plan for Education.	3514	1109	Purchase of Canadian Aircrafts	3533-34
1073	Delhi School Teachers	351 ⁴	1110	Aid to Punjab for Employment Schemes	3534-35
1074	Ajanta Caves.	351 ⁵	1111	Survey of India employees.	3535-36
1075	Sangeet Natak Akademy.	3515	1112	Publication entitled— "Andaman and Nicobar Information"	3536-37
1076	Technical education	3516	1113	Conversion of wheat credit into rupee loan	3537
1077	Technical Co-operation Mission	3516-18	1114	Central Secretariat staff.	3537-38
1078	International Council of Scientific Unions	3518	1115	Sales Tax	3538
1079	Survey of India	3518-19	1116	Engineering Services Examination	3538-39
1080	Niveli Lignite Project	3519			
1081	Urban Community Welfare Centres.	3519-20			
1082	Hundred Rupee Currency Note.	3520			
1083	Ladakh	3520-21			
1084	Common script	3521			
1086	Excise duty on Ayurvedic medicines	3521-22			

U.S.O. No.	Subject	COLUMNS	COLUMNS
1117	Compensation to acquired lands.	3539-40	Telegraph (Amendment) Bill, 1957.
1118	Age of entry into service.	3540	BILL PASSED BY RAJYA SABHA—LAID ON THE TABLE—
1119	Untouchability	3540	Secretary laid on the Table the Indian Telegraphic Amendment) Bill, 1957 as passed by Rajya Sabha.
1120	Hindi Assistants	3541	SECRETARY Laid on the Table the Indian Telegraphic Amendment) Bill, 1957 as passed by Rajya Sabha.
1121	Commissioner for Scheduled Castes and Scheduled Tribes.	3541	CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE
1122	Medical Officers for Rourkela Steel Plant	3541-42	3548-49
1123	Text-books	3542	Shrimati Ila Palchoudhuri called the attention of the Minister of Home Affairs to the reported burning of printed copies of Tamil version of the Indian Constitution at a number of places in Madras State.
1125	Soldiers' Home in Punjab.	3543	STATEMENT BY THE MINISTER
1126	Constitution of India.	3543	3549-50
1127	Wealth tax on ex-rulers	3543-44	The Minister of Mines and Oil made a statement correcting the reply given on the 13th November, 1957 to a Supplementary on Starred Question No. 87 regarding prices structure of petroleum products.
1128	P.T.O. forms	3544	STATEMENT BY MEMBER
1129	Ancient tunnel in Tonk	3544-45	3550-51
1130	Nationalisation of Kolar Gold Mines.	3545	Shri C. R. Narasimham made a statement regarding reply given by the Minister of State in the Ministry of Home Affairs on the 18th November, 1957 to a supplementary on Starred Question No. 208 regarding Shri Pataskar's Report on Madras-Andhra Pradesh border dispute.
1131	D.M. College, Imphal.	3545-46	BILL INTRODUCED
PAPERS LAID ON THE TABLE.		3547	3551
The following papers were laid on the Table :—			The Payment of Wages (Amendment) Bill, 1957
(1)	A copy of Notification No. S.R.O. 3629, dated the 16th November, 1957, making certain amendment in the Ministry of Commerce and Industry Notification No. S. R.O. 1310, dated the 23rd April, 1957.		BILLS PASSED
(2)	A copy of Notification No. F. (1250)/57-MT & CE/HOME, dated the 2nd September, 1957, making certain amendments to the Motor Vehicles Rules, 1940.		3552—81
(3)	A copy of the statement correcting the reply given on the 27th August, 1957, to a supplementary on Starred question No. 1219 regarding Egyptian Air Force Personnel.		1. The Deputy Minister of Finance (Shri B. R. Bhagat) moved for consideration of the Capital Issues (Control) Amendment Bill, 1957. After clause-by-clause consideration, the Bill was passed.
MESSAGE FROM RAJYA SABHA		3547-48	
Secretary reported a message from Rajya Sabha that at its sitting on the 28th November, 1957, Rajya Sabha had passed the Indian			

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2. The Deputy Minister of Finance (Shri B. R. Bhagat) moved for consideration of the Central Excises and Salt (Amendment) Bill, 1957. After clause-by-clause consideration, the Bill, was passed.
11. MOTION RE : INTERIM REPORT OF LIFE INSURANCE CORPORATION 3584—3662

Shri Sadhan Gupta moved the following motion :—

“That the interim Report on the activities of the Life Insurance Corporation be taken into consideration.”

AGENDA FOR THURSDAY,
5TH DECEMBER, 1957.

Consideration of the Indian Telegraph (Amendment) Bill, the Coal Bearing Areas (Acquisition and Development) Amendment Bill, 1957 and the Indian Railways (Amendment) Bill, 1957.

