

LOK SABHA DEBATES

(Twelfth Session)



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**LOK SABHA SECRETARIAT
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1921

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LOK SABHA

Thursday, August 26, 1965/Bhadra 4,
1887 (Saka).

The Lok Sabha met at Eleven of the
Clock.

[MR. SPEAKER in the Chair]

Mr. Speaker: The House will now
take up Questions.

Shri P. C. Borooah.

श्री बागड़ी : अध्यक्ष महोदय, मेरा
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में? इसमें भी व्यवस्था क्या हो सकती है
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है ?

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है जैसा कि मैं ने आप से पहले भी निवेदन
किया था कि आपका हुक्म है कि जब
कोई सदस्य गिरफ्तार हो जाय तो उस का
नाम सूची में से काट दिया जाय और तब तक
उसे शामिल न किया जाय जब तक कि वह
जेल से बाहर न आ जाय । मैं जेल से
बाहर आ गया और मैं ने आप से इस बारे में
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में जिन में मेरा नाम था और काट दिया
गया था...

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जहां आप का नाम पहले था उसके लिए
आप मुझे बतला दीजिये तो मैं आप को
बुला लूंगा ।

श्री बागड़ी : नाम काटा हुआ है ?

ORAL ANSWERS TO QUESTIONS

Limitations on Advertisements

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*209. Shri P. C. Borooah;
Shri R. Barua;

Will the Minister of Finance be
pleased to state:

(a) whether the Government have
of late reconsidered the question of
limitations on advertisements imposed
under the current year's taxation
structure; and

(b) if so, the outcome thereof?

The Deputy Minister in the Min-
istry of Finance (Shri Rameshwar
Sahu): (a) Yes, Sir. The Gov-
ernment have since reconsidered the
question of prescribing certain limits
and conditions for allowance of ex-
penditure incurred by an assessee on
advertisement, for which provision
was made in the Income-tax Act by
the Finance Act of 1964.

(b) Draft rules prescribing certain
limits and conditions for allowance
of expenditure incurred by an asses-
see on advertisement etc. have since
been drawn up and will be issued
shortly with the object of inviting
suggestions from the interests affect-
ed.

Shri P. C. Borooah: Sir, whenever
the question of advertisement comes,
it reminds one of Shri T. T. Krishna-
machari who as one of the topmost
businessmen in our country succeed-

ed in pushing the articles his firm deals . . .

Mr. Speaker: I have been waiting to hear those words "May I know".

Shri P. C. Borooah: . . . to every house of this vast country of ours through advertisements . . .

Mr. Speaker: After such a long statement he will ask the question.

Shri P. C. Borooah: It is not long, Sir. Then, it reminds one of Shri T. T. Krishnamachari also as the Finance Minister of India who wants to curb advertisements. How does he propose to reconcile between these two positions, because advertisement needs vary from business to business, from product to product and from place to place?

The Minister of Finance (Shri T. T. Krishnamachari): Sir, the draft rules will be issued and I think the hon. Member might also express his views thereon, and Government will consider all the views.

Shri P. C. Borooah: While Government proposes to curb expenditure on advertisements, it continues to overlook the expenditure incurred and the out-flow of huge sums of money out of our country on commercial advertisements through the Ceylon Radio. May I know whether the Government wants to restrict that advertisement also and thus save foreign exchange?

Shri T. T. Krishnamachari: We have already taken certain steps in regard to cutting down advertisements to Ceylon Radio.

Shri R. Barua: May I know the gain in revenue as a result of this limitation and the saving effected on import of foreign paper as a result of this measure?

Shri T. T. Krishnamachari: This question is a little too early because I am issuing the draft rules. When the rules are finalised after hearing the views of interests concerned, then it will be time to evaluate the result.

श्री जगदेव सिंह सिद्धान्ती : क्या सरकार इस बात पर विचार करेगी कि सिनेमाओं की बिजली को रोक कर जहाँ नहरी इलाका नहीं है वहाँ पर ट्यूबवैल्स लगाने के लिए बिजली दी जाये ?

अध्यक्ष महोदय : यह कहाँ से आ गया ?

श्री कपूर सिंह : नहीं आये तो क्या हुआ बिजली तो मिले ।

अध्यक्ष महोदय : न यहाँ बिजली है, न ट्यूबवैल है और न ही सिनेमा है ।

Shri Sham Lal Saraf: May I know whether Government will give consideration to the fact that the companies and advertising agencies have been feeling very strongly about it? Will they reconsider the orders which they have issued already?

Shri T. T. Krishnamachari: My position is a little difficult to answer this. After the rules are published, if these points are raised then I think that will be the time for the Government to make up its mind.

Advances Granted by Scheduled Banks

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*210. { **Shri Yashpal Singh:**
 Shri Shree Narayan Das:

Will the Minister of Finance be pleased to state:

(a) whether any modification has been made in the rules governing the grant of advances by the Scheduled Banks against the security of paddy and rice; and

(b) if so, the details thereof?

The Minister of Planning (Shri B. R. Bhagat): (a) Yes.

(b) A statement indicating the provisions of the directive issued by the Reserve Bank of India, as it is now in force, is laid on the Table of the House. [Placed in Library. See No. LT-4631/65].

श्री यशपाल सिंह : मंत्री महोदय के स्टेटमेंट को बहुत पढ़ने के बाद भी पता नहीं लग पाया तो क्या वे यह बतला सकते हैं कि उन के इस मौडिफिकेशन से पैडी और राइस की क्रीमट के ऊपर कोई असर पड़ा है ?

योजना मंत्री (श्री ब० रा० भगत) : जहां धान और चावल के बढ़ने से अधिक रुपये के मिलने की आशंका थी उस को कम कर उस पर असर डाला गया है । मगर और दूसरे कारण हैं जैसे कि मार्केट में चावल और धानों का न घाना उस से जो असर पड़ा करता है वह इस मौडिफिकेशन के करने से नहीं पड़ेगा ।

श्री यशपाल सिंह : जो छोटे-छोटे उद्योग हैं उन के लिए भी आपने कोई अलग इंतजाम किया है या वह भी उसी लाइन में रहेंगे जिस में कि बड़े उद्योग रहेंगे?

श्री ब० रा० भगत : कौन से उद्योग? मिल्स? यह तो सीलिंग सभी पर है जो कि विवरण में बतलायी गयी है । उस में छोटे और बड़े का सवाल नहीं है अलबत्ता फुड कारपोरेशन को छूट दी गई है ।

Shri Tridib Kumar Chaudhuri: May I know whether it has come to the notice of Government that there were serious complaints of malpractices indulged in by scheduled banks by advancing money really against paddy and rice but showing it as against some other thing? May I know whether anything is done about it?

Shri B. R. Bhagat: We have not received any such complaint. If any specific case is brought to our notice, we will look into it.

श्री बूटा सिंह : मैं यह जानना चाहता हूँ कि यह जो प्रतिबन्ध लगाया गया है

शेड्यूल्ड बैंक्स द्वारा कर्जा देने के लिए यह चावल के मिल मालिकों और किसानों के ऊपर एक जैसा लगाया गया है तो जब कि किसान गरीब होते हैं और वे ज्यादा गल्ला इकट्ठा नहीं कर सकते जैसा कि मिल वाले करते हैं तो मैं यह जानना चाहता हूँ कि क्या किसानों के लिए सरकार शर्तें कुछ नरम करने के लिए तैयार है?

श्री ब० रा० भगत : यह किसानों और बड़े मिल मालिकों का सवाल नहीं है । जो भी व्यापार करेगा उस पर यह लागू होंगी । अगर किसान व्यापार करेंगे तो उन पर भी वह सब चीजें लागू होंगी जो कि मिलों पर होनी हैं अलबत्ता अगर कोई किसान फुड कारपोरेशन या बेयरहाउसिंग कारपोरेशन को देना चाहे तो उन को छूट मिल सकेगी ।

Shri R. Ramanathan Chettiar: Apart from rice and paddy, what were the other commercial crops against which restrictions have been imposed?

Mr. Speaker: In this question we are concerned only with paddy and rice.

Shri Bhagwat Jha Azad: The scheduled banks very promptly observe the orders of Government not to give advance against paddy and rice. But the advance is given against fodder. How does Government propose to ensure that this order is not abused?

Shri B. R. Bhagat: I will look into the position about fodder.

Shri Dinen Bhattacharya: After the introduction of this restriction, may I know whether it will be extended to groundnuts and mustard which are in shortage?

Mr. Speaker: This question relates to rice and paddy.

Shri Sinhasan Singh: May I know whether this restriction on advance is confined to paddy and rice or it will be extended to other cereals also?

Mr. Speaker: I have already disallowed two questions saying that we are dealing only with rice and paddy.

Shri Sinhasan Singh: May I know whether this is extended to other States and, if so, how many States? What will be the maximum quantity of rice or paddy against which an advance can be made?

Shri B. R. Bhagat: This applies to all States where rice is grown and is traded in. Actually, it is done on the basis of the trade done by mills, the trade done through the warehousing Corporation where there is a margin and the Food Corporation where there is no margin.

Shrimati Tarkeshwari Sinha: Government have stated just now that they exercise regulatory measures to control the advances given to the traders. May I know whether Government is aware that now hoarding is done by farmers also and the farmers . . .

Shri Kanga: Farmers never hoard.

Shrimati Tarkeshwari Sinha: Let me complete my question.

The hoarding is done by the farmers and that kind of hoarding is due to the fact that, according to the Reserve Bank itself, 93 per cent of the advances to the farmers are through the uncontrolled channels. May I know whether in view of this . . .

Mr. Speaker: First there is a long speech and then the question is put.

Shrimati Tarkeshwari Sinha: This question particularly is in regard to the scheduled banks. But advances to the farmers are also being given by uncontrolled financial channels, like, the money-lender. May I ask the Government whether, in view of the present situation, the farmer has become the hoarder and whether there is any proposal to exercise that kind of control there also through the co-operative banks?

Shri Kapur Singh: We record our protest against the insinuation made that the farmer is a hoarder.

Shri B. R. Bhagat: As the hon. Member knows, we have control over the scheduled banks and, after the Bill is passed, we may have some control over the co-operative sector. But it is very difficult to control the individual money-lenders.

Shri Man Singh P. Patel: These advances are made against godown stocks. May I know whether the Government has devised any measures to give advances to the farmers in their farm houses or in the distant rural areas?

Shri B. R. Bhagat: That is done by the co-operatives.

Booster Pumps in Delhi

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*211. { **Shri D. C. Sharma:**
Shri Yashpal Singh:
Shrimati Savitri Nigam:

Will the Minister of Health be pleased to state:

(a) whether booster pumps installed by private individuals are hampering the water supply in Delhi;

(b) whether there are no rules governing the use of such pumps to avoid their installation in such a way that others are not deprived of water; and

(c) if so, the steps taken or proposed to be taken in the matter?

The Deputy Minister in the Ministry of Health (Shri P. S. Naskar):

(a) Booster pumps installed in an unauthorised manner hamper the water supply.

(b) The installation of booster pumps in the Delhi Municipal Corporation area is regulated under Section 225 of the Delhi Municipal Corporation Act, 1937. The installation of booster pumps in the New Delhi Municipal Committee area is governed by Clause 14(b) of the bye-laws regulating the filtered water supply in New Delhi.

(c) It is understood from the Corporation that action is taken against persons who have installed booster pumps in unauthorised manner.

Shri D. C. Sharma: May I know if the Government is aware of the fact that these booster pumps have been responsible for the scarcity of water supply to a big extent and, if so, is the Government going to tighten the regulations which govern the installation of these booster pumps?

Shri P. S. Naskar: The regulations are already there. It is some unsympathetic citizens who take advantage of their economic condition and install booster pumps. The Delhi Municipal Corporation has detected 24 such booster pumps and proper action has been taken in the matter. I am told by the Chairman of the Water Supply Undertaking that he has some squad which goes round such areas and tries to detect such unauthorised booster pumps.

Shri D. C. Sharma: May I know if the Government has undertaken a survey of these booster pumps and has tried to enquire why these booster pumps are put up? Is it not a fact that they are put up because the water does not go up as the pressure is so low?

The Minister of Health (Dr. Sushila Nayar): It is true that the booster pumps are necessary to increase the pressure and to send the water to the upper storey in areas where otherwise the water does not reach the upper storey. The regulations are that there should be a tank within the house which should store water to the extent of 40 per cent requirement and the booster pumps is merely used to push this water to the upper storey. But what some of the unscrupulous people do is that they connect it . . .

Shri Hari Vishnu Kamath: You say, 'unscrupulous' but your deputy says 'unsympathetic'.

Shri Kapur Singh: Let the Government make up its mind.

Dr. Sushila Nayar: I consider them unscrupulous, Sir. They connect directly to the main with the result that the water supply for the other citizens is affected. So far as the survey is concerned, it is not for the Government to make a survey; the Delhi Municipal Corporation is doing the needful.

श्री यशपाल सिंह : क्या सरकार ने इस बात पर गौर किया है कि जब पानी की मुस्तकिल तौर पर कमी है, एक ग्लास पानी के लिए पचास पचास आदमी तरसते हुए खड़े रहते हैं और साउथ एवेन्यू में नौ दस घंटे पानी बन्द रहता है, तो ऐसी हालत में अगर लोग बूस्टर पम्प न लगायें, तो और क्या करें? जब महिला मंत्री इस समस्या को हल नहीं कर सकी हैं, तो क्यों न यह काम डा० के० एल० राव को सौंप दिया जाये?

डा० सुशीला नायर : मेरा खयाल है कि माननीय सदस्य न सवाल समझे हैं और न जवाब ।

श्री यशपाल सिंह : मेरा सवाल यह है कि जब पानी की कमी है, तो लोग बूस्टर पम्प न लगायें, तो और क्या करें? अध्यक्ष महोदय, हम लोगों को नहाने के लिए रेलवे स्टेशन पर जाना पड़ता है, जहां जाने के लिए टैक्सी छः रुपये लेती है । हमारे यहां साउथ एवेन्यू में पानी नौ दस घंटे बन्द रहता है ।

श्री श्रींकार लाल बेरवा : इसके अलावा बिल्कुल गन्दा पानी आता है ।

Shri Kapur Singh: The hon. Member has been treated with levity by the hon. Minister. He, therefore, needs your protection.

Shrimati Savitri Nigam: May I know, Sir, whether any proper plan-

ning has been done regarding permission to be given to the people who want to get the booster pump fixed after getting the tank made and whether it is also a fact that, after a certain limit, Government will have to put an end to it and before that they will have to make other arrangements for the supply of water?

Shri P. S. Naskar: About installation of booster pumps, the Delhi Municipal Corporation have certain rules and regulations. Any citizen who wants to get the booster pump fixed should abide by these regulations and I am told permissions are being given.

श्री हुकम चन्द कछवाय : मैं यह जानना चाहता हूँ कि दिल्ली में ये जो बूस्टर पम्प लगाए गए हैं, क्या यही इस बात का प्रमुख कारण है कि यहाँ पर नलों में पानी की कमी हो रही है, सुबह चार घण्टे पानी आता है और रात को बन्द रहता है। मैं यह भी जानना चाहता हूँ कि नल में जो गन्दा पानी आता है, इस का क्या कारण है ?

डा० सुशीला नायर : जी नहीं, ऐसी बात नहीं है।

अध्यक्ष महोदय : माननीय सदस्यों को नाराजगी तो हुई है, लेकिन कई साहब ऐसे हैं, जो शायद बूस्टर पम्प को समझे नहीं हैं।

श्री यशपाल सिंह : हम समझते हैं। माननीय मंत्री यहाँ की पानी की दिक्कत को नहीं समझे हैं।

अध्यक्ष महोदय : पानी की दिक्कत से इसका कोई ताल्लुक नहीं है।

Shri Bhagwat Jha Azad: There are so many things which they do not understand, but they understand the reply all right.

Shri Swell: The Minister of Health just said that some unscrupulous citizens connect the booster pumps to the main line. Who does this connection? Is it a fact that this is done by the employees of the Corporation themselves or with their active connivance?

Dr. Sushila Nayar: They arrange through private sources.

श्री हुकम चन्द कछवाय : नल में गन्दा पानी आने का क्या कारण है ?

अध्यक्ष महोदय : बूस्टर पम्प का गन्दे पानी से क्या ताल्लुक हो सकता है ? बूस्टर पम्प और गन्दे पानी का ताल्लुक नहीं है।

Shri A. N. Vidyalankar: May I know what remedy is suggested for those who cannot get the big tanks made?

डा० सुशीला नायर : अगर कहीं पर मल्टी-स्टोरीड बिल्डिंग्स हैं और ऊपर पानी नहीं चढ़ता है, तो मालिक मकान वहाँ पर कानून के मुताबिक बूस्टर पम्प लगा कर पानी का प्रेशर बढ़ाए—इतना ही सवाल है। गरीब आदमी तो मालिक-मकान होते नहीं हैं, इस लिए यह सवाल उठना नहीं चाहिये।

Indus Waters Commission

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Shri Yashpal Singh:
Shri R. S. Pandey:
Shri Rameshwar Tantia:
Shri D. C. Sharma:
Shri Naval Prabhakar:
Shri Hem Raj:
*212. Shri Shree Narayan Das:
Shrimati Savitri Nigam:
Shri Onkar Lal Berwa:
Shri A. N. Vidyalankar:
Shri Kapur Singh:
Shri P. K. Deo:
Shri Gulshan:
Shri Solanki:

Will the Minister of Irrigation and Power be pleased to state:

(a) whether the Indian Delegation to the 18th permanent Indus Com-

mission Meeting in Karachi on the 21st May, 1965 was refused permission by the Pakistan Government to proceed to Lahore by road;

(b) if so, the circumstances leading to the same; and

(c) the action taken in the matter?

The Deputy Minister in the Ministry of Irrigation and Power (Shri Shyam Dhar Misra): (a) Yes, Sir.

(b) and (c). The matter was taken up with the Government of Pakistan, but no reply has been received so far.

श्री यशपाल सिंह : पाकिस्तान सरकार के पास रोजाना विरोधपत्र भेजे जाते हैं। रोजाना आप पूछते हैं और पाकिस्तान सरकार टालती रहती है। क्या आपके पास कोई मुस्तकिल हल है कि आप के भागरिक वहां जायें और इस तरह से उनको अपमानित न किया जाए ?

The Minister of Irrigation and Power (Dr. K. L. Rao): The permanent solution probably is to adopt a similar attitude when a meeting is held next time in India. These meetings are held alternately, once in Pakistan and once in India.

श्री यशपाल सिंह : 17-18 मीटिंगें हो चुकी हैं। और कितनी मीटिंगें होनी बाकी हैं और कितनी दफा भारतीयों को और अपमानित किया जाएगा ?

Dr. K. L. Rao: The treaty lays down that at least one meeting must be held every year. Due to a number of problems that had to be solved, the meetings per year were more than three or four in number.

Shri Rameshwar Tantia: May I know whether the meeting took place or not?

Dr. K. L. Rao: The meeting took place between 28th May and 3rd June.

Shri D. C. Sharma: The Indus Commission is a permanent institution and it is a joint venture between Pakistan and India. May I know the tenure of life of this Indus Commission, whether it is going to last till 2065 or it is going to come to an end very soon?

Dr. K. L. Rao: It will last very definitely till we get all our waters, that is, till 1973.

Shri A. N. Vidyalkar: May I know whether Government are going to reciprocate this treatment that the Pakistan authorities had meted out to our members on the Commission?

Dr. K. L. Rao: As I have submitted already, unless Pakistan gives us a satisfactory answer, when their party comes to this country, a similar treatment will be meted out to them.

Shrimati Savitri Nigam: May I know the items on the agenda with which the Indian party was proceeding towards Lahore, and whether any of those points has been solved through negotiations and correspondence?

Dr. K. L. Rao: The main item for that meeting was the finalisation of the annual report, which must be done according to the treaty, by 1st June. Since the meeting was to be held and the report had to be finalised by 1st June, the Indian team had to proceed there.

श्री श्रींकार लाल बेरवा : जो भारतीय दल वहां गया था क्या उसने कोई अनुमति मांगी थी यदि हां, तो उसका उन्होंने क्या जवाब दिया था ?

Dr. K. L. Rao: The Indian team had complete papers such as visas, passports etc., when they proceeded to Pakistan, according to which they could have travelled by any route.

Shri Kapur Singh: May I know whether the Indian delegation was in any way hampered in the performance of its official duties on account of not being allowed to travel by road?

Dr. K. L. Rao: The hampering led to the delay in the meeting. The meeting was to have been held on the 21st May, but it had actually to be held on the 28th May.

श्री गुलशन : भारतीय वफद का जो अपमान पाकिस्तान की ओर से हुआ है क्या किसी अन्तर्राष्ट्रीय संघि में यह व्यवस्था है कि किसी देश का अपमान हो तो वह चीख अन्तर्राष्ट्रीय सभा को भेजी जाएगी ?

Dr. K. L. Rao: That is definitely so. It is really an international discourtesy.

Electric Connections to Agriculturists

*213. **Shri A. N. Vidyalankar:** Will the Minister of Irrigation and Power be pleased to state:

(a) whether it is a fact that there is no uniform policy in the States for giving priority in the matter of granting electric connections to the farmers for running tube-wells or otherwise utilising them for irrigation purposes; and

(b) if so, the action Government propose to take in the matter?

The Deputy Minister in the Ministry of Irrigation and Power (Shri Shyam Dhar Misra): (a) Almost in all the States priority is already being given to rural loads particularly the pumping and other agricultural loads and there is an emphasis on rural electrification.

(b) Government of India have already laid great emphasis on energizing of irrigation wells.

Shri A. N. Vidyalankar: Is it a fact that numerous tubewells are lying idle because they have not received the electric connections, and if so, have Government assessed the number of such tubewells?

The Minister of Irrigation and Power (Dr. K. L. Rao): I would be

very thankful to the hon. Member if he can give me a list of these tubewells which are not connected or are lying idle. In cases where electricity is not available or has not been connected, diesel pumps are being used.

Shri A. N. Vidyalankar: Will Government lay on the Table a copy of the instructions they have issued or the advice they have tendered to State Governments in this connection?

Dr. K. L. Rao: I shall be glad to do so.

Shri A. P. Sharma: Is Government aware that in a large number of states, particularly in the state of Bihar, a large number of tube-wells are not functioning because electric connection has not been given to the farmers?

Dr. K. L. Rao: I have heard that in Bihar, especially north Bihar, where electricity is scarce, electric connections are not given. But we hope that with the development of the transmission lines in the next Plan we shall be able to supply electric connections.

Shri A. P. Sharma: Here farmers have spent their money on tube-wells but these are lying idle for want of electric connection. On the other hand, there is shortage of food in the country. How long is it going to take to supply them these electric connections?

Mr. Speaker: Dr. Singhvi.

Dr. L. M. Singhvi: Are Government aware that in different states, electricity rates are extremely variable and that the rates chargeable to agriculturists are many times more than those chargeable to industrialists? If so, why is it so?

Dr. K. L. Rao: Quite so. These rates are variable. It is very unfortunate that in some of the states the rates for agriculturists are much higher than those charged for industrialists. We would like these rates to be reasonable. Minor irrigation comes under the

Food and Agriculture Ministry. They have been trying to see that the rates are reduced and uniformity is maintained in this connection.

Dr. Ranen Sen: Just now the hon. Minister said that these rates are variable and as a result the agriculturists are suffering. I am told Government realised this last year itself. During last one year, how far have Government proceeded to reduce the electricity rates charged to agriculturists?

Dr. K. L. Rao: So far the action taken was in respect of Eastern U.P., North Bihar and Gujarat where the rates are very high. Government have said that each individual case as comes up will be considered and subsidy given.

Dr. Ranen Sen: In West Bengal also, it is very high.

Dr. Sarojini Mahishi: In view of the fact that the allotment for minor irrigation in any cases has not been used and the pump sets given to agriculturists are getting rusted, may I know whether the Minister will be pleased to give a report on the amount utilised in different states for minor irrigation and also the electric connections given to the agriculturists, specially under the crash programme?

Dr. K. L. Rao: I shall pass on this question to my colleague, the Minister of Food and Agriculture, with whom minor irrigation lies.

Shrimati Renuka Ray: In view of the fact that electricity rates are so high for rural areas, is any step being contemplated to enhance the rate for industrialists so that there may be a common rate?

Dr. K. L. Rao: That has been the attempt, to see that the rates charged to agriculturists are as minimum as possible. Attempts are being continually made towards that end.

श्री भगवत झा आजाद : पूरक प्रश्नों के दिये गये जवाबों की पृष्ठ भूमि में

क्या मैं मंत्री महोदय से पूछ सकता हूँ कि आप ने कोई एसेसमेंट किया है जिस के आधार पर जो आज ट्यूब वेल काम कर रहे हैं उत्तर बिहार में या आपके उत्तर प्रदेश में वे कितने हैं और जो ट्यूब-वेल काम नहीं कर रहे हैं वे कितने हैं? जो कमेटी बनाई गयी जिस की रिपोर्ट सरकार के पास है, उनके आधार क्या आप यह कह सकते हैं कि ट्यूब वेल के लिए जो आपने प्राथमिकता देने का वचन दिया है, उसके अनुसार कहां तक काम हो रहा है और कितने प्रतिशत किसानों को आज पानी नहीं मिल रहा है, उन में से जिन को मिलना चाहिये?

Dr. K. L. Rao: The subject of tube-wells is with the Ministry of Food and Agriculture. But since the hon. Member has put a very useful question, I shall also call for the information from the respective states and see what action can be taken.

श्री बड़े : चम्बल योजना पूरी हो जाने के बाद भी चूँकि किसानों को कर्नकेशन नहीं दिये जाते हैं या नहीं दिये जा सकते हैं, इसलिए थर्मल स्टेशन आपने शुरू कर दिये हैं। मैं जानना चाहता हूँ कि थर्मल स्टेशन से जो बिजली पैदा होती है वह बिजली किसानों को क्यों नहीं दी जाती है मध्य प्रदेश में?

Dr. K. L. Rao: Consistent with the funds we have got, every effort is being made to spread rural electrification as much as possible. It is hoped that we shall be able to supply in the Fourth Plan period more than a lakh of villages, I mean villages representing agricultural activities.

Shrimati Akkamma Devi: Are Government aware that there are states where there is power but no water in wells? If so, will Government give due attention to these areas so as to provide minor irrigation schemes?

Dr. K. L. Rao: I am afraid I have got to say the same thing. Minor irrigation is dealt with by the Ministry of Food and Agriculture. I would request the hon. Member to put the question to that Ministry.

श्री सरजू पाण्डेय : जब रिहन्द डैम बन रहा था उस समय सरकार ने श्रावसास दिया था कि पूर्व उत्तर प्रदेश को सस्ती बिजली दी जायेगी । मगर उस डैम को बने हुए भी तीन साल हो गये, अब तक सस्ती बिजली की व्यवस्था नहीं हुई । मैं जानना चाहता हूँ कि क्या सरकार इस के बारे में भी कोई विचार कर रही है ।

Dr. K. L. Rao: As the hon. House knows, there was a committee appointed with Shri Venkataraman, Minister of Power, Madras, as convener, and the committee have made certain recommendations for rural electrification. One of the recommendations made was that it should be done as quickly as possible, and for that they have made some suggestions. These suggestions are being discussed with the various Ministries at the Centre.

Shri M. L. Jadhav: May I know whether Government have taken a decision for non-recovery of the minimum charges for use of power for agricultural pumps when they are idle?

Dr. K. L. Rao: This is one of the items which is being discussed with the Ministry of Finance.

Shri Harish Chandra Mathur: Apart from the rates, is the Minister aware that there are certain States where there is rural electrification of about 1,000 to 1,500 villages a year, while in Rajasthan we have not electrified even 1,000 villages in all. May I know whether the Government have any programme to boost up these States which have been lagging behind? What, in positive terms, does the Government propose to do in such matters?

Dr. K. L. Rao: It is true that Rajasthan has only, I think, 2 per cent electrified villages as against the average of 8 per cent, and a much higher percentage in many other States. It will be our endeavour to see that as many villages, which represent agricultural activity, are electrified as possible. Especially in Rajasthan, we expect quite a good amount of power to be installed in the Fourth Plan.

Shri Harish Chandra Mathur: In positive terms, what are you doing now?

Dr. K. L. Rao: The only thing I can say is that if a good case is made out by the Rajasthan Government that there are possibilities of using more power in a concentrated way, for agricultural purposes it will be considered.

Shri Harish Chandra Mathur: Will you kindly permit me to get a clarification? Is it not a fact that already a good case for Rs. 4 crores to be spent during this year has been submitted and approved by you?

Dr. K. L. Rao: I meant to answer for further assistance as a continuous process. The hon. Member may know that this year the Ministry of Finance has very kindly given Rs. 5 crores for the whole country for accelerating electric connections, and I think Rajasthan has a very substantial amount out of this.

Shri Buta Singh: May I know whether the Minister is in a position to inform the House whether the targets fixed in the Third Plan for electrification of the rural areas will be fulfilled or not?

Dr. K. L. Rao: I am very glad to state that achievement of rural electrification is, in fact, more than what we have provided for.

Shrimati Jyotsna Chanda: May I know whether the Government is aware of the fact that the agriculturists in Assam cannot dream of using electricity? What steps do Govern-

ment propose to take to make electricity reach the agriculturists?

Dr. K. L. Rao: It is quite true that in Assam, reaching the villages is more difficult because the places are widely spread out. The only thing I can say is that in Assam the amount of electricity that is available is being increased, and it should be possible to see that with more generation of power, more transmission lines come in and more villages are electrified.

Acquisition of land

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- *214. { **Shri Rameshwar Tantia:**
Shri S. C. Samanta:
Shri Subodh Hansda:
Shri P. R. Chakraverti:
Shrimati Savitri Nigam:
Shrimati Tarkeshwari
Sinha:

Will the Minister of Works and Housing be pleased to refer to the reply given Starred Question No. 159 on the 25th February, 1965 and state:

(a) whether the Committee appointed to examine the measures to be taken to expedite the proceedings for the acquisition of land for housing schemes for industrial workers has submitted its report;

(b) if so, the main recommendations thereof; and

(c) the steps taken by Government to implement them?

The Minister of Works and Housing (Shri Mehr Chand Khanna): (a) Yes.

(b) and (c). A Summary of the recommendations of the Committee is placed on the table of the House. [Placed in the Library. See No. LT-4632/65]. These will be considered by the next Conference of Housing Ministers and thereafter necessary action will be taken in the light of their recommendations.

Shri Rameshwar Tantia: On 25th February, the reply given by the hon. Minister was that the committee would submit its report within two months.

Since six months have passed, I want to know what the recommendations of the Committee are.

Shri Mehr Chand Khanna: The report has been received. I have given a summary of the recommendations in the statement that I have laid on the Table of the House. Before action can be taken on these recommendations, they have to go to the parent body, that is the Housing Ministers' Conference which convened this committee. That conference is likely to be held within about two months.

Shri Rameshwar Tantia: May I know whether only big cities will be considered for housing schemes or smaller cities also which have some industries?

Shri Mehr Chand Khanna: The report is in regard to the acquisition of lands and procedural difficulties. Lands are taken at a very high value and given to industrialists. The recommendations of the committee presided over by Prof. Thacker are contained in the statement; they have made very useful recommendations.

Shri P. R. Chakraverti: In the light of not-too-happy experiences of the performances of the States with regard to land reforms does not the Minister feel that it will not serve the purpose effectively if the matter is left to the States themselves?

Shri Mehr Chand Khanna: As far as I can see, I have explained to the House more than once that housing has not received in the Third Plan the same priority that it should have. Some hon. Members have also referred to it in this very House. We propose to take some steps in the matter, such as acquisition of lands, diversion of funds, setting up of Central and State Housing Boards. I am confident that if adequate funds are given by the Planning Commission we should be able to make a dent in the problem.

Shrimati Savitri Nigam: In view of the great shortage of cement in Delhi and elsewhere and the sudden

increase in the price of lands what action does the Government propose to take?

Shri Mehr Chand Khanna: It has to be accepted that there is acute shortage of cement in the country. I have suggested to the Planning Commission to have a quota for housing placed at the disposal of this Ministry so that I could see the performance of each State and make allocation as we did at the time of the Rehabilitation Ministry. That proposal is still pending with the Planning Commission and I shall pursue it.

Shr.mati Tarkeshwari Sinha: May I know whether the Government is in a position to give information about the amount of land and the valuation thereof of the land that has already been acquired by the Government, which has not been resettled for housing schemes and made available to the State Government or to the private parties? May I have the valuation of that?

Shri Mehr Chand Khanna: I am sorry; I have not got the total allocation made in the Third Plan. If the hon. Member gives me notice, I shall have it collected.

श्री भागवत झा आजाद : विभिन्न राज्यों में भूमि अर्जन करने के कानून में एकलूनता लाने के लिये जो सुझाव अब तक दिये गये हैं उन सुझावों पर क्या राज्य सरकारों ने अपनी सहमति प्रकट की है, और अगर प्रकट की है तो क्या वह इस दिशा में बढ़ रही है।

श्री मेहर चन्द खन्ना : जब राज्य सरकारों की यह कॉन्फरेंस हो जायेगी तब मैं उनको लिखूंगा। जब तमाम हाउसिंग मिनिस्टर्स, जो कि स्टेट्स में हैं, की कॉन्फरेंस हुई थी तब उन्होंने इतना को माना था। इसी लिये चार मिनिस्टर्स की हम ने एक कमेटी बनाई जिस में कि प्रो० उंकर भी हैं। मैं खयाल करता हूँ कि इस में तमाम स्टेट्स का कोआपरेशन हमें मिलेगा।

जो नये रूल्स हम बना रहे हैं अगर उनको लागू करना तय किया गया तो मुझे जमीन लेने में उतनी दिक्कत नहीं होगी जितनी कि आज तक रही है। मैं खुद इस चीज को देखूंगा।

Shrimati Renuka Ray: No. 2 of the recommendations says that in rural areas possession of land should not ordinarily be taken before the collector has made his award of compensation. First, I want to know very specifically whether in rural areas land is acquired on which home-steads have been built and alternative home-steads will first be given so that industrial workers and agricultural workers will not be displaced from their homesteads as a result of acquisition.

Shri Mehr Chand Khanna: One of the ideas which was discussed at the Housing Ministers' Conference at Chandigarh is that there is also a great difficulty in the matter of acquisition of land in the rural areas. Those lands form part of either agricultural fields or homesteads, and it was for this very purpose that this committee was appointed to examine this question, and they have made certain recommendations.

श्री श्रींकार लाल बेरवा : रास जस्यान में मिलिटरी ने जो जर्मने ले ली हैं उनका अभी तक मुआवजा नहीं मिला है, इसका क्या कारण है ?

श्री मेहर चन्द खन्ना : भूमि लेना और उसका मुआवजा देना यह तो राज्य सरकारें करती हैं। मैं तो खयाल देता हूँ और कोशिश करता हूँ कि वह रुपया ठीक तरह काम में लगे।

श्री श्रींकार लाल बेरवा : जो जमीन अर्जन कर ली गई है उसकी कीमत नहीं दी गई, और इस जमीन पर मिलिटरी ने कब्जा कर लिया है।

Mr. Speaker: Order, order. Dr. Ranen Sen.

Dr. Ranen Sen: Is it known to the Government that the West Bengal Government has recovered a large tract of land but those lands are being sold now in auction instead of the Government trying to build up industrial housing and housing for labourers and, if that is so, what steps are the Government taking in that regard?

Shri Mehr Chand Khanna: I was in Calcutta only about a fortnight ago. I want to make a categorical statement that the work in the housing field that the West Bengal Government has done is commendable. They have done very good work. I think the reference is to the salt lake lands. It has nothing to do with this scheme; that is the State Government scheme. In fact, I have asked the Chief Minister of West Bengal to make some lands available to me out of that scheme and he has kindly agreed to do so.

श्री हुकम चन्द कछवाय : मैं यह जानना चाहता हूँ कि तीसरी योजना के अन्दर हम औद्योगिक मजदूरों के आवास के लिए कितनी व्यवस्था कर पाएंगे। क्या सरकार का यह विचार भी है कि जो उद्योगपति हैं उनको आदेश दिया जाये कि वे अपने उद्योगों के निकट ही मजदूरों के आवास का प्रबन्ध करें ?

श्री मेहर चन्द खन्ना : यह सवाल तो जमीन का है। मैंने इस के बारे में कई बार आंकड़े दिये हैं और अब भी देने को तैयार हूँ।

Shri A. P. Sharma: In view of the fact that during the second and third Five Year Plans large amounts in several States have remained unutilised for the construction of houses under this scheme, will the Government divert those amounts to other States which have been doing better work in this respect.

Shri Mehr Chand Khanna: There are two kinds of allocations: one is the allocation which is made through the LIC, and I have a certain hand in determining the amount which will be given to the State Governments. But I have no right to divert the amounts which are allocated under the State plans.

Shri A. P. Sharma: Even if they do not utilise it?

Shri Mehr Chand Khanna: What can I do?

श्री सरजू पण्डेय : स्टेटमेंट को देखने से पता चलता है कि जमीनों को एक्वायर करने के लिए जो सुझाव आये हैं उन के अनुसार जमीनों को एक्वायर करने के वास्ते 18 महीने का कम से कम समय रखा गया है। जमीनों को एक्वायर करने में देहातों में और गांवों में बड़ी धांधली होती है। क्या ऐंता भी सुझाव केन्द्रीय सरकार राज्य सरकारों को दे रही है कि जिनकी जमीनें एक्वायर की जाएं उनको इतना बात का पूरा मौका दिया जाये कि वह अपने को डिफेंड कर सकें, क्या उनके अधिकारों को सुरक्षित करने के लिए केन्द्रीय सरकार ने राज्य सरकारों को कोई सुझाव दिया है ?

श्री मेहर चन्द खन्ना : जमीन लेने का कानून लैंड एक्विजीशन ऐक्ट है, दफा 4 है, दफा 6 है। लोगों को नोटिस दिये जाते हैं और मुआवजा मिलता है। मैं समझता हूँ कि राज्य सरकारें पूरा काम करती होंगी।

Modernisation of Private Electricity Undertakings

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*215. { Shri Rameshwar Tantia:
Shri S. C. Samanta:

Will the Minister of Irrigation and Power be pleased to refer to the reply given to Unstarred Question

No. 1522 on the 25th March, 1965 and state:

(a) whether any decision to appoint a Committee to report on the question of modernisation of private electricity undertakings has since been taken by Government;

(b) if so, when the Committee is likely to be appointed;

(c) the terms of reference of this Committee; and

(d) when the Committee will submit its report?

The Deputy Minister in the Ministry of Irrigation and Power (Shri Shyam Dhar Misra): (a) to (d). A statement giving the requisite information is laid on the Table of the House.

STATEMENT

At the last Annual meeting of the Federation of Electricity Undertakings of India held at Bombay on the 26th December, 1964, I had suggested that the Federation might appoint a Committee to go into the question of modernising electricity power generation and distribution systems in the private sector so that its report could assist in making a comprehensive appraisal of the problem. The Federation had later suggested that it would be more appropriate for the Government to constitute such a Committee in respect of the country's power systems. The Federation however has subsequently shown its willingness to undertake this task and submit its findings to the Government. The Federation have been requested to indicate the time by which a report containing the findings of the Federation could be expected.

श्री रामेश्वर टांटिया : इस समय बड़े-बड़े प्राइवेट इलेक्ट्रिसिटी अंडरटेकिंग हैं। मैं जानना चाहता हूँ कि उनकी दरें सरकारी इलेक्ट्रिसिटी की दरों से किस प्रकार कम्पेयर करती हैं, और क्या वह सरकार से सलाह करके दरें फिक्स

करते हैं या अपनी मरजी से फिक्स करते हैं।

The Minister of Irrigation and Power (Dr. K. L. Rao): There are three important cities—Calcutta, Bombay and Ahmedabad—where there are big private electricity undertakings. The rates which are charged are much less than what are charged in the other sectors.

Shri Rameshwar Tantia: What are the reasons for their charging at much lesser rates than what are charged in the public undertakings?

Dr. K. L. Rao: They were done at a time when the machinery was very cheap and the cost of installation was very cheap.

Dr. Ranen Sen: These are three cities where electricity undertakings are run by private companies. May I know what stands in the way of Government nationalising these three electricity undertakings?

Some hon. Members: Why?

Dr. Ranen Sen: . . . and reduce the cost of electrical units in cities like Bombay, Calcutta and Madras?

Mr. Speaker: It is a suggestion.

Shri Bhagwat Jha Azad: While reminding the Deputy Minister, when he visited Bhagalpur, that these private electric companies are not only running their outmoded and outdistance operations—but also charging very high prices, when such facts are known to the government, may I know why, instead of straightaway proceeding to remove them, they want to appoint a committee, thereby leaving the matter hanging for years to come and making the consumers suffer?

Dr. K. L. Rao: It is quite true that besides what I mentioned earlier, there are a number of undertakings in this country, of a much smaller nature, which are highly inefficient and charging quite a high rate. It is the intention of government to take

over these undertakings gradually, specially those which are inefficient.

Shri Bhagwat Jha Azad: You are asking the culprits to pronounce judgment on the. Why?

Mr. Speaker: Next question.

Pollution of Jamuna Water

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- *216. { **Shri Hari Vishnu Kamath:**
Shri D. N. Tiwary:
Shri Bishwanath Roy:

Will the Minister of Health be pleased to refer to the reply given to Starred Question No. 1221 on the 6th May, 1965 and state:

(a) whether the findings and conclusions of the Committee appointed to enquire into the causes of pollution of Jamuna water have since been considered by Government; and

(b) if so, with what result?

The Deputy Minister in the Ministry of Health (Shri P. S. Naskar):

(a) Yes, Sir.

(b) Appropriate action is being taken by the different authorities concerned, on all the recommendations.

Shri Hari Vishnu Kamath: Considering that the dreaded month of September when, God forbid, a swollen Jamuna may burst her banks and play havoc with the life and property of the people, is fast approaching, is the minister in a position to firmly and categorically state that drinking water in New Delhi and Delhi will not then get contaminated and the citizens of the metropolis will not have to quench their thirst with joint water and sewage?

Shri P. S. Naskar: It is a matter of opinion.

Mr. Speaker: What about the first part, whether there is any hope that Delhi and New Delhi might get pure water?

Shri P. S. Naskar: The other day I had a discussion on this point with the 980 (AI)LSD—2.

Chairman of the Water-supply and Sewage Disposal Board, Dr. Roshan Lal. He assured me that so far there is no chance of pollution as occurred last year. Immediate action on the recommendations of the committee has been taken like putting a bund on the Najafgarh nullah, Badli dam and all that. Appropriate action has been taken. So far no such incident has happened.

Shri Kapur Singh: Why is this House being treated so lightly like this? Every day we are getting polluted water in our houses and we are being told that there is no chance of pollution.

Shri Hari Vishnu Kamath: He said, there is no chance. He means, I hope there is no danger or apprehension? (*Interruptions*).

Shri Bhagwat Jha Azad: You know it better, Sir, how polluted water is supplied to us every day in our homes. Is the minister justified in saying like this?

Shri Kapur Singh: You must direct the treasury benches not to speak with this irresponsibility (*Interruptions*).

The Minister of Health (Dr. Sushila Nayar): I can very well appreciate the anxiety and indignation of hon. Members because the water-supply situation has caused inconvenience...

Shri Hari Vishnu Kamath: Not mere inconvenience, but disease and death.

Mr. Speaker: It is not the anxiety, but the anger and rage that we have to suffer here.

Dr. Sushila Nayar: I used the word 'indignation' also, Sir. So far as the purity of the water that we supply in the taps is concerned, even the foreign experts that have come have said, and Dr. Taylor's report also unequivocally says... (*Interruptions*). May I request hon. Members to patiently hear the answer? I seek your protection, Sir, against this type of interruptions.

Mr. Speaker: The answer must be heard. At least chivalry should come to the rescue of the hon. Member. When a lady is answering they ought to be more patient.

An hon. Member: Sir, when we get polluted water. . . .

Mr. Speaker: Order, order. Shall I ask the hon. Minister to sit down and not to answer (*Interruption*).

श्री गुलशन : हम लोग अच्छा उत्तर नहीं चाहते बल्कि पापी हम लोग अच्छा चाहते हैं।

अध्यक्ष महोदय : इसका मतलब यह हुआ कि मैं दूसरे वक्ता पर चला जाता हूँ।

Shri Hari Vishnu Kamath: Shall I put the next question, Sir?

Mr. Speaker: If they do not want to hear, I shall pass on to the next question. This should not be the attitude of hon. Members. The Minister should be allowed to answer.

Shri Hari Vishnu Kamath: I have put the question, Sir, and I want to listen to her.

Mr. Speaker: I can ask questions to be answered. That is all that I can do. I cannot do anything further. If hon. Members have not got the patience to hear the answer, I cannot help.

श्री श्रींकार लाल बेरवा : हम इन से पूछने हैं और यह टेलर से पूछती हैं यह कुछ समय में नहीं आता है।

Shri Swell: There are some hon. Members, Sir, who want to listen.

Mr. Speaker: Unless all the Members want to hear, even if only a few create interruptions, how can I proceed?

Shri Surendranath Dwivedy: Now they agree to hear the Minister.

Mr. Speaker: Is he sure of that agreement?

Shri Kapur Singh: It is unanimous.

Dr. Sushila Nayar: Sir, I was submitting that Dr. Taylor, whom we had invited to examine the whole matter, in his report has given an unequivocal opinion that while the water in the river Jamuna does get polluted, the quality of the water which is supplied to the citizens after processing, chlorination etc., has been uniformly of a high order and it is not polluted.

Shri Kapur Singh: Question.

Dr. Sushila Nayar: I wish to further say that even last year when there was so much talk about pollution in the river Jamuna the processing of the water was good and quite satisfactory and it was borne out by the fact that there were no epidemics and no increase of diseases. I wish to assure the House that we are taking every possible precaution to see that the water that they get is purified and safe for them to drink. So far as other troubles are concerned regarding quantity etc.,—sometimes when they open the tap in the beginning the water is a little muddy—all those things are also being looked into and I hope we will be able to remove these difficulties also.

Shri Hari Vishnu Kamath: The Committee, Sir, whose report is under reference, has suggested a series of immediate measures and long-term measures. Among the immediate measures are two—I am sorry I have no time to read the suggestions in detail—which should have been completed by June 1965. One and a half months have passed since. Have they been completed or not? Also, what about the Master Plan for the water-supply scheme?

Dr. Sushila Nayar: Which one is he referring to?

Shri Hari Vishnu Kamath: Has she got the recommendations before her?

Dr. Sushila Nayar: Yes.

Shri Hari Vishnu Kamath: One is Najafgarh Nallah left bank.

Dr. Sushila Nayar: That immediate programme has been completed.

Shri Hari Vishnu Kamath: Then there is another on page 4. That too should have been completed by June 1965.

Dr. Sushila Nayar: Mention the name of the scheme.

Shri Hari Vishnu Kamath: Work on the re-construction of a regular junction of the Burari Nallah etc. . . .

Dr. Sushila Nayar: Sir, I have got a six-page statement here regarding action taken on all the recommendations. If you like, I will place it on the Table.

Shri Hari Vishnu Kamath: Let it be laid on the Table.

Mr. Speaker: That is my belief.

Shri Hari Vishnu Kamath: Had it been laid earlier these questions would not have arisen.

Mr. Speaker: It has been raised just now.

श्री डा० ना० तिवारी : मंत्री महोदय को टेलर साहब का सर्टिफिकेट मिल गया और उन को भरोसा भी हो गया कि पानी एकदम शुद्ध है लेकिन मैंने देखा कि जब जब यमुना में बाढ़ आती है तो एक विज्ञप्ति निकलती है कि पानी गरम कर के पिया करें तो इसका क्या कारण है ? यदि पानी में कोई गंदगी नहीं है तो फिर पानी को गरम करने का आदेश क्यों दिया जाता है ?

डा० सुशीला नायर : हमेशा तो ऐसा आदेश नहीं दिया गया श्रीमन्, अलबत्ता पिछले साल जब थोड़ी मो शंका हुई थी कि शायद पानी में कोई दाँष हो तो उस वक्त पानी उवाल कर पीने की सलाह दी गई थी ।

Shri Bishwanath Roy: Since the Jumna water is polluted for a considerable number of years, may I know the main reason that stands in the way of a complete check on pollution?

Dr. Sushila Nayar: River waters are always polluted. Jumna is much less polluted than the river Thames which supplies water to London. What the health authorities do is to process it, purify it and supply it to the consumer in a safe condition.

Polio Vaccine

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*217. { Shrimati Tarkeshwari
Sinha:
Shrimati Savitri Nigam:
Shri S. C. Samanta:
Shri M. L. Dwivedi:

Will the Minister of Health be pleased to state:

(a) whether it is a fact that polio vaccine has completely run out of stock in Delhi;

(b) whether there is a possibility of getting the vaccine commercially; and

(c) if so, the measures Government propose to take in the matter?

The Deputy Minister in the Ministry of Health (Shri P. S. Naskar): (a) No, Sir.

(b) and (c). Yes, Government is at present importing Polio Vaccine from the U.S.S.R. For meeting the long term requirements, however, arrangements have been made for the production of live polio vaccine at the Pasteur Institute of Southern India, Coonoor.

Shrimati Tarkeshwari Sinha: May I know whether any planned programme for polio vaccination of children is being taken up? If so, what is the target of the vaccination programme?

The Minister of Health (Dr. Sushila Nayar): There is no planned programme to cover all the children in India at present because, firstly there are many other more urgent things that have still got to be done and, secondly, the production programme of Polio Vaccine has not been completed.

Shrimati Tarkeshwari Sinha: May I know whether it is a fact that people from long away places like Bihar, Uttar Pradesh and Andhra have to come to Delhi for taking this vaccination? I am saying this from my experience. If so, may I know whether there is any programme to have these units staggered at various places so that people may not have to undertake long journeys to get polio vaccination, because it has to be given orally to the people directly?

Dr. Sushila Nayar: May I submit that up till now we have supplied polio vaccine to those areas where there might have been epidemics or a high number of cases. A general vaccination programme has not been taken up. Secondly, apart from what the health authorities may supply, people can also buy the vaccine. There is a firm, Decreuse in Bombay. They have their agents also and it is possible to purchase it from them.

Shrimati Savitri Nigam: May I know how much time it will take to start indigenous production of this vaccine? Is it a fact that because of the short supply of this imported vaccine there have been many cases of polio in recent months?

Dr. Sushila Nayar: So far as the first part of the question is concerned, we expect that production will start in early 1966. So far as the second part of the question is concerned, the information of the hon. Member is not correct.

Shri R. S. Pandey: The hon. Minister has just now stated that a general programme of vaccination has not been started. May I know the reason for it?

Dr. Sushila Nayar: It is not considered necessary at present. For instance, we find that there are large areas where there is no case of polio at all. It is only at a certain stage of development of sanitation and health conditions that polio mass vaccination becomes necessary. At present we have not reached that stage.

Mahalanobis Committee Report

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*218. { **Shri Vishwa Nath Pandey:**
Shri Gokulananda Mohanty:
Shri Hem Raj:
Shrimati Savitri Nigam:
Shri S. C. Samanta:
Shri M. L. Dwivedi:
Shri Heda:
Shri D. J. Naik:
Shri M. S. Murti:
Shri J. P. Jyotishi:
Shrimati Jyotsna Chanda:

Will the Minister of Finance be pleased to state:

(a) whether it is a fact that the Mahalanobis Committee has submitted the second part of its report dealing with changes in the levels of living during the first two Five Year Plans;

(b) if so, the main features of the report;

(c) if not, the reasons for the delay; and

(d) when it is likely to be submitted?

The Minister of Planning (Shri B. R. Bhagat): (a) No, Sir.

(b) Does not arise.

(c) Since the question is of a technical nature involving an examination of complex statistical data, the Committee has not yet been able to complete its task.

(d) According to present indications the final report may be expected to be ready before the end of this year.

श्री विश्वनाथ पाण्डेय : क्या महालानोबिस समिति ने कोई इंटरिम रिपोर्ट सरकार को दी है या नहीं और अगर दी है तो उस की मुख्य मुख्य बातें क्या हैं ?

योजना मंत्री (श्री ब० रा० भगत) :
 पार्ट बन, पहला हिस्सा रिपोर्ट का दिया

था, उसको मेज पर भी रख दिया गया है और वह प्रकाशित भी हो गया है।

श्री विश्वनाथ पाण्डेय : इस समिति के कौन-कौन सदस्य हैं और सरकार ने क्या उनसे आग्रह किया है कि वह अपनी रिपोर्ट किसी एक निश्चित अवधि के अन्दर दे दे ?

श्री ब० रा० भगत : इस की फेरिस्त रदखी जा चुकी है अगर आप इजाजत दें तो मैं फिर नाम पढ़ दूंगा।

Shri Bhagwat Jha Azad: Do Government know the reaction of the people in the country that, since the first part of the report has been published, there is greater concentration of wealth and power in the hands of a few and, therefore, this Committee, though working technically, is not submitting its report under pressure and why is it that the Government has not been in a position to ask them to submit the report early?

Shri B. R. Bhagat: There is no pressure on this Committee. All are eminent men there. Actually, the Government would like to have the report as early as possible.....

Shri Bhagwat Jha Azad: Why has it not been submitted?

Mr. Speaker: Order, order.

Shri Bhagwat Jha Azad: This Committee had been set up a long time back and why is it that the report has not been submitted yet.

Mr. Speaker: He cannot have the answer according to his own wishes. The Minister is answering the question and he has to listen.

Shri Bhagwat Jha Azad: He is giving an answer which is incorrect.

Shri B. R. Bhagat: I am sorry to say, the hon. Member may be under some misapprehension, but the fact is that we are anxious that this report should be out as soon as possible. All are eminent men on the Committee; they are not used to working

under pressure. The hon. Member should know that. I totally deny that the Government is exercising any pressure.

WRITTEN ANSWERS TO
QUESTIONS

भारतीय औद्योगिक ऋण तथा विनियोजन
निगम

* 219. { श्री किन्दर लाल :
श्री विश्वनाथ पाण्डेय :
श्री हेडा :

क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि विश्व बैंक ने भारतीय औद्योगिक ऋण तथा विनियोजन निगम को ऋण देने की अनुमति दे दी है ;

(ख) यदि हां, तो कुल कितना ऋण मंजूर किया गया है तथा किन शर्तों पर ;

(ग) देश के विभिन्न औद्योगिक एककों को अब तक कुल कितना ऋण दिया गया है ; और

(घ) भारतीय औद्योगिक ऋण तथा विनियोजन निगम इन औद्योगिक एककों से किस दर से ब्याज लेता है ?

योजना मंत्री (श्री ब० रा० भगत) :

(क) जी, हां।

(ख) यह ऋण 5 करोड़ डालर का है। इस पर 5½ प्रतिशत प्रतिवर्ष की दर से ब्याज लगेगा और यह 18 वर्ष की अवधि में चुकाया जायेगा जिसमें 1 फरवरी, 1968 तक की रियायती अर्वाध (ग्रेस पीरियड) भी शामिल है।

(ग) इस ऋण में से अब तक कोई रकम नहीं दी गई है। भारतीय ऋण

श्रीर निवेश निगम (इण्डस्ट्रियल क्रेडिट ऐण्ड इन्वेस्टमेण्ट कार्पोरेशन आफ इण्डिया) द्वारा विश्व बैंक से पहले ही लिये गये 9 करोड़ डालर के पांच ऋणों में से 31 जुलाई, 1965 तक 5.892 करोड़ रुपया भुगताया जा चुका है।

(घ) विदेशी मुद्रा में दिये जाने वाले ऋणों पर औद्योगिक एक्कों से 8½ प्रतिशत प्रतिवर्ष की दर से व्याज लिया जाता है।

Low and Middle Income Group Housing Schemes

*220. **Shri Maheshwar Naik:** Will the Minister of Works and Housing be pleased to state:

(a) whether it is a fact that the low and middle income Group Housing Schemes have fallen far behind the provisions of the Third Plan; and

(b) if so, the action taken in order to make the shortfall good?

The Minister of Works and Housing (Shri Mehr Chand Khanna): (a) and (b). No, the progress made under these two Schemes has been very satisfactory. Under the Low Income Group Housing Scheme, an expenditure of Rs. 27.98 crores was incurred during the first four years of the Third Plan against the total Plan allocation of Rs. 35.20 crores; while under the Middle Group Housing Scheme, an expenditure of Rs. 16.81 crores was incurred against an allocation of Rs. 22.50 crores. The remaining allocations will be fully utilised in the fifth year of the Plan.

Cut in Aid From West Germany

*221. { Shri Indrajit Gupta:
Shri Yashpal Singh:
Shri P. R. Chakraverti:
Shri P. C. Borooah:
Shri Hem Raj:
Shri Raghunath Singh:

Will the Minister of Finance be pleased to state:

(a) whether it is a fact that only

West Germany among all the Aid India Club members has cut its contribution of financial assistance to India for 1965-66; and

(b) if so, the extent of the cut and the reasons therefor?

The Minister of Planning (Shri B. R. Bhagat): (a) and (b). Yes, Sir. The Federal German assistance for 1965-66 is Rs. 434 crores less than their assistance for 1964-65. It is understood that this is due to a reduction in the provision for capital aid in the current year's budget of the Federal German Government.

Replacement of Sales Tax By Excise Duty

*222. { Shri Hem Raj:
Shri P. C. Borooah:

Will the Minister of Finance be pleased to state:

(a) whether it is a fact that the various Trade Associations have requested him to accept the demand of the All-India Sales Tax Committee for replacing the Sales Tax by Excise Duty; and

(b) if so, the reaction of Government thereto?

The Minister of Planning (Shri B. R. Bhagat): (a) Government have received some telegrams to this effect.

(b) Sales Tax is a State subject under the Constitution, and therefore an inherent right of the State Governments. The States are not in favour of extending the scheme of replacement of Sales Tax by Excise Duty on any other commodities. Nor is it possible to entirely replace Sales Tax by Excise Duties even if they were willing.

Renewal of Managing Agencies

*223. **Shri Harish Chandra Mathur:** Will the Minister of Finance be pleased to state:

(a) the number of applications for the renewal of Managing Agencies

received by the Company Law Board during 1964-65 and 1965-66 so far;

(b) the manner in which these have been disposed of and whether a statement will be laid on the Table; and

(c) the guide-lines and principles evolved?

The Minister of Planning (Shri B. B. Bhagat): (a) and (b). A statement is laid on the Table of the House.

STATEMENT

Disposals—

Year	No. of applications received	Extended for more than one year	Extended for more than one year	Rejected	Withdrawn or not pursued	Pending
1964-65	230	89	75	61	4	1
1965-66 (upto 15-8-65)	383	239	114	19	9	2

(c) Each application for renewal of a managing agency contract was considered by the Company Law Board on merits under section 326 of the Companies Act, after obtaining the advice of the Company Law Advisory Commission as required under section 411 of the Companies Act, 1956. As provided by sec. 326, companies were directed to terminate the Managing Agency Agreements where the Company Law Board was not satisfied in respect of matters referred to in sub-section (2) thereof. In other cases, the Board exercised its discretion mainly on the basis of balance of advantages.

Drinking Water for Rural Areas

*224. **Shri Krishnapal Singh:** Will the Minister of Health be pleased to state:

(a) whether it is a fact that very little progress has been made in the execution of the Rural Water Supply Schemes; and

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

The Minister of Health (Dr. Sushila Nayar): (a) The progress in the implementation of the Rural Water Sup-

ply Schemes has been somewhat slow in the difficult and scarcity areas where about 125 million people live and of whom only about 10 per cent have so far been provided with safe drinking water. But a rural population of about 230 millions, who reside in comparatively easier areas where simple wells and other local sources are available, has already been provided satisfactory drinking water.

(b) Special Investigation Divisions have been set up to make a preliminary survey of the difficult and scarcity rural areas in each State. Preliminary engineering schemes have been prepared by most of the Investigation Divisions. In the Fourth Plan a provision of Rs. 195 crores has been suggested as against a provision of Rs. 16.33 crores for water supply and drainage schemes in the rural areas in the Third Plan.

Exchange Value of Rupee

*225. {
 Shri V. B. Gandhi:
 Shri Indrajit Gupta:
 Shri Vasudevan Nair:
 Shri P. R. Patel:
 Shri Hem Raj:
 Shri Sham Lal Saraf:

Will the Minister of Finance be pleased to state:

(a) whether Government are aware

of the prevailing shortage of international liquidity; and

(b) whether Government have any plans to protect the exchange value of the rupee in view of these circumstances and, if so, what are these plans?

The Minister of Planning (Shri B. R. Bhagat): (a) The question of international liquidity is under active discussion in the International Monetary Fund and other international forums.

(b) Government is keeping in close touch with these discussions and participating in them with a view to ensure that the outcome is in the best interests of the country.

Repairs to Ministers' Houses

*226. { **Dr. M. S. Aney:**
Shri Gauri Shankar Kakkar:
Shri Siddiah:
Shri Ramshekhar Prasad Singh:

Will the Minister of Works and Housing be pleased to state:

(a) the actual amount spent on the repairs and alterations in the houses occupied by the Ministers in Delhi during the year 1964-65;

(b) the amount spent in providing furniture and other establishment to the houses of Ministers during the above period; and

(c) the amount spent on their maintenance including electric and water charges?

The Minister of Works and Housing (Shri Mehr Chand Khanna): (a) to (c). The information is being collected and will be laid on the Table of the Sabha.

Company Secretaries

*227. **Maharajkumar Vijaya Ananda:** Will the Minister of Finance be pleased to state:

(a) whether Government have taken any steps to make it compulsory to appoint qualified Company Secretaries, who had passed the Secretarial

course examination conducted by the Company Law Administration in all the Public Undertakings;

(b) if so, when this will come into force; and

(c) if not, why not?

The Minister of Planning (Shri B. R. Bhagat): (a) No.

(b) The question does not arise.

(c) Government hope that qualified Company Secretaries, by virtue of their training, will be able to make a contribution to the efficient management of companies, and thereby create a demand for their services. They see no reason, at least at present, to compel the companies to employ such persons irrespective of whether or not the companies themselves feel the need for their services.

Official Exchange Rate of Dollar

*228. **Shri S. B. Patil:** Will the Minister of Finance be pleased to state:

(a) the official exchange rate of the Dollar;

(b) whether Government are aware of the fact that the rate for the Dollar, which was quoted at Rs. 7.75 at the beginning of the year went up to Rs. 7.80 early in April and was Rs. 8.10 in the last week of June, 1965; and

(c) if so, the reaction of the Government to this rise and the steps taken or proposed to be taken in the matter?

The Minister of Planning (Shri B. R. Bhagat): (a) At the official exchange rate one U.S. dollar equals 4.76190 rupees.

(b) and (c). All authorised foreign exchange transactions between dollars and rupees are carried at a rate deviating by not more than one per cent either way of the official exchange rate. The rates mentioned by the hon. Member presumably relate to illegal and secretive transactions. Government is making

every effort to reduce the scale of these unofficial transactions by stricter enforcement of exchange control regulations.

परिवार नियोजन संबंधी संयुक्त राष्ट्र दल

* 229. श्री अंकार लाल बेरवा :

क्या स्वास्थ्य मंत्री 22 अप्रैल, 1965 के तारांकित प्रश्न संख्या 986 के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि :

(क) क्या परिवार नियोजन सम्बन्धी संयुक्त राष्ट्र दल ने अपना अन्तिम प्रतिवेदन दे दिया है; और

(ख) यदि हां, तो उस की मुख्य बातें क्या हैं ?

स्वास्थ्य मंत्री (डा० सुशीला नायर) :

(क) जी नहीं ।

(ख) यह प्रश्न नहीं उठता ।

आयकर की बकाया राशि

* 230. श्री हुकम चन्द कछवाय :

क्या वित्त मंत्री 1 अप्रैल, 1965 के तारांकित प्रश्न संख्या 696 के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि :

(क) 31 मार्च, 1964 को आयकर की 277.46 करोड़ रुपये की बकाया राशि में से अब तक कुल कितनी राशि वसूल की गई है; और

(ख) शेष राशि के वसूल न किये जाने के क्या कारण हैं ?

वित्त मंत्रालय में उपमंत्री (श्री रामेश्वर साठु) : (क) उगाहियों, समायोजनों आदि के कारण आयकर की बकाया राशि में 31 मार्च, 1965 तक, 86.30 करोड़ रुपये की कमी हो गई है ।

(ख) बकाया राशि का एक बड़ा भाग या तो वसूल होने योग्य नहीं है

अथवा उस पर प्रमाणीकरण की कार्यवाही, अपीलें, पनरीक्षण प्रार्थनाओं और दोहराए कर से राहत पाने के लिए किये गये दावों आदि के कारण विचार किया जा रहा है ।

Top Posts in Public Undertakings

*231. {
 Shri Yashpal Singh:
 Shri Subodh Hansda:
 Shrimati Savitri Nigam:
 Dr. P. N. Khan:
 Shri S. C. Samanta:
 Shri M. L. Dwivedi:
 Shri P. R. Chakraverti:
 Shri P. C. Borooah:
 Shri Bibhuti Mishra:
 Shri K. N. Tiwary:
 Dr. L. M. Singhvi:

Will the Minister of Finance be pleased to state:

(a) whether the Committee appointed to go into the procedure of filling up of top posts in the public sector undertakings has submitted its report;

(b) if so, the salient features thereof; and

(c) Government's reaction thereto?

The Minister of Planning (Shri B. R. Bhagat): (a) Yes, Sir.

(b) The main features of the recommendations are:—

(i) In the long run public sector should become self-sufficient to provide its own managerial resources, but in the interim period all sources will have to be tapped to locate suitable persons, priority being given to those already working in the public sector.

(ii) Appointments to the public sector should normally be for a minimum period of 4 years.

(iii) Public sector undertakings should be grouped into four different schedules with fixed salary scale for

the Chief Executive of each viz:—

- (1) For Schedule 'A' Rs. 3500-125-4000
- (2) For Schedule 'B' Rs. 3000-125-3500
- (3) For Schedule 'C' Rs. 2500-100-3000
- (4) For Schedule 'D' Rs. 2000-100-2500

(c) Government have accepted these recommendations.

Committee on Transport Policy and Coordination

- *232. { Shri Rameshwar Tantla:
 Shri S. C. Samanta:
 Shri Subodh Hansda:
 Shri Hem Raj:
 Shri Maheswar Naik:
 Shrimati Tarkeshwari Sinha:
 Shri Heda:

Will the Minister of Planning be pleased to refer to the reply given to Starred Question No. 157 on the 25th February, 1965 and state:

(a) whether the final report of the Committee on Transport Policy and Coordination has since been received;

(b) if so, its main recommendations; and

(c) when these recommendations are likely to be implemented?

The Minister of Planning (Shri B. R. Bhagat): (a) to (c). The Committee's draft report is at present under consideration. The Committee expects to conclude its work in the next few weeks.

Rural Pilot Centres

- *233. { Shri S. C. Samanta:
 Shri Rameshwar Tantla:
 Shri Surendra Pal Singh:

Will the Minister of Finance be pleased to refer to the reply given to Starred Question No. 586 on the 25th March, 1965 and state:

(a) whether the proposal of the State Bank of India to open a network of rural pilot centres in different parts of the country to provide short, medium, and-long-term credit for pro-

duction, both agricultural and industrial, in the rural areas has been considered by Government;

(b) if so, the broad outlines thereof; and

(c) the steps taken by the authorities concerned to implement it?

The Minister of Planning (Shri B. R. Bhagat): (a) to (c). The matter is still under consideration.

"Sriram Durga Prasad of Nagpur"

- *234. { Shri Hari Vishnu Kamath:
 Shri Surendranath Dwivedy:

Will the Minister of Finance be pleased to refer to the reply given to Unstarred Question No. 2103 on the 8th April, 1965 regarding the affairs of Shri Sriram Durga Prasad of Nagpur and state:

(a) whether the investigations have since been completed;

(b) if so, the outcome thereof; and

(c) if not, the reasons for the delay?

The Deputy Minister in the Ministry of Finance (Shri Rameshwar Sahu): (a) Not yet, Sir.

(b) and (c). Investigations relating to customs offences are almost complete and a number of Show Cause notices have been issued. Investigations by the Income Tax Department and the Foreign Exchange Enforcement Directorate are still in progress. A large number of documents have to be scrutinised by more than one agency and hence the delay.

Transport Survey

- *235. { Shri P. C. Borooah:
 Shri Raghunath Singh:

Will the Minister of Planning be pleased to state:

(a) whether Government and the World Bank have agreed to join in financing a survey of all modes of transport in the eastern region of

India so as to enable Government to formulate a transport investment programme for the Fourth Five Year Plan; and

(b) if so, on what terms?

The Minister of Planning (Shri B. R. Bhagat): (a) Yes.

(b) A statement is laid on the Table of the House [*Placed in Library. See No. LT-4633/65.*]

L.I.C. Premia

*236. {
 Shri Yashpal Singh:
 Shri D. C. Sharma:
 Shrimati Savitri Nigam:
 Shri Poltekkatt:
 Shri A. V. Raghavan:
 Shri Kappen:
 Shri Heda:
 Dr. Mahadeva Prasad:
 Shri Ram Sewak:
 Shri P. G. Sen:

Will the Minister of Finance be pleased to refer to the reply given to Starred Question No. 571 on the 25th March, 1965 and state:

(a) whether the investigation to reduce the premium rates of L.I.C. policies has since been completed; and

(b) if so, the decision taken thereon?

The Minister of Planning (Shri B. R. Bhagat): (a) The review of the premium structure will be made by the Corporation after the results of the detailed investigation undertaken by it into the mortality of assured lives covering the period 1961 to 1964 become available. These results are expected to be known in 1966.

(b) Does not arise.

Delhi Water Testing Laboratory

*237. {
 Shri Rameshwar Tantia:
 Shri S. C. Samanta:
 Shri Naval Prabhakar:
 Shri Shree Narayan Das:
 Shri Yashpal Singh:
 Shri S. M. Banerjee:
 Shrimati Tarkeshwari Sinha:
 Shri Ravindra Varma:

Shri P. Venkatasubbalah:
 Shri D. D. Puri:
 Shri Surendra Pal Singh:
 Shri Sezhiyan:
 Shrimati Renuka Barkataki:

Will the Minister of Health be pleased to refer to the reply given to Unstarred Question No. 1581 on the 25th March, 1965 and state:

(a) whether a British Expert visited Delhi to advise the Delhi Municipal Corporation in regard to the modernisation of the water testing laboratory;

(b) if so, whether any recommendations have been made by him; and

(c) the steps taken by Government to implement the same?

The Minister of Health (Dr. Sushila Nayyar): (a) Yes, Sir.

(b) and (c). A statement is laid on the Table of the House [*Placed in Library, See—No. 4634/65.*]

Ceiling on Urban Property

*238. **Shri Hari Vishnu Kamath:** Will the Minister of Planning be pleased to refer to the reply given to Starred Question No. 153 on the 25th February, 1965 regarding ceiling on urban property and state:

(a) whether the requisite analysis and consultations have since been completed;

(b) whether any policy has been formulated;

(c) if so, the broad outlines thereof; and

(d) if not, the reasons therefor?

The Minister of Planning (Shri B. R. Bhagat): (a) No, Sir.

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

(d) The fiscal, legal and administrative aspects of this question require expert investigations before specific issues can be posed for consideration by Central and State Governments. Because of their complexity, these investigations have been time-consuming, and it is hoped to have consultations with State Governments etc. initiated later this year.

New Credit from Japan

702. { Shri Ram Harkh Yadav:
 Shri P. C. Borooah:
 Shri P. Venkatasubbaiah:
 Shri Ravindra Varma:
 Shri D. C. Sharma:
 Shri M. N. Swamy:
 Shri Laxmi Dass:
 Shrimati Renuka Barkataki:
 Shri R. S. Pandey:
 Shri R. Barua:
 Shri Ram Sewak:
 Shri P. G. Sen:

Will the Minister of **Finance** be pleased to state:

(a) whether an official delegation led by an official of the Finance Ministry has left for Japan to negotiate the terms of Japan's credit to India; and

(b) if so, the details of the terms and the manner in which this credit is likely to be used?

The Minister of Finance (Shri T. T. Krishnamachari): (a) Yes, Sir. An official delegation visited Japan in the month of June, 1965 for negotiating the terms and conditions of the Fifth Yen Credit of Rs. 28.57 crores, indicated by the Government of Japan at the Aid-India Consortium meeting held in Washington on 21st April, 1965.

(b) An agreement for the credit was signed on the 25th June, 1965 with the Export-Import Bank of Japan and twelve other Japanese Banks. The credit will be used for further financing of Gorakhpur and Gujarat Fertilizer Projects, Durgapur Alloy Steels Plant and other projects, plants, machinery and commodities for which orders would be placed in Japan. Out of the credit, a sum of Rs. 19.04 crores will be repayable in 15 years and the balance of Rs. 9.53 crores in 18 years. The credit carries an interest of 5.75 per cent per annum and there will be no payments towards the principal during the first five years.

Karivelloore Government Hospital

703. **Shri A. K. Gopalan:** Will the Minister of **Health** be pleased to state:

(a) whether it is a fact that many patients are advised to buy medicines from outside due to scarcity of stock in Karivelloore Hospital, Cannanore District, Kerala;

(b) whether it is also a fact that patients have to queue up in the rains and hot sun to get medicine due to the shortage of roofing space; and

(c) if so, the steps taken to remove this difficulty?

The Minister of Health (Dr. Sushila Nayar): (a) Patients are advised to purchase from outside only such medicines as are out of stock in the hospital.

(b) At present, there is no covered waiting place for patients.

(c) The construction of a shed is under the consideration of the authorities concerned in the State of Kerala.

Cholera in Kerala

704. { Shri A. K. Gopalan:
 Shri Maniyangadan:
 Shri Kajrolkar:

Will the Minister of **Health** be pleased to state:

(a) whether there was an attack of Cholera epidemic in Kerala during March, April and May this year;

(b) if so, what was the death roll, district-wise;

(c) whether Government have sent a special team to investigate into the causes of this epidemic;

(d) if so, what is their report; and

(e) the steps Government propose to take to arrest the repetition of this disease?

The Minister of Health (Dr. Sushila Nayar): (a) Yes, Sir; an outbreak of cholera in epidemic form started in Kerala in January, 1965 in Alleppey

District and it spread to other districts.

(b) District-wise figures of deaths that occurred in the State during the months of March, April and May, 1965 are as under:

District	March 1965	April 1965	May 1965
1. Trivandrum . . .	2	12	8
2. Quilon . . .	6	4	2
3. Alleppey . . .	29	7	5
4. Kottayam . . .	7	..	24
5. Ernakulam . . .	11	16	15
6. Trichur . . .	..	..	..
7. Palghat . . .	..	..	..
8. Kozhikode . . .	..	..	..
9. Cannanore . . .	..	..	..
TOTAL . . .	55	39	54

(c) A team under the Professor of Epidemiology of the All India Institute of Hygiene & Public Health, Calcutta, visited the localities during May, 1965 and conducted investigations into the causes of the epidemic. An Assistant Director General in the Directorate General of Health Services, New Delhi, also visited the affected areas.

(d) The team has submitted a preliminary report. The main recommendations made by the team and the Assistant Director General of Health Services are given below:—

- (i) Cholera control measures should be programmed for next year besides continuing these in the present year as the present epidemic is expected to linger on.
- (ii) Well-timed mass vaccination should be undertaken with special emphasis on the more vulnerable sections of the population.
- (iii) More cholera workers should be employed to complete the inoculation programme according to schedule.

(iv) Anti-cholera measures should not wait till a case has been declared positive, but these should be undertaken immediately on the occurrence of cases of Gastro-enteritis or suspected cholera.

(v) The strain reported to have been isolated in this epidemic is 'EL-tor'. In such epidemics, Cholera inoculation is not the only answer for controlling the epidemic; proper environmental sanitation is much more important.

(vi) According to epidemiological forecast, cholera epidemic is likely to occur in a virulent form in 1966-67. The need to adopt preventive measures to control cholera is urgent.

(c) Based on the recommendations of the team and of the Assistant Director General of Health Services, the State Government propose to create a special organisation for conducting mass inoculation in the coastal area within a period of six months. The other recommendations of the team are also being implemented in the State. 34 lakh persons are reported to have been inoculated during the period from January to the 23rd July, 1965.

Fluorine in Water

705. **Shri A. K. Gopalan:** Will the Minister of Health be pleased to state:

(a) whether there is a heavy incidence of fluorine ranging between 3 to 8 per cent in the drinking water in about 19 villages of Nellore district, Andhra Pradesh;

(b) if so, the total population affected by this;

(c) whether Government have instituted any enquiry into its causes;

(d) whether there is any scheme to supply fresh water in the area; and

(e) if not, the reasons therefor?

The Minister of Health (Dr. Sushila Nayar): (a) Yes. The flourine content is up to a maximum of 6 parts per million.

(b) The information is being collected from the State Government and will be laid on the Table of the Sabha when received.

(c) The matter is being enquired into by the State Government.

(d) No.

(e) Supply of fresh water to the villages can only be done by bringing water from a long distance through a piped water supply scheme. The State Government have reported that they could not undertake such a scheme in view of the high cost involved. They have also stated that supply of fresh water by the removal of flourine from the local water was also not possible for lack of an economical process for defluoridation. A process has been evolved by I.C.M.R. to remove fluorine from water on an individual household basis by the use of Rice Husk Charcoal. This is being brought to the notice of State Government for popularisation in the affected area.

Minting of Paisa

706. Shri Ram Harkh Yadav: Will the Minister of Finance be pleased to state:

(a) whether Government propose to mint a new type of Paisa in place of the present one;

(b) if so, the feasibility of the new minting: and

(c) when the new coins are expected to be in circulation?

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

(b) The new coin is proposed to be minted in aluminium magnesium alloy; tests carried out indicate that it is feasible to do so.

(c) It is not possible at this stage to indicate precisely when the new

coins will be put in circulation, but it is hoped to do so by about the end of this year.

हिन्दी में व्यापार-सूचनाएं

707. श्री विश्राम प्रसाद : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) उत्तर भारत में केन्द्रीय उत्पादन शुल्क विभाग के विभिन्न कलक्टरेटों के वे कौन-कौन से कार्यालय हैं जो केन्द्रीय उत्पादन शुल्क सम्बन्धी व्यापार सूचनाएँ केवल अंग्रेजी में जारी करते हैं तथा ऐसे कलक्टरेटों के ऐसे कौन-कौन से कार्यालय हैं जो ये सूचनाएँ अंग्रेजी के साथ हिन्दी में भी जारी करते हैं ; और

(ख) जो कलक्टरेट व्यापार सूचनाएँ इस समय केवल अंग्रेजी में जारी कर रहे हैं, वे इनका हिन्दी रूपान्तर जारी करने की व्यवस्था कब तक कर सकेंगे ?

वित्त मंत्री (श्री ति० त० कृष्णमाचारी):

(क) उत्तर भारत में केन्द्रीय उत्पादन शुल्क के सभी कार्यालय केन्द्रीय उत्पादन शुल्क सम्बन्धी व्यापार सूचनाएं केवल अंग्रेजी में जारी करते हैं। केवल केन्द्रीय उत्पादन शुल्क समाहर्त दिल्ली का कार्यालय तम्बाकू सम्बन्धी व्यापार सूचनाएं अंग्रेजी के साथ-साथ हिन्दी में भी जारी करता है।

(ख) व्यापार सूचनाओं के हिन्दी अनुवाद का कार्य तकनीकी (टेक्निकल) शब्दों के अनुवाद की सुचारू व्यवस्था हो जाने के बाद ही हाथ में लाया जा सकता है।

फार्म छापना

708. श्री विश्राम प्रसाद : क्या निर्माण और आवास मंत्री यह बताने की कृपा करेंगे कि :

(क) 1 जनवरी, 1965 से अब तक विभिन्न सरकारी मुद्रणालयों में छपने के लिए कितने फार्म आये ;

(ख) अंग्रेजी, अंग्रेजी-हिन्दी दोनों में तथा हिन्दी में छपने के लिये कितने-कितने फार्म आये; और

(ग) जो फार्म केवल अंग्रेजी में छपने के लिए आये थे उन्हें हिन्दी-अंग्रेजी दोनों भाषाओं में छापने के लिये क्या व्यवस्था की गयी है अथवा की जा रही है?

निर्माण और आवास मंत्री (श्री मेहर चन्द खन्ना) : (क) से (ग). भारत सरकार के विभिन्न मद्रगालयों से सूचना एकत्रित की जा रही है और वह सभा पटल पर रख दी जायेगी।

International Council of Nurses

709. Shri Ram Harkh Yadav: Will the Minister of Health be pleased to state:

(a) whether it is a fact that India participated in the 13th Congress of International Council of Nurses held in Frankfurt (Germany) recently;

(b) if so, the number and details of the chief participants;

(c) their achievements so far as India is concerned; and

(d) the total expenditure thereon?

The Minister of Health (Dr. Sushila Nayar): (a) Yes.

(b) The following attended the Congress:—

1. Vice-President, International Council of Nurses and Nursing Adviser, Directorate General of Health Services, New Delhi.
2. President, Trained Nurses Association of India and Nursing Superintendent, Christian Medical College and Hospital, Vellore.
3. Vice-President, Trained Nurses Association of India and Staff Officer, Indian Red Cross Society, New Delhi.

4. Superintendent, Lady Reading Health School, Delhi.

5. General Secretary, Trained Nurses Association of India, New Delhi.

6. Secretary, South India Board of Examiners, Swedish Mission Hospital, Tirapattur.

7. A representative of the Mission Hospital, Indore.

The first four were sponsored by the Government of India.

(c) The Congress being a high level professional meeting of Nurses, its deliberations were of value to the Organizations whose representatives attended.

The President, Trained Nurses Association of India and Nursing Superintendent, Christian Medical College and Hospital, Vellore, was elected a member of the Board of Directors. The Vice-President of the Trained Nurses Association of India and Staff Officer, Indian Red Cross Society, New Delhi, was elected a member of one of the two Standing Committees.

(d) No expenditure was involved to the Government of India.

Family Planning Scheme in Kerala

710. Shri A. V. Raghavan: Will the Minister of Health be pleased to state:

(a) whether any representations have been received from retrenched surveillance workers in Kerala to absorb them in the Family Planning Scheme;

(b) the number of workers retrenched in year 1964-65;

(c) the number of those who have been absorbed in the Family Planning Scheme; and

(d) the steps taken to absorb the remaining workers?

The Minister of Health (Dr. Sushila Nayar): (a) Yes, the Government of Kerala have received representations from retrenched surveillance workers

to absorb them in the Family Planning Scheme.

(b) to (d). Information is being collected from the State Governments and will be placed on the table of the Sabha.

सामुदायिक विकास कार्यक्रम

712. { श्री म० ला० द्विवेदी :
श्री स० चं० सामन्त :
श्री सुबोध हंसदा :

क्या योजना मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या योजना आयोग योजनाओं के अन्तर्गत सामुदायिक विकास कार्यक्रमों के लिए धन नियत करने से पहले वास्तव में उपयोग में लाई जाने वाली तथा लाये जाने वाली राशि के बारे में अध्ययन करता है ;

(ख) विकास खंडों के मुख्यालयों तथा अन्य विकास कार्यों के निकट रिहायशी इमारतों के निर्माण में लगे लोगों के स्तर में हुए सुधार के अनावा उन लोगों का जीवन-स्तर ऊंचा करने में क्या कोई प्रगति हुई है जिनके कल्याण के लिये ये खंड बनाये गये हैं ; और

(ग) निर्धारित राशि का उचित उपयोग हो इसके लिए योजना आयोग ने क्या व्यवस्था की हुई है

योजना मंत्री (श्री ब० रा० भगत):

(क) सामुदायिक विकास खंड का जीवन-काल दस वर्ष का होता है। इसके दो सोपान होते हैं, सोपान 1, और सोपान 2 और उनके लिए क्रमशः 12 लाख रुपये तथा 5 लाख रुपये की व्यवस्था होती है। इन खंडों के लिए निधि का आवंटन आयाजन पद्धति से किया जाता है और पहले सोपान के पहले पांच वर्षों में क्रमशः 1,20,000 रुपये, 1,68,000 रुपये, 2,16,000 रुपये, 2.64,000 रुपये और 4,32,000 रुपये

उपलब्ध होते हैं। दूसरे सोपान की अवधि के दौरान प्रति वर्ष एक लाख रुपये की राशि उपलब्ध की जाती है। यह एक निश्चित प्रणाली है जो कि सभी खंडों पर लागू होती है। अतः सामुदायिक विकास खंडों को धन नियत करने से पहले वास्तव में उपयोग में लाई गई राशि के बारे में अध्ययन करने का प्रश्न नहीं उठता।

(ख) राज्य सरकारों के माध्यम से, कार्यक्रम के कार्यान्वयन की जिम्मेदारी सामुदायिक विकास तथा सहकार मंत्रालय की है। यह मंत्रालय आवधिक प्रतिवेदनों के माध्यम से राज्यों में सामुदायिक विकास कार्यक्रम के काम का विश्लेषण करता है।

(ग) योजना आयोग के कार्यक्रम मूल्यांकन संगठन ने समय समय पर देश में सामुदायिक परियोजनाओं के काम का मूल्यांकन किया है। ये प्रतिवेदन पहले ही प्रकाशित किये जा चुके हैं।

Medical Institute for Higher Research in U.P.

713. **Shri Rameshwar Tantia:** Will the Minister of Health be pleased to state:

(a) whether it is a fact that Government have offered help to the U.P. Government for setting up a medical institute for higher research work;

(b) if so, when it is likely to be set up; and

(c) the total expenditure involved?

The Minister of Health (Dr. Sushila Nayar): (a) to (c). No, Sir. The question of setting up regional P.G. Institutes has been under discussion with several State Governments. The proposal was tentatively explored with Uttar Pradesh Government also.

Central Sales Tax Act

714. { **Shri Shree Narayan Das:**
Shri Raghunath Singh:

Will the Minister of Finance be pleased to state:

(a) whether the proposal to amend

the Central Sales Tax Act, 1956 has been finalised; and

(b) if so, when the Bill is likely to be introduced?

The Minister of Finance (Shri T. T. Krishnamachari): (a) Some suggestions to amend the Central Sales Tax Act, 1956, have been received and are being examined in consultation with the State Governments.

(b) The question whether the Act should be amended and in what respects will be decided after the examination referred to in (a) is completed.

Birth Control]

715. Shri Surendra Pal Singh: Will the Minister of Health be pleased to state:

(a) whether it is a fact that the Director of the Institute of Applied Man-Power Research has called for the formulation of a national birth control plan spread over Four Plan periods in order to bring down the birth rate in the country by 50 per cent; and

(b) if so, what are the main details of this proposal and how they differ from the measures already taken by the Government in that direction?

The Minister of Health (Dr. Sushila Nayyar): (a) Yes.

(b) The Director, Institute of Applied Man Power Research has suggested that reduction of birth rate can be achieved through sterilization or induced abortions or both but not through conventional methods of contraception. He has preferred sterilization as the principle method and suggested sterilization operations at the rate of 6 per thousand of the population per annum. He has also estimated an expenditure of Rs. 100 per case of sterilization and has suggested a provision of Rs. 150 crores during the 4th and 5th Plan periods for the sterilization programme.

The Government of India have been giving considerable emphasis to
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sterilization but do not consider that sterilization should be the only method to be applied for the Family Planning Programme. They will continue to propagate all the methods viz. the conventional methods of contraception, sterilization and the latest device of Intra-uterine contraceptive device. Government of India do not consider the expenditure per sterilization mentioned by him to be necessary or desirable.

पंजाब में परिवार नियोजन केन्द्र

716. श्री बागड़ी : क्या स्वास्थ्य मंत्री यह बताने की कृपा करेंगे कि :

(क) इस समय पंजाब के ग्रामीण तथा शहरी क्षेत्रों में कितने परिवार नियोजन क्लिनिक काम कर रहे हैं ;

(ख) 1965-66 में पंजाब में कितने क्लिनिक खोलने का विचार है ; और

(ग) इस पर कितना व्यय होने का अनुमान है ?

स्वास्थ्य मंत्री (डा० सुशीला नायर) :

(क) बतलाया गया है कि 30 जून, 1965 तक पंजाब में 172 ग्राम एवं 45 नगर परिवार कल्याण नियोजन केन्द्र थे ।

(ख) पंजाब में 1965-66 में 484 ग्राम एवं 5 नगर परिवार कल्याण नियोजन केन्द्र खोलने का विचार है ।

(ग) 1965-66 में 215.95 लाख रुपये ।

Thermal Plant for Kerala

717. { **Shri Warrior:**
Shri Vasudevan Nair:
Shri Prabhat Kar:
Shri Mohammed Koya:
Shri A. K. Gopalan:
Shri Maniyangadan:

Will the Minister of Irrigation and Power be pleased to refer to the reply given to Unstarred Question No. 31 on the 18th February, 1965 and state:

(a) whether the proposal to set up a thermal plant in Kerala to meet

the power shortage in the State has been approved by Government; and

(b) if so, the nature of the decision taken?

The Minister of Irrigation and Power (Dr. K. L. Rao): (a) and (b). The proposal is under consideration.

Punjab Minister's Son-in-Law

718. {
 Shri Warrior:
 Shri Prabhat Kar:
 Shri Vasudevan Nair:
 Shri D. C. Sharma:
 Shri Hukam Chand Kachhavaiya:
 Shri Brij Raj Singh:
 Shri Bade:
 Shri Daljit Singh:
 Shri Bagri:
 Shri Yashpal Singh:

Will the Minister of Finance be pleased to state:

(a) whether it is a fact that a Punjab Minister's son-in-law who was accompanying his father-in-law on a tour abroad was searched at Palam airport and Indian and foreign currencies were found in his suitcase;

(b) whether it is also a fact that the father-in-law was allowed to proceed and the son-in-law was detained; and

(c) whether any investigation is being carried out in this connection?

The Minister of Finance (Shri T. T. Krishnamachari): (a) and (b). On 22nd May, 1965, at Palam Airport a passenger bound for London was found to be in possession of the following currencies which he had not declared:

- (i) £ 85 Sterling,
- (ii) U.S. Dollars 225,
- (iii) Malta Currency £ 2,
- (iv) Swiss Francs 100,
- (v) French Francs 100,

(vi) D.M. 25, and

(vii) Indian Currency Rs. 31/-.

He is reported to be the son-in-law of a Minister in the Government of Punjab, who was also going by the same flight. However, the Minister had been cleared in the normal course long before the said passenger presented himself for customs clearance. After the currency was seized, the passenger himself withdrew from the flight.

(c) The investigation is over and the case is at present under adjudication.

Water from Jamuna Bed

719. {
 Shri P. C. Borooah:
 Shri Naval Prabhakar:
 Shri Hem Raj:

Will the Minister of Health be pleased to state:

(a) whether the work for exploring the possibilities of tapping off water from underneath the Jamuna bed for augmenting the water supply for Delhi has been entrusted to a French firm in collaboration with a local enterpreneur; and

(b) if so, what progress has been made in the work so far?

The Minister for Health (Dr. Sushila Nayar): (a) This work has been entrusted to an Indian firm, M/s Mascarenhas and Taraporevala Consulting Engineers and Structural Specialists, Bombay who have a French collaborator, Mon. P. Clausee.

(b) The following works are to be done in this case:—

- (1) Trial Bores to be made for determining the depth and granulometry of the strata met with,
- (2) Testing of samples of water and strata etc., and
- (3) Pumping test for determining the permeability co-efficient of the strata met with.

With regard to (1) above, the position is that the firm had made 6 trial bores at various places along Jamuna River and found bore No. 3 on the left bank, on the north of road leading to Shahdara, as satisfactory. The firm has also put down two more bores in line with bore No. 3. The French consultant has advised, after examining the strata from the 8 bores, that seven more bores may be made—6 along the Shahdara Road on the South and one on the north side. Three of these bores have since been completed.

As regards (2) above, the firm has given strata samples and water samples for analysis, the results of which are awaited.

Relating to (3) above, the firm has already sent the rig to the site for putting down bigger bore where pump is to be installed.

Madhya Pradesh Electricity Board

720. { Shri Vidya Charan Shukla:
Shri R. S. Pandey:

Will the Minister of Irrigation and Power be pleased to refer to the reply given to Unstarred Question No. 1569 on 25th March, 1965 and state the arrangements made for the import of 3085 M/Tons of plates required by the Madhya Pradesh Electricity Board ?

The Minister of Irrigation and Power (Dr. K. L. Rao): Import of 3085 M/Tons of Plates required by the Madhya Pradesh Electricity Board has been arranged as under:

2292 M/Tons from Poland arranged early 1964.

543 M/Tons from Japan arranged early 1964.

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250 M/Tons arranged under Dutch Credit.

As against the quantity arranged from Poland & Japan about 2768 M/Tons of Plates have already arrived. The balance quantity of 67 M/Tons which has not been received from Poland is being cancelled on the request of the State Electricity Board. The steel plates arranged under Dutch Credit are expected within 4—6 months.

Slum Clearance

721. Shri A. N. Vidyalkar: Will the Minister of Works and Housing be pleased to state:

(a) whether it is a fact that while the Planning Commission has allocated large funds for the slum clearance operations, these funds are not being fully utilised;

(b) the allocation and utilisation of the funds, State-wise;

(c) whether it is also a fact that on the one hand slum clearance operations were launched and, on the other hand, new areas of slums are coming up; and

(d) if so, the preventive measures taken or prepared to be taken, and to what extent they are successful?

The Minister of Works and Housing (Shri Mehr Chand Khanna): (a) Yes.

(b) The requisite information is given in the statement placed on the Table of the House. [Placed in Library. See LT-N.o. 4635/65].

(c) and (d). With the rapid flow of population from rural to urban areas, the situation is deteriorating. The State Governments are doing their best to check the growth of new slums but in the very nature of the problem the measures cannot be wholly effective.

स्वर्ण नियंत्रण आदेश

722. { श्री म० ला० द्विवेदी :
श्री स० चं० सामन्त :
श्री सुबोध हंसदा :

क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या स्वर्ण नियंत्रण आदेश लागू करने के परिणामस्वरूप देश में सोने के उत्पादन तथा वित्तीय स्थिति में कोई अन्तर पड़ा है ;

(ख) इस आदेश को लागू रखने से क्या लाभ हैं जबकि सोना चोर-बाजार में पर्याप्त मात्रा में मिल रहा है ;

(ग) 1963-64 की तुलना में 1964-65 में 14 कैरट सोने के प्रयोग में कितनी वृद्धि हुई ; और

(घ) 14 कैरट सोना किन स्थानों से सरकार द्वारा नियत दर आसानी से मिल सकता है ?

वित्त मंत्री (श्री ति० त० कृष्णमाचारी) :

(क) सोने के समस्त क्रय-विक्रय पर और देश को आर्थिक स्थिति पर स्वर्ण नियंत्रण आदेश के परिणाम को अलग अलग करके बताना संभव नहीं है ।

(ख) स्वर्ण नियंत्रण की योजना सोमा-शुल्क अधिनियम 1962 के उपबंधों की अनुपूरित करती है और, जब कभी अवैध सोने का पता चलता है, तब यह योजना उसके स्रोत का पता करने का काम आसान कर देती है ।

(ग) सितम्बर 1964 से आभूषणों के लिए लाईसेंस प्राप्त व्यापारियों द्वारा 14 कैरट से अनधिक शुद्धता के सोने के प्रयोग के उल्लंघन झाँकड़े व्यक्त करने वाला एक विवरण पत्र समा पटल पर रख दिया

गया है । 1963-64 के लिए तुलनीय झाँकड़े उपलब्ध नहीं हैं ।

(घ) 14 कैरट का सोना लाईसेंस प्राप्त परिष्कारों तथा व्यापारियों के पास उपलब्ध है लेकिन सरकार द्वारा उसकी कीमत नियत नहीं की गयी है ।

विवरण

महीना	वजन ग्राम में
सितम्बर, 1964	600,500
अक्तूबर, 1964	818,620
नवम्बर, 1964	867,835
दिसम्बर, 1964	774,061
जनवरी, 1965	773,886
फरवरी, 1965	1,026,616
मार्च, 1965	884,114
अप्रैल, 1965	882,791
मई, 1965	714,895
जून, 1965	593,027

नोट : 1965 के लिए दिये गये झाँकड़े अनन्तम हैं ।

Vithalbhai Patel House

723. { **Shri Bibhuti Mishra:**
Shri N. P. Yadav:
Shri K. N. Tiwary:

Will the Minister of Works and Housing be pleased to state:

(a) whether it is a fact that the flats in the Vithalbhai Patel House especially constructed for the MPs. are not favoured by them;

(b) if so, the reasons therefor; and

(c) the action Government propose to take to induce M.Ps. to occupy these flats?

The Minister of Works and Housing (Shri Mehr Chand Khanna): (a) to (c). This is not our impression. It is, however, a fact that there was not

much demand for allotment of suites in the Vithalbai Patel House in the beginning but requests have gradually started coming in.

Ban on Doctors Going Abroad

724. { Shri D. C. Sharma:
Shri Mohammed Koya:

Will the Minister of Health be pleased to state:

(a) how many Medical Graduates have been refused permission to go abroad for further studies during the current year so far; and

(b) how many post-graduate doctors have been given permission to go abroad for further studies during the current year so far?

The Minister of Health (Dr. Sushila Nayar): (a) Five.

(b) 166.

Sale of Raw Tincture

725. Shrimati Savitri Nigam: Will the Minister of Health be pleased to refer to the reply given to Unstarred Question No. 1543 on the 25th March, 1965 and state the number of people convicted for the sale of raw tincture during the last six months?

The Minister of Health (Dr. Sushila Nayar): Three persons were convicted in Delhi during the last six months for stocking for sale Pharmacopoeial tinctures in contravention of the provisions of the Drugs and Cosmetics Act, 1940.

Committee on Hospitals

726. { Shri Rameshwar Tantia:
Shri S. C. Samanta:
Shri Subodh Hansda:

Will the Minister of Health be pleased to refer to the reply given to Unstarred Question No. 369 dated 25th February, 1965 and state:

(a) whether the question of constituting a Committee to survey the working of hospitals in the country

has since been considered by Government;

(b) if so, the decision taken and terms of reference of the Committee; and

(c) the likely date of submission of the report by the committee?

The Minister of Health (Dr. Sushila Nayar): (a) to (c). The matter is still under consideration.

Gold Smuggling in Bombay

727. { Shri Kindar Lal:
Shri Rameshwar Tantia:
Shri Vishwa Nath Pandey:

Will the Minister of Finance be pleased to state:

(a) whether it is a fact that gold worth Rs. 10 lakhs was seized during the raids conducted in the residential area of Dadar (Bombay) on the 31st May, 1965;

(b) if so, the action taken against the defaulters; and

(c) whether it is also a fact that some foreigners were also involved in this case?

The Minister of Finance (Shri T. T. Krishnamachari): (a) In the early morning of 31st May, 1965 the officers of the Bombay Central Excise Collectorate seized 1,28,301.800 grams of gold valued at Rs. 6,87,500 at the international rate, from a residential flat at Dadar in Bombay.

(b) Two persons were arrested and afterwards released on bail.

(c) Investigations conducted so far do not indicate that any foreigner is involved in this case.

Customs Authorities at Cochin Port

728. Shri Hari Vishnu Kamath: Will the Minister of Finance be pleased to refer to the reply given to Unstarred Question No. 3245 on the 6th May, 1965 regarding the charges of corrupt-

tions levelled against the Customs Authorities of Cochin Port and state:

(a) whether the investigations have since been completed; and

(b) if so, with what result?

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

(b) In the absence of any corroborative evidence no charges could be formally established against any of the officers. Some of them have, however, been warned for partaking of the meals offered on board ship while on duty.

Unauthorised occupation of Government Accommodation in New Delhi

729. { Shri A. V. Raghavan;
Shri Pottekatt;
Shri Kappen:

Will the Minister of Works and Housing be pleased to state:

(a) the number of Government flats in New Delhi which are in unauthorised occupation;

(b) the number of persons who have refused to vacate such flats and their official designations; and

(c) the action Government propose to take in the matter?

The Minister of Works and Housing (Shri Mehr Chand Khanna): (a) 138.

(b) and (c). 95. The persons are of various categories ranging from peons to gazetted officers as well as some non-officials and retired officers. Appropriate action is being taken in each case.

Aid to Bharat Sewak Samaj, Uttar Pradesh

730. Shri Vishwa Nath Pandey: Will the Minister of Planning be pleased to state:

(a) the total amount given to

Bharat Sewak Samaj, Uttar Pradesh branch for running different camps during 1964-65; and

(b) the amount proposed to be given during 1965-66?

The Minister of Planning (Shri B. R. Bhagat): (a) and (b). The Planning Commission does not give any grant to Bharat Sewak Samaj, Uttar Pradesh, for running camps—

Rural Industries Projects Programme in U.P.

731. Shri Vishwa Nath Pandey: Will the Minister of Planning be pleased to state:

(a) the areas selected in Uttar Pradesh for the Rural Industries Projects Programme sponsored by the Rural Industries Planning Committee of the Planning Commission;

(b) the criteria for selection; and

(c) the progress made so far under the scheme?

The Minister of Planning (Shri B. R. Bhagat): (a) to (c). A statement is placed on the Table of the House. [Placed in Library. See No. LT-4636/65].

Panchayat Samiti Industries in Uttar Pradesh

732. Shri Vishwa Nath Pandey: Will the Minister of Planning be pleased to state:

(a) whether any financial assistance was given to the Government of Uttar Pradesh for the establishment of Panchayat Samiti Industries in the State during 1964-65;

(b) if so, the details thereof; and

(c) the amount allocated to Uttar Pradesh for the same purpose during 1965-66.

The Minister of Planning (Shri B. R. Bhagat): (a) No, as no such scheme was included by the State Government in their Annual Plans for 1964-65 or 1965-66.

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

Saryu River Irrigation Project

733. **Shri Vishwa Nath Pandey:** Will the Minister of Irrigation and Power be pleased to state:

(a) whether it is a fact that the Government have sanctioned Saryu River Irrigation Project which had been dropped owing to the emergency;

(b) if so, when the work on the project will commence; and

(c) the total expenditure involved?

The Minister of Irrigation and Power (Dr. K. L. Rao): (a) to (c). The State Government have revived the proposal for the Saryu Canal Project, preliminary works on which had been stopped in view of the Emergency. This project has been included in the preliminary Fourth Plan proposals of the Government of Uttar Pradesh. In the revised project report furnished by the State Government for technical clearance, the estimated cost is shown as Rs. 38.43 crores. The project report is now being examined by the Central Water and Power Commission. Work on the project will be started after the project is approved.

दिल्ली वाटर वर्क्स

734. **श्री डा० ना० तिवारी :** क्या स्वास्थ्य मंत्री यह बताने की कृपा करेंगी कि :

(क) क्या यह सच है कि सरकार ने दिल्ली में वाटर वर्क्स की क्षमता बढ़ाने के लिये 1965-66 के लिये 75 लाख रुपये का एक अतिरिक्त अनुदान मंजूर किया है;

(ख) यदि हाँ, तो वाटर वर्क्स की क्षमता कितनी बढ़ाई जाने की संभावना है ; और

(ग) इस सम्बन्ध में अब तक क्या प्रगति हुई है ?

स्वास्थ्य मंत्री (डा० सुशीला नायर) :

(क) और (ख). दिल्ली नगर निगम को 1965-66 में उसकी जल प्रदाय एवं मल

निष्कासन योजनाओं के निमित्त कर्ज देने के लिये स्वास्थ्य मंत्रालय के बजट में 250 लाख रुपये की व्यवस्था की गई है। इस व्यवस्था में इस समय लगाये जा रहे संयंत्र के अतिरिक्त बजीराबाद में 4 करोड़ गैलन प्रति दिन की क्षमता वाले एक दूसरे संयंत्र के लगाने के लिये की गई 75 लाख रु० की व्यवस्था भी सम्मिलित है;

(ग) 4 करोड़ गैलन प्रति दिन की क्षमता वाले संयंत्र का प्रोजेक्ट एस्टिमेट निगम की दिल्ली जल प्रदाय एवं मल निष्कासन समिति द्वारा स्वीकृत हो चुका है। इस संयंत्र के लिये अपेक्षित विभिन्न पंपिंग इन्स्टालेशनों के टेंडर प्राप्त हो चुके हैं तथा विछाये जाने वाले विभिन्न पानी को नलों और निर्माण के लिये प्रस्तावित नये जलाशयों के सर्वेक्षण किये जा रहे हैं।

यूनिट ट्रस्ट

735. **श्री नवल प्रभाकर :** क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) 30 जून, 1965 तक जनता ने यूनिट ट्रस्ट आफ इंडिया में कितनी पूंजी लगाई ; और

(ख) अब तक कितना लाभांश घोषित किया गया ?

वित्त मंत्री (श्री ति० त० कृष्णमाचारी):

(क) 30 जून, 1965 तक, जनता के हाथ बेचे गये यूनिटों से भारतीय यूनिट ट्रस्ट को 19,13,47,800 रुपये की प्राप्ति हुई।

(ख) 30 जून, 1965 को समाप्त लेखा-वर्ष के लिए 10 रुपये के एक यूनिट पर 61 पैसे या 6.10 प्रतिशत का लाभांश घोषित किया गया है।

Filaria Eradication in Kerala

736. **Shri Mohammed Koya:** Will the Minister of Health be pleased to state:

(a) the steps taken by Government for eradication of Filaria from Kerala; and

(b) the impact of the Scheme on the incidence of the disease in the State?

The Minister of Health (Dr. Sushila Nayar): (a) There is no programme yet for the complete eradication of *Filaria*; the measures so far being taken aim at controlling the spread of the disease.

There are two types of filarial infection prevalent in Kerala, namely, *W.bancrofti* and *B.malayi*. It is estimated that 25 lakhs of persons remain in the bancroftian filarial endemic zone. So far as control of *W.bancrofti* is concerned, 20 *Filaria* Control Units are operating in Kerala under the National *Filaria* Control Programme. The Government of India have established a *Filariasis* Training Centre at Kerala with effect from August, 1965, to train medical officers and other personnel required for the programme. 19 Medical Officers, 12 Biologists and 54 Inspectors from the State have been trained at this Centre.

So far as the *B.malayi* infection is concerned, the Government of India have sanctioned a special project which will start functioning shortly.

(b) In areas which are under effective control, measures for about 4 or 5 years, there has been reduction in the transmission of the infection.

Drainage Scheme for Calicut

737. Shri Mohammed Koya: Will the Minister of Health be pleased to state:

(a) whether the Calicut Municipal Corporation has applied for any central aid for drainage scheme; and

(b) if so, Government's reaction thereto?

The Minister of Health (Dr. Sushila Nayar): (a) and (b). The request of Calicut Municipality for grants from the Central Government for their drainage scheme is under the consideration of the State Government.

Artificial Larynx

738. Shri Mohammed Koya: Will the Minister of Health be pleased to state:

(a) whether it is a fact that Government have recently imported artificial larynx for supply to those who lost their sound due to cancer;

(b) the amount of duty charged for the same;

(c) the date of arrival of the apparatus in Bombay and the date of distribution to patients; and

(d) the reasons for delay, if any?

The Minister of Health (Dr. Sushila Nayar): (a) Yes.

(b) Full duty i.e. Rs. 179.56 per piece. Orders have since been issued to refund 50 per cent. of the duty paid.

(c) (i) Date of arrival: 29-3-1965.

(ii) Date of receipt in Government Medical Store Depot, Bombay, 30-4-1965.

(iii) Date of distribution to patients: between 24-5-1965 and 28-5-1965.

(d) Some delay occurred as the question of giving 50 per cent exemption in customs duty had to be processed with other Departments concerned.

Gobind Sagar Reservoir

**739. { Shri Hem Raj:
Shri A. N. Vidyalkar:**

Will the Minister of Irrigation and Power be pleased to state:

(a) whether it is a fact that silt from hilly rivers and rivulets is getting accumulated in a large extent in the Gobind Sagar reservoir; and

(b) if so, the steps being taken to remove the silt?

The Minister of Irrigation and Power (Dr. K. L. Rao): (a) Yes, the rate of silting of Gobindsagar Lake is higher than that assumed.

(b) Removal of silt from such reservoirs is not a practical proposition. Necessary steps are, however, being taken to prevent excessive silt from entering the reservoir by adopting suitable Soil Conservation measures in the Bhakra Catchment lying within the country.

छूत के रोगों की रोकथाम

740. श्री नवल प्रभाकर : क्या स्वास्थ्य मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या दिल्ली में छूत के रोगों के बारे में अध्ययन करने तथा रोकथाम के लिये कोई एकक स्थापित किया गया है ;

(ख) यदि हां, तो कहाँ स्थित है ;

(ग) इस पर वर्ष-वार कितना व्यय किया गया है ; और

(घ) अब तक किये काम का व्यौरा क्या है ?

स्वास्थ्य मंत्री (डा० सुशीला नायर) :

(क) दिल्ली में मंचारी रोगों के विरुद्ध निरोधक कार्यक्रमों का अध्ययन करने तथा उनके तैयार करने में सहायता देने के लिये दिल्ली नगर निगम द्वारा एक महामारी एकक स्वीकृत किया गया है ।

(ख) इस एकक को अर्लीपुर रोड, दिल्ली में लोक स्वास्थ्य प्रयोगशाला के नये भवन में खोलने का विचार है ।

(ग) इस प्रयोजन के लिए नगर निगम द्वारा 1965-66 के बजट प्रावकलनों में 1,50,000 रुपये की व्यवस्था की गई है ।

(घ) यह एकक बहुत शीघ्र कार्य करना प्रारम्भ कर देगा ।

दिल्ली के गांवों में बिजली की व्यवस्था करना

741. श्री नवल प्रभाकर : क्या सिंचाई और विद्युत् मंत्री यह बताने की कृपा करेंगे कि :

(क) दिल्ली के कितने गांवों में अबतक बिजली की व्यवस्था की गई है ;

(ख) शेष गांवों में कब तक बिजली की व्यवस्था हो जाने की संभावना है ;

(ग) क्या उन गांवों में सिंचाई कार्यों के लिये बिजली दी जाती है ;

(घ) यदि हां, तो कितने कुओं के लिये बिजली दी जाती है ;

(ङ) कुओं के लिये बिजली मंजूर करने में कितना समय लगता है ; और

(च) क्या छोटे पैमाने के तथा घरेलू उद्योगों के लिये भी बिजली दी जाती है ?

सिंचाई और विद्युत् मंत्री (डा० कु० ल० राव) : (क) 31 मई, 1965 तक 260 ग्रामों में बिजली लगाई गई है ।

(ख) शेष 56 ग्रामों में 31 मार्च, 1966 तक बिजली देना अनुमूचित है ।

(ग) जी, हां ।

(घ) कुओं के बिजली कनेक्शनों के लिये जब भी प्रार्थना पत्र आते हैं, ये कनेक्शन दे दिये जाते हैं । 31-5-65 तक 263 कुओं के लिये बिजली दी गई है और इस समय कई कनेक्शनों पर कार्य प्रगति कर रहा है ।

(ङ) साधारणतया ब्लॉक डिवेलपमेंट अफसर के प्रमाण पत्र के साथ प्रार्थना पत्र की प्राप्ति के पश्चात् एक मास से अधिक समय नहीं लगता ।

(च) ग्राम अर्थ व्यवस्था से सम्बंधित लघु और कुटीर उद्योगों के लिये 10 हास पावर प्रति कनेक्शन तक बिजली ग्राम दे दी जाती है, किन्तु जहां पर बिजली दी जाती है वह स्थान लोगों के बसने के लिये निर्धारित क्षेत्र, जिसे 'लाल डोरा' भी कहते हैं, के अन्तर्गत होना चाहिये ।

Family Planning Operations

742. { Shri Naval Prabhakar:
Shri Hem Raj:
Shri Mohan Swarup:

Will the Minister of Health be pleased to state:

(a) the number of sterilization operations done so far, State wise,

during the current year till 15th August, 1965;

(b) the number of cases which were spoiled;

(c) the arrangements made for 'After Care' in such operations;

(d) the amount allocated to each State for the current year; and

(e) how much amount has been advanced to each of the States?

The Minister of Health (Dr. Sushila Nayar): (a) A statement showing the Statewise sterilization operations done during the current year upto 30th June is laid on the Table of the House. [Placed in Library, See No. LT-4637/65]. Figures beyond 30th June, 1965 have not yet been received from all the States and as such, total number of operations done upto 15th August, 1965, are not available.

(b) As per reports received from the States, 24 cases of sterilization have had complications like haemorrhage, etc. All those cases have been attended to and treated.

(c) For males periodical check-up and follow-up of operated cases is being done. The female patients are kept in hospitals and discharged after they are considered fit for discharge.

(d) and (e). A statement showing the amount tentatively allocated for the Family Planning Programme to each State is laid on the Table of the House. [Placed in Library, See No. LT-4637/65].

Compensatory Allowance in Hilly Areas

743. { Shri Naval Prabhakar:
Shri Hem Raj:

Will the Minister of Finance be pleased to state:

(a) whether it is a fact that the question of grant of compensatory allowance in the Hills on the basis of

Height-cum- Area was under the consideration of Government; and

(b) whether the examination has been completed; and

(c) if so, with what result?

The Minister of Finance (Shri T. T. Krishnamachari): (a) to (c). Yes, Sir. It has been decided that it would not be desirable to alter and complicate the existing scheme of allowances. If any specific instances of hardship are brought to notice, these will be considered on merits.

Rivers flowing through India and East Pakistan

744. { Shri Shree Narayan Das:
Shri P. Venkatasubbaiah:
Shri Ravindra Varma:
Shri Kolla Venkaiah:
Shri M. N. Swamy:
Shri Laxmi Dass:

Will the Minister of Irrigation and Power be pleased to state:

(a) whether the Government of Pakistan has submitted any proposal to find an amicable and mutually satisfactory solution to the problem of equitable sharing of the waters of the rivers flowing through India and East Pakistan;

(b) if so, the important features of such a proposal; and

(c) the reaction of Government thereto?

The Minister of Irrigation and Power (Dr. K. L. Rao): (a) to (c). The Government of Pakistan has suggested another meeting of the experts of the two countries. The experts will meet accordingly at a time and place to be agreed upon mutually.

Idikki Hydro-electric Project

745. { Shri Warrior:
Shri Vasudevan Nair:
Shri Prabhat Kar:
Shri Maniyangadan:

Will the Minister of Irrigation and Power be pleased to state:

(a) whether the Government have sanctioned the necessary funds for the

speedy execution of the Idikki Hydro-electric Project in Kerala State for 1965-66; and

(b) if so, the amount asked for by the Kerala Government and the amount sanctioned?

The Minister of Irrigation and Power (Dr. K. L. Rao): (a) and (b). The Government of Kerala requested for an additional amount of Rs. 450 lakhs for 1965-66 over and above the provision of Rs. 100 lakhs, already sanctioned. The Government of India, have, however, found it possible to sanction an additional allocation of Rs. 100 lakhs only.

Assistance to T.B. Patients in Kerala

746. { Shri Mohammed Koya:
Shri Maniyangadan:

Will the Minister of Health be pleased to state:

(a) the number of T.B. patients who applied for financial assistance in Kerala State in 1965-66—upto 1st August, 1965;

(b) the number of persons who were sanctioned assistance; and

(c) the steps taken to avoid delay in disposing of the petitions?

The Minister of Health (Dr. Sushila Nayar): (a) Under the 'Kerala T.B. Patients Assistance Scheme', applications for financial assistance can be submitted to the T.B. Hospital or institution recognised for the purpose, which is nearest to the residence of the patient. The number of T.B. patients who actually applied for financial assistance under that Scheme from 1-4-1965 to 1-8-1965 is not readily available.

Seven applications were received direct by the Government of India from T.B. patients in Kerala for financial assistance from the Union Health Minister's Discretionary Fund.

(b) Financial assistance was sanctioned to 1010 persons during the above period by the Government of

Kerala and grants have been disbursed to 400 persons.

Grants to three persons have been sanctioned from the Union Health Minister's Discretionary Fund from 1-4-1965 upto 1-8-1965.

(c) The Government of Kerala have issued instructions through the district collectors to all subordinate offices to dispose of the petitions as quickly as possible without any avoidable delay.

Such requests are also processed as expeditiously as possible by the Government of India.

Hotels in Delhi

747. { Shri Surendra Pal Singh:
Shri M. N. Swamy:
Shri Laxmi Dass:
Maharajkumar Vijaya Ananda:

Will the Minister of Works and Housing be pleased to state:

(a) whether it is a fact that Government have decided to build a number of large hotels in the public sector in the Capital in the very near future;

(b) if so, the types and sizes of hotels; and

(c) the financial implications of the scheme?

The Minister of Works and Housing (Shri Mehr Chand Khanna): (a) Yes.

(b) A 'one-star' hotel with 250 beds will start functioning next month. Another 'two-star' hotel with 240 beds will be opened in November this year. The construction of a 'five-star' hotel with about 300 beds will be undertaken in about six months' time. Details of another such hotel with 500 to 600 beds are also being worked out.

(c) The financial implications would only be known after the buildings have been completed and the Hotels start functioning.

Cement Stock at Farakka Barrage

748. { Shri Subodh Hansda:
Shri S. C. Samanta:

Will the Minister of Irrigation and Power be pleased to state:

- (a) whether it is a fact that there was a huge stock of cement at Farakka;
- (b) whether Government have decided to dispose of the stock;
- (c) if so, the reasons therefor; and
- (d) whether there is any loss on this account?

The Minister of Irrigation and Power (Dr. K. L. Rao): (a) to (d). Cement procured on the basis of works programme submitted by the Contractor could not be fully utilised according to Schedule. Some cement which became surplus was getting old. As strength deteriorates if cement is stored more than 90 to 120 days, the project authorities released the surplus cement to some of the Departments of the Government of West Bengal for execution of urgent works in connection with Border Roads, Food Production, Flood Control etc. on replenishment basis without involving any loss in the transaction. The present stock of cement in the project is sufficient to meet its own requirements only.

इन्द्रप्रस्थ एस्टेट, दिल्ली में झुग्गियां

749. { श्री हुकम चन्द कछवाय :
श्री बड़े :
श्री बजर्राज सिंह :

क्या निर्माण और आवास मंत्री यह बताने को कृपा करेंगे कि :

(क) क्या यह सच है कि इन्द्रप्रस्थ एस्टेट, दिल्ली में झुग्गियां गिराई गई हैं ;

(ख) यदि हां, तो उन झुग्गियों में रहने वाले लोगों को कहाँ बसाया गया है ;

(ग) क्या सरकार ने झुग्गियों में रहने वाले लोगों को मकान देने का निश्चय किया है ; और

(घ) यदि हां, क्या मकानों का मूल्य एक मुस्त लिया जायेगा अथवा किस्तों में ?

निर्माण तथा आवास मंत्री (श्री मेहेर चन्द खन्ना) : (क) और (ख). दिल्ली में, तिलक ब्रिज तथा इन्द्रप्रस्थ एस्टेट के नजदीक गैर कानूनी तौर पर बँटे हुए 266 परिवारों को जून 1965 में हटाया था तथा उन्हें वैकल्पिक वास देने का प्रस्ताव किया गया था। इन में से 232 ने प्रस्ताव स्वीकार कर लिया था तथा प्रत्येक को, सोलमपुर बजौरपुर और राजौरी गार्डन के दूसरी तरफ को बस्तियों में 25 गज के प्लॉट अलॉट कर दिये थे। शेष 34 परिवारों ने वैकल्पिक वास के प्रस्ताव का लाभ नहीं उठाया और संभवतः उन्होंने अपनी निजी व्यवस्था कर ली।

(ग) और (घ) केवल उन लोगों को जाँ कि सरकारी और सार्वजनिक भूमि पर जुलाई 1960 से पूर्व अनधिकृत रूप से बँटे हुए हैं तथा सरकारी कर्मचारी अथवा प्रवासी मजदूर (माईग्रेटरी लेबरर्स) नहीं हैं, 80 गज के प्लॉट अथवा टैन्मेंट्स जब कभी उपलब्ध होंगे, दे दिये जावेंगे। यह आवंटन किराये के आधार पर होंगा।

Gastro-Enteritis

750. **Shrimati Savitri Nigam:** Will the Minister of Health be pleased to state:

(a) whether it is a fact that a large number of Gastro-enteritis cases have been reported in Delhi in May and June, 1965; and

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

The Minister of Health (Dr. Sushila Nayar): (a) Yes. This year too gastro-enteritis cases have been high from the months of April with the peak of cases in July and August.

(b) Epidemiological studies are being carried out. The public have been warned through Press, hand-

bills and posters against the risk of consuming food, drinks and cut fruits exposed to dust and flies. The public have also been offered free service of combined TAB and Cholera inoculation which is available in all Municipal dispensaries and hospitals. 25 doctors have been engaged to give mass inoculation against Cholera and Typhoid. Efforts are made to destroy un-wholesome food and cut fruits. Inspections of eating places and ice factories are being regularly carried out. Anti-fly measures have been intensified in the slum areas and at the dumping grounds.

Smuggled Goods sold in Black Market

751. **Shri Daljit Singh:** Will the Minister of Finance be pleased to state:

(a) whether it is a fact that imported goods such as clocks and watches are abundantly sold in Bombay and Calcutta in black market; and

(b) if so, the measures adopted by Government to stop such black-marketing?

The Minister of Finance (Shri T. T. Krishnamachari): (a) There have been reports in general that consumer goods such as watches, (whether lawfully imported or smuggled) are being sold in Bombay, Calcutta and in other places in the country.

(b) Whenever the Customs authorities are in possession of reliable information that any shop or premises have stocks of smuggled goods, they are searched by the Customs Officers and the contraband goods found therein are seized for being proceeded against under the Customs Act. There is also arrangement in the major Custom Houses to sell confiscated consumer goods in the Departmental Retail shops to *bonafide* consumers; this is designed to prevent such goods from reaching the black market.

Housing Problem in India

752. { **Shri A. N. Vidyalkar:**
Shri D. D. Puri:

Will the Minister of Works and Housing be pleased to state:

(a) whether Government have examined the report of Mr. Alfred Van Huyck of the Ford Foundation office in Calcutta submitted recently to the International Union of Local Authorities, wherein he has stated that the housing problem in India is the acutest in the world and the progress of its solution is very slow;

(b) if so, Government's reaction thereto and the steps, if any, taken to solve the problem in the shortest span of time; and

(c) how far it would be possible to fulfil the house construction targets laid down in the Third Plan by the end of the five year period?

The Minister of Works and Housing (Shri Mehr Chand Khanna): (a) The report of Mr. Alfred P. Van Huyck of the Ford Foundation, deals specifically with housing problems in the city of Calcutta and not in India as a whole. It has only mentioned in a general way that "India faces the greatest problems of urbanisation the world has ever known".

(b) It is primarily for the Government of West Bengal to take suitable action on the report.

(c) It has been estimated that the financial provision in the Third Five Year Plan would be utilised to the extent of about 84 per cent. However, in view of the general rise in building and labour costs, the achievement in terms of physical targets would be less.

Houses for Students and Teachers

753. **Shri A. V. Raghavan:** Will the Minister of Works and Housing be pleased to state:

(a) whether the University Grants Commission has made any representa-

tion to Government to make a separate allocation under the plans for housing students and teachers; and

(b) if so, whether any decision has been taken in the matter?

The Minister of Works and Housing (Shri Mehr Chand Khanna): (a) Yes.

(b) Yes. The funds available for the social housing schemes of this Ministry being limited, it is not possible to make any special allocation out of them for the housing of students and teachers. The matter has been referred to the Ministry of Education who are primarily concerned with the proposal.

Flood Control in Andhra Pradesh

754. Shri Kolla Venkaiah: Will the Minister of Irrigation and Power be pleased to state:

(a) whether the Committee appointed by Government for the investigation of flood control measures in Andhra Pradesh has submitted its report to Government;

(b) if so, when;

(c) the main recommendations thereof;

(d) the decisions taken thereon; and

(e) whether a copy of the report will be placed on the Table of the House?

The Minister of Irrigation and Power (Dr. K. L. Rao): (a) No.

(b) to (e). Do not arise.

Betterment Levy on Irrigation Beneficiaries

755. { Shri Heda:
Shri Kolla Venkaiah:
Shri M. N. Swamy:
Shri Laxmi Dass:
Shri Surendra Pal Singh:

Will the Minister of Irrigation and Power be pleased to state:

(a) the names of State Governments which have implemented the decision

regarding the betterment levy on the beneficiaries of Irrigation Projects;

(b) which of the State Governments have refused or expressed difficulties to implement the decision; and

(c) the main difficulties expressed and measures taken to remedy the matter?

The Minister of Irrigation and Power (Dr. K. L. Rao): (a) Legislation for betterment levy has already been enacted in all States except Jammu and Kashmir, Uttar Pradesh and West Bengal. In Jammu & Kashmir, betterment fee is leviable by a Government Order. In West Bengal, improvement fee is leviable under "The Bengal Development Act, 1935" on an area benefited from an improvement work. In Uttar Pradesh, there is no legislative or other provision to impose any such levy.

(b) and (c). No State Government has refused to implement the decision. The Government of Uttar Pradesh are of the view that the matter should be given considerable thought before drawing up legislative measures.

श्रीषधियों का आयात

756. श्री बागड़ी : क्या स्वास्थ्य मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि सरकार ने जीवन बचाने वाली कुछ विदेशी श्रीषधियों का आयात बन्द कर दिया है;

(ख) यदि हां, तो क्या कनामाईसीन का आयात भी बन्द कर दिया गया है; और

(ग) ऐसी श्रीषधियों का आयात बन्द करने के क्या कारण हैं ?

स्वास्थ्य मंत्री (डा० सुशीला नायर) :

(क) अप्रैल, 1965 से मार्च, 1966 तक के वर्ष के लिये निर्धारित आयात व्यापार नियंत्रण नीति के अनुसार कतिपय श्रीषधियों, जिनमें कुछ ऐसी श्रीषधियां भी सम्मिलित हैं,

जिन्हें जीवन रक्षक औषधियां कहा जा सकता है, के आयात की आज्ञा नहीं है।

(ख) जी नहीं। कनामाइसिन (Kanamycin) के आयात पर कोई प्रतिबन्ध नहीं है।

(ग) कतिपय औषधियों के आयात पर प्रतिबन्ध चिकित्सीय दृष्टि से उनकी घरेलू मांग, देश के भीतर उनके निर्माण तथा उनकी अनावश्यकता को ध्यान में रखते हुए लगाया गया है।

दिल्ली में मूल्य

757. श्री बागड़ी : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या राजधानी में अनियंत्रित वस्तुओं के मूल्य बढ़ते जा रहे हैं और नियंत्रण से बाहर हैं; और

(ख) यदि हां, तो इसके क्या कारण हैं ?

वित्त मंत्री (श्री ति० त० कृष्णमाचारी) :

(क) और (ख). स्थानीय बाजार में माल की कमी होने और सम्भरण (सप्लाइ) क्षेत्रों में भाव बढ़ जाने के कारण कुछ अनियंत्रित वस्तुओं के मूल्य, कम काम-काज के चालू मौसम में, बढ़ गये हैं। दिल्ली प्रशासन ने, स्थानीय बाजार में और अधिक माल पहुंचाने तथा इनमें से कुछ वस्तुओं के वितरण का नियमन करने के लिए कदम उठाये हैं। दूसरी तरफ, 13 अगस्त, 1965 को कुछ अनियंत्रित वस्तुओं के मूल्य एक वर्ष पहले के प्रचलित मूल्यों के स्तरों से नीचे थे।

Deaths due to Heat in Delhi

758. Shri Bagri: Will the Minister of Health be pleased to state:

(a) the number of fatal cases in Delhi due to heat during May-July, 1965; and

(b) the measures taken by Government in this regard?

The Minister of Health (Dr. Sushila Nayar): (a) Seventeen deaths from heat stroke were recorded in Delhi from May to July, 1965;

(b) Special arrangements are made by various agencies for providing drinking water at important public places like bus stops, schools, and railway stations. Necessary facilities for treatment of heat-affected cases have been provided in the hospitals.

Kopili Power Station

759. { Shri P. C. Borooah:
Shrimati Jyotsna Chanda:

Will the Minister of Irrigation and Power be pleased to state:

(a) whether it is a fact that the Planning Commission has recommended the postponement of the Kopili power project till the Fifth Plan;

(b) if so, on what grounds; and

(c) Government's decision in the matter?

The Minister of Irrigation and Power (Dr. K. L. Rao): (a) No. The Government of Assam have in their Memorandum on the Fourth Plan proposed Kopili Hydro-electric Project as a scheme for advance action for the Fifth Plan.

(b) Investigations in respect of some aspects have not yet been completed.

(c) Does not arise at this stage.

Water Supply to Problem Villages in M. P.

760. { Shri Vidya Charan Shukla:
Shri A. S. Saigal:
Shri J. P. Jyotishi:
Shri Wadiwa:
Shri Chandak:
Shrimati Minmata:

Will the Minister of Health be pleased to state whether the approval of the Government of India has

since been conveyed to the Government of Madhya Pradesh for the establishment of one Engineering Division and five Sub-divisions for undertaking water supply project to 13,229 problem villages, which have no water supply resources?

The Minister of Health (Dr. Sushila Nayar): An Investigation Division with 4 Sub-divisions was sanctioned in March, 1963, for Madhya Pradesh to enable the State Government to assess the rural water supply problem in the difficult and scarcity areas of the State. A request for sanctioning the creation of circle with 6 divisions and 40 Sub-divisions for the State of Madhya Pradesh was received in April, 1965. It has been suggested to the State Government that for the present maximum use should be made of existing divisions to prepare schemes for the rural areas.

Thannier-Mukkam Bund

761. Shri Maniyangadan: Will the Minister of Irrigation and Power be pleased to state:

(a) whether the work on the Bund at Thannier-Mukkam in Kerala is being carried out;

(b) the progress made so far;

(c) when the work was started and when it is likely to be completed; and

(d) the reasons for the delay in completing the work?

The Minister of Irrigation and Power (Dr. K. L. Rao): (a) Yes.

(b) Almost one-third of the barrage has been completed.

(c) The work on the scheme was started in October, 1958 and it is expected to be completed in 1969.

(d) The delay is due to foundation difficulties, which necessitated a change in design. Due to the low bearing capacity of the sub-strata, the designs of all other component parts also had to be revised.

Exemption from Income-Tax in Hilly Areas

762. Shrimati Jyotsna Chanda: Will the Minister of Finance be pleased to state:

(a) whether Government are aware that the wholesale exemption of the tribal people of the Hill Districts of Assam and Nagaland from the purview of the Income-tax levy has resulted in the aggravation of irregularities in the Hill areas;

(b) whether Government are also aware that the exemption has provided a breeding ground for black money; and

(c) if so, whether Government propose to levy Income-tax with higher exemption limits in those areas as a preliminary measure?

The Minister of Finance (Shri T. T. Krishnamachari): (a) and (b). No, Sir. So far, the Government have not come across any specific instance of any abuse of the exemption provided by the Income-tax Act, 1961, to members of the Scheduled Tribes residing in the Hill Districts of Assam and Nagaland.

(c) In view of what is stated above, this does not arise.

Managing Agencies

763. Shri P. C. Borooah: Will the Minister of Finance be pleased to state:

(a) whether the attention of Government has been invited to the observations and suggestions made at the recent seminar organised by the Federation of Indian Chambers of Commerce and Industry on Managing Agencies;

(b) if so, the main suggestions and observations made by the Seminar; and

(c) Government's reaction thereto?

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

(b) and (c). It is for the Managing Agency Inquiry Committee set up by Government on 4th January, 1965 in pursuance of the provisions of Section 324 (1) of the Companies Act, 1956, to look into the suggestions and observations made at the Seminar if the Federation of Indian Chambers of Commerce and Industry passes on these representations to it.

आवास मंत्रियों का सम्मेलन स्थगित किया जाना

764. श्री श्रींकार लाल बेरवा : क्या निर्माण और आवास मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या 9 जुलाई, 1965 को श्रीनगर में होने वाला आवास मंत्रियों का सम्मेलन स्थगित किया गया था;

(ख) यदि हाँ, तो उसके क्या कारण हैं; और

(ग) अब उसकी कब होने की सम्भावना है ?

निर्माण तथा आवास मंत्री (श्री मेहर चन्द खन्ना) : (क) जी हाँ ।

(ख) उस समय योजना आयोग चौथी पंच-वर्षीय योजना के सम्बन्ध में राज्य मुख्य मंत्रियों से विचार विमर्श कर रहा था । उसके बाद राष्ट्रीय विकास परिषद् के द्वारा योजना पर विचार किया जाना था । इसलिए यह वांछनीय समझा गया कि इन विचार-विमर्शों के बाद सम्मेलन किया जाये ताकि सम्मेलन में विचार-विमर्श के दौरान आवास मंत्रियों को चौथी पंच वर्षीय योजना में आवास की रूप रेखा की एक साफ तस्वीर उपलब्ध हो सके ।

(ग) सम्मेलन की परिशोधित तारीखों का निर्णय अभी तक नहीं हुआ है ।

ईंट बनाने का संयंत्र

765. श्री बागड़ी : क्या निर्माण और आवास मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या राष्ट्रीय भवन निर्माण संस्था का विचार दिल्ली में ईंट बनाने का एक संयंत्र लगाने का है;

(ख) उसमें प्रति वर्ष कितनी ईंटें बनाई जायेंगी;

(ग) उस पर कितना व्यय होगा; और

(घ) उसमें कितने व्यक्तियों को रोजगार मिलने की आशा है ?

निर्माण तथा आवास मंत्री (श्री मेहर चन्द खन्ना) : (क) दिल्ली में यान्त्रिक ईंट बनाने का संयंत्र स्थापित करने का प्रस्ताव राष्ट्रीय भवन निर्माण निगम समिति (राष्ट्रीय भवन निर्माण संस्था नहीं) का है ।

(ख) लगभग 400 लाख ।

(ग) लगभग 25 लाख रुपये ।

(घ) लगभग 250 ।

Panchet Dam

766. Shri Raghunath Singh: Will the Minister of Irrigation and Power be pleased to state:

(a) whether it is a fact that continued silting of the Panchet Dam of the Damodar Valley Corporation at an alarming rate has perturbed the authorities; and

(b) if so, the steps being taken in this regard?

The Minister of Irrigation and Power (Dr. K. L. Rao): (a) The rate of siltation at the Panchet Dam has been above normal but not so much as to cause alarm.

(b) Soil conservation measures in the catchment of the river Damodar which includes the catchment of the Panchet Dam were initiated during

the First Plan period when 2210 hectares (5462 acres) of land were covered at a cost of Rs. 22.16 lakhs. This programme was accelerated in the Second Plan period when an area of 24106 hectares (59,566 acres) were covered at a cost of Rs. 44.58 lakhs. This work has been further intensified during the Third Plan period when an area of 81070 hectares (2,00,329 acres) is expected to be covered at a cost of Rs. 280.26 lakhs. Thus by the end of the Third Plan an area of nearly 1,07,386 hectares (2,65,357 acres) is expected to be covered at a cost of Rs. 347 lakhs. The soil conservation measures in the catchment of the Panchet Dam have been given priority in the present Plan period.

Seminar on Family Planning

767. **Shri Ram Harkh Yadav:** Will the Minister of Health be pleased to state:

(a) whether an All-India Seminar under the auspices of the Central Family Planning Institute was held in Vigyan Bhavan, New Delhi in May, 1965;

(b) if so, the details of the participants, State-wise; and

(c) the decisions taken for controlling the birth rate and population?

The Minister of Health (Dr. Sushila Nayyar): (a) Yes.

(b) and (c). A statement is laid on the Table of the House. [Placed in Library. See No. LT-4638/65].

Housing in Delhi

768. { **Shri Solanki:**
Shri P. K. Deo:
Shri Narasimha Reddy:

Will the Minister of Works and Housing be pleased to state:

(a) whether the target fixed for housing in Delhi during the Third Five Year Plan will be achieved;

(b) if not, the likely shortfall;

(c) the break-up of the short-fall under the houses for labour, low and middle income groups; and

(d) the reason for the shortfall?

The Minister of Works and Housing (Shri Mehr Chand Khanna): (a) to (c). The position under the Social Housing Schemes of this Ministry is as follows:—

Sl. No.	Scheme	No. of houses			
		Third Plan Target	Completed so far	Likely achievement by end of 3rd plan	Short-fall (—) excess (+)
1.	Subsidised Industrial Housing Scheme	1436	936	936	(—)500
2.	Low Income Group Housing Scheme.	2500	3301	3301	(+)801
3.	Middle Income Group Housing Scheme	1250	1222	1250	Nil.
4.	Village Housing Projects Scheme	250	176	250	Nil.
5.	Slum Clearance and Jhuggis and Jhopris Removal Schemes.	@ 50,000	@ 21,542	32,175	(—)17,825@
		55,436	27,177	37,912	(—)17,524

@Includes developed plots of 80 square yards and 25 square yards.

(d) Non-availability of suitable land, legal difficulties in the clearance of slums and squatters on Government and public lands, shortage of cement etc.

Retirement Rules

770. Shri D. C. Sharma: Will the Minister of Finance be pleased to state:

(a) whether it is a fact that a number of non-gazetted Central Government servants, who could not get chances of promotion are anxious to seek early retirement, if retirement rules are relaxed for the purpose;

(b) whether it is a fact that Government is considering a proposal further to liberalise the retirement rules in this direction;

(c) whether it is also a fact that those employees who have reached the maximum of their scale and have no prospect of promotion will be ready to seek early retirement if the rules are suitably liberalised; and

(d) if so, how the matter stands and when a decision thereon is likely to be reached?

The Minister of Finance (Shri T. T. Krishnamachari): (a) No precise information is available. Certain representations were, however, received from Government servants individually and collectively for lowering the limits of 55 years of age and 30 years qualifying service after which they can voluntarily retire.

(b) No specific proposal is under consideration at present.

(c) No precise information is available.

(d) Does not arise.

International Seminar on Family Planning

771. { Shri P. R. Chakraverti:
Shri P. C. Borooah:

Will the Minister of Health be pleased to state:

(a) whether it is a fact that 3-day International Medical Seminar was

held in Bombay in July this year on the question of legalisation of abortion and other means for birth control;

(b) if so, the main observations made thereat; and

(c) the reaction of Government thereto?

The Minister of Health (Dr. Sushila Nayar): (a) Yes.

(b) (i) No one single method of modern contraceptive device is suitable for a big country like India.

(ii) Abortion should not be utilised as a method of family planning and legislation should not be resorted to for this.

(iii) Trial should be given to all the three modern methods: (a) intrauterine contraceptive device (b) oral contraceptive pills (c) post-partum sterilisation and male sterilisation, according to the circumstances and economic status of the population.

(c) The Government of India propose to continue supporting Intrauterine Contraceptive Device, sterilisation and contraceptives supply scheme for furthering Family Planning Programme as at present.

Goitre

772. { Shri Kindar Lal:
Shri Vishwa Nath Pandey:
Dr. Saradish Roy:

Will the Minister of Health be pleased to state:

(a) whether it is a fact that Government have constituted a survey team for Goitre disease in the Goitre belt of North India;

(b) if so, whether the team has submitted its report; and

(c) the main features of the report and Government's reaction thereto?

The Minister of Health (Dr. Sushila Nayar): (a) In 1959, two survey teams were constituted to estimate

the prevalence of goitre in the endemic areas viz. Himachal Pradesh, Bihar, Naga Hills, part of Uttar Pradesh and part of West Bengal. An earlier survey project covered some Punjab districts.

(b) and (c). The incidence of goitre in the States/districts so far surveyed is given in the statement laid on the table of the House. [Placed in Library. See No. LT-4639/65].

Family Planning Week

773. { Shri Ram Harkh Yadav:
Shri R. Barua:

Will the Minister of Health be pleased to state:

(a) whether Government had launched a country-wide Family Planning Week in July, 1965 to popularise the family planning programme; and

(b) if so, the extent of success achieved?

The Minister of Health (Dr. Sushila Nayar): (a) Yes. A Family Planning Information Week was observed from the 15th July, 1965. Its main aim was to focus the attention of the people on the new Intra Uterine Contraceptive Device and provide them with information about it as a safe, effective and easily reversible method of conception.

(b) Although detailed reports regarding the observance of the Week have not so far been furnished by the State Governments, the information already received from them go to show that the week was well observed in all States by holding meetings, seminars and exhibitions to popularise the Intra Uterine Contraceptive Device in addition to insertions of advertisements in local dailies, arranging dialogues and discussions in the daily programmes of the All India Radio, etc. All indications are that the Week has been a success.

Housing Ministers' Conference

774. { Shri Kolia Venkaiah:
Shri M. N. Swamy:
Shri Laxmi Dass:

Will the Minister of Works and Housing be pleased to refer to the reply given to Starred Question No. 22 on the 18th April, 1965 and state:

(a) whether Government have since taken the decisions on the recommendations of the Housing Ministers' Conference held in December, 1964;

(b) if so, the broad details thereof; and

(c) if not, the reasons therefor?

The Minister of Works and Housing (Shri Mehr Chand Khanna): (a) to (c). The Conference made 44 recommendations. Out of these, 13 were meant for the State Governments and have been commended to them for necessary action. Another 13 have been accepted by the Central Government and the decisions taken on them communicated to the State Governments etc. 4 recommendations will be placed again before the next Housing Ministers' Conference, and 2 call for no action for the present. The remaining 12 are under consideration. A statement showing the action taken on the various recommendations is laid on the Table of the House. [Placed in Library. See No. LT-4640/65].

Drinking Water Supply for Villages

775. Shri Tan Singh: Will the Minister of Health be pleased to state:

(a) whether the Government of Rajasthan has prepared a Master Plan to supply drinking water for every village;

(b) if so, the salient features of the plan; and

(c) the extent of financial assistance given by the Central Government?

The Minister of Health (Dr. Sushila Nayar): (a) Government of India has no information regarding such a Master Plan.

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

Birth Rate

776. Shri Tan Singh: Will the Minister of Health be pleased to state:

(a) whether any survey has been undertaken to ascertain the fall in the birth rate after Family Planning Scheme has been introduced; and

(b) if so, the result thereof?

The Minister of Health (Dr. Sushila Nayar): (a) Yes. Survey has been undertaken in a few areas.

(b) (i) Singur Health Centre in West Bengal—registered birth rate has declined from 42 per thousand in 1957 to 36.9 per thousand in 1961.

(ii) Athoor Panchayat Union, Gandhigram, Madurai District—registered birth rate has declined from 43.61 per thousand in 1962 to 37.72 per thousand in 1964.

(iii) Districts of Ahmednagar, Poona, Satara, Sangli, Sholapore and Kolhapore—registered birth rate has declined from 32.1 per thousand in 1960 to 28.2 per thousand in 1964.

Congress on Irrigation and Drainage

777. Shri Narendra Singh Mahida: Will the Minister of Irrigation and Power be pleased to state:

(a) whether the sixth Congress of the International Commission on Irrigation and Drainage will be held in New Delhi in January, 1966;

(b) the subjects to be discussed at the Conference;

(c) the duration of the Congress;

(d) whether the Central Board of Irrigation and Power will be in-charge of arrangements for the Congress;

(e) the estimated expenditure to be incurred on the Congress; and

(f) whether apart from contribution from the Central and State Governments, the private sector in commerce and industry is also expected to make contributions through their organizations?

The Minister of Irrigation and Power (Dr. K. L. Rao): (a) Yes, Sir.

(b) the following are the main subjects to be discussed:—

(i) Reclamation of saline lands under irrigation;

(ii) Sediment in irrigation and drainage channels;

(iii) Development of deltaic areas;

(iv) Integrated operation of reservoirs for irrigation, flood control and other purposes.

(c) Twelve days from the 4th January, 1966, to the 15th January, 1966.

(d) Yes, Sir.

(e) Nearly Rs. 7.5 lakhs.

(f) Yes, Sir. Contributions from the private sector are entirely voluntary.

Visit of Non-technical Personnel Abroad

778. Shri A. N. Vidyalkar: Will the Minister of Finance be pleased to state:

(a) the number of non-technical personnel in the Central Government employment with their designations who went abroad during the period from 1st January, 1965 to 31st July, 1965;

(b) the purpose for which the above-mentioned employees went abroad; and

(c) the expenditure involved in the foreign currency as well as in rupees?

The Minister of Finance (Shri T. T. Krishnamachari): (a) to (c). The requisite information is being collected from the various Ministries and Departments and will be laid on the Table as soon as it is available.

Report of Committee on Cancer

779. { Shri Ram Sewak:
Shri P. G. Sen:
Shri Jashvant Mehta:

Will the Minister of Health be pleased to state:

(a) whether the Expert Committee appointed to consider the question of Cancer control, treatment and research facilities has submitted its report; and

(b) if so, the main recommendations thereof?

The Minister of Health (Dr. Sushila Nayar): (a) No.

(b) Does not arise.

स्टेट बैंक कर्मचारी संघ

780. { श्री मधु लिमये:
श्री रामसेवक यादव :

क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या स्टेट बैंक कर्मचारी संघ तथा बैंक के प्रबन्धकों के बीच कोई नया करार हुआ है; और

(ख) यदि हां, तो तत्सम्बन्धी ब्यौरा क्या है ?

वित्त मंत्री (श्री ति० त० कृष्णमाचारी):
(क) जी, हां ।

(ख) करार में लिपिक और अधीनस्थ कर्मचारियों के वेतन-मानों में 1 अगस्त, 1965 से संशोधन करने की व्यवस्था है जिस पर लगभग 27 लाख रुपये का वार्षिक व्यय होने का अनुमान है। लिपिक कर्मचारियों को 6 रुपये से 65 रुपये प्रति मास तक का और अधीनस्थ कर्मचारियों को 3.25 रुपये से 20 रुपये प्रति मास तक का तात्कालिक लाभ होगा। अनुमान है कि वेतन-मानों के संशोधन से बैंक के लगभग 30 हजार कर्मचारियों को लाभ पहुंचेगा।

Upper Tungabhadra Scheme

781. **Shri Sivamurthi Swamy:** Will the Minister of Irrigation and Power be pleased to state:

(a) whether any survey has been conducted by the Central Water and Power Commission for the Upper Tungabhadra Scheme;

(b) if so, the broad outlines of the report submitted by the Commission;

(c) if the reply to part (a) be in the negative, the reasons for the delay; and

(d) whether it is a fact that the survey for the scheme was made by the erstwhile Madras, Bombay and Hyderabad States in the year 1892?

The Minister of Irrigation and Power (Dr. K. L. Rao): (a) No.

(b) Does not arise.

(c) The Central Water and Power Commission undertakes investigations on behalf of State Governments only when specific requests are received and provided the State Government or Governments concerned agree to meet the expenditure involved. So far as this scheme is concerned, no such request has been received till now.

(d) Information is being collected from the States and will be laid on the Table of the House.

भारत में लगाई गई विदेशी पूंजी

782. { श्री मधु लिमये:
श्री रामसेवक यादव :

क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) भारत में इस समय कितनी विदेशी पूंजी लगी हुई है;

(ख) किस-किस देश की कितनी-कितनी पूंजी लगी हुई है; और

(ग) गत 18 वर्षों में विदेशी पूंजी के विनियोजन में देशवार कितनी वृद्धि हुई तथा यह वृद्धि किस प्रकार हुई ?

वित्त मंत्री (श्री ति०त० कृष्णमाचारी):

(क) से (ग). 1961 के अन्त तक भारत में लगी विदेशी पूंजी सम्बन्धी सबसे ताजी सूचना भारतीय रिजर्व बैंक ने अपने "भारत की विदेशी देनदारियों और परिसम्पत्तियों की समीक्षा" में संकलित की है। दो विवरण लोक-सभा की मेज पर रख दिये गये हैं। [पुरतकालय में रखे गये, देखिये संख्या एल० टी०—4641/65] जिन में बताया गया है कि 1961 के अन्त में भारत में लगी विदेशी पूंजी की स्थिति क्या थी। उसके बाद लगायी गयी वास्तविक विदेशी पूंजी के सम्बन्ध में सूचना उपलब्ध नहीं है। लेकिन 1962 से 1964 तक के वर्षों में, विदेशी पूंजी के लिए दो गयी स्वीकृतियों से सम्बन्ध रखने वाली सूचना विवरण 1 में दी गयी है।

Death of C.P.W.D. Worker at Rashtrapati Bhavan

783. Shri S. M. Banerjee: Will the Minister of Works and Housing be pleased to state:

(a) whether a worker of the C.P. W.D. died of suffocation and gas poisoning in Rashtrapati Bhavan, New Delhi, while on work in early August, 1965;

(b) if so, whether adequate protection was not given to him;

(c) whether any inquiry was held into this death; and

(d) if so, the result of such inquiry?

The Minister of Works and Housing (Shri Mehr Chand Khanna): (a) Yes.

(b) to (d). The Chief Commissioner, Delhi, has been requested to institute a Magisterial enquiry into the accident.

गांधी सागर बांध

784. श्री श्रीकार लाल बेरवा : क्या सिंचाई और विद्युत् मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि गांधी सागर बांध में पानी पूरे स्तर पर बहूँच गया है ;

(ख) यदि हां, तो इसके कारण किन-किन स्थानों पर तापीय तथा डीजल स्टेशन बन्द हो जायेंगे; और

(ग) राजस्थान को पूरी विजली के कब तक मिल जाने की संभावना है ?

सिंचाई और विद्युत् मंत्री (डा० कु० ला० राव) : (क) जी, नहीं।

(ख) प्रश्न नहीं उठता।

(ग) जब तक गांधी सागर बांध के जल स्तर में काफी चढ़ाव नहीं आ जाता, इसका प्रश्न नहीं उठता।

Cure of Cancer

785. Shri C. K. Bhattacharyya: Will the Minister of Health be pleased to state:

(a) whether it is a fact that a herb has been found on the China peak near Nainital which can cure cancer; and

(b) if so, the steps taken to have it tested?

The Minister of Health (Dr. Sushila Nayar): (a) There are reports to this effect.

(b) The Chittaranjan National Cancer Research Centre, Calcutta has taken up laboratory studies on the herb.

पोषक आहार संबंधी कार्यक्रम

786. श्री मोहन स्वरूप : क्या स्वास्थ्य मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार का विचार पोषक आहार सम्बन्धी एक विस्तृत कार्यक्रम तैयार करने का है;

(ख) यदि हां, तो उसका ब्यौरा क्या है; और

(ग) इस कार्यक्रम के कब कार्यान्वित किये जाने की सम्भावना है ?

स्वास्थ्य मंत्री (डा० सुशीला नायर):
 (क) से (ग). विस्तृत पीष्टिक आहार कार्यक्रम का कोई प्रस्ताव सरकार के पास नहीं है। तो भी 1-6 वर्ष की आयु वाले टूरकते और स्कूल-पूर्व अवस्था के बच्चों के लिये उनकी पोषण-स्थिति में सुधार करने के अभिप्राय से एक पूरक आहार कार्यक्रम को चौथी पंचवर्षीय योजना के दौरान केन्द्र-सहायित योजना के रूप में चालू करने का विचार है। इस योजना के विवरण अभी तैयार करने में शेष है। इसके अतिरिक्त सामुदायिक विकास मंत्रालय के उस विस्तृत पोषण कार्यक्रम को बच्चों के पोषाहार में सुधार करने के हेतु और अधिक विस्तृत कर दिया जायेगा जिसका उद्देश्य स्कूल-पूर्व अवस्था के बच्चों तथा गर्भवती और दूध पिलाने वाली स्त्रियों जैसे सुभेद्य वर्गों के लिए सुरक्षित भोजनों का उत्पादन एवं वितरण करना है।

गाजीपुर अफीम कारखाना

787. श्री सरजू पांडेय : क्या वित्त मंत्री 11 मार्च, 1965 के अतारांकित प्रश्न संख्या 1033 के भाग (ख) और (ग) के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि:

(क) क्या सरकार ने इस बीच गाजीपुर अफीम कारखाने के लेबोरेटरी अटैन्डेन्टों के अभ्यावेदन पर कोई निर्णय कर लिया है; और

(ख) यदि नहीं, तो विलम्ब के क्या कारण हैं ?

वित्त मंत्री (श्री ति० त० कृष्णमाचारी):
 (क) और (ख). इस विषय के सभी पहलुओं पर विचार करने के लिये आवश्यक जानकारी इकट्ठी की जा रही है।

श्रीनगर में जीवन बीमा निगम भवन

788. श्री हुकूम चन्द कल्लवाय : क्या वित्त मंत्री 1 अप्रैल, 1965 के तारांकित

प्रश्न संख्या 694 के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि :

(क) श्रीनगर में जीवन बीमा निगम के भवन में 11 मार्च, 1965 को लगी आग के क्या कारण थे; और

(ख) सरकार ने इस मामले में अब तक क्या कार्यवाही की है ?

वित्त मंत्री (श्री ति० त० कृष्णमाचारी):

(क) और (ख). 1-4-1965 को श्री सुरेन्द्र पाल सिंह के प्रश्न संख्या 694 के उत्तर में निर्दिष्ट स्थानीय पुलिस द्वारा जांच के परिणाम अभी तक प्राप्त नहीं हुए। अतः पूर्वोक्त उत्तर के अतिरिक्त सरकार को और कुछ नहीं कहना।

Survey of Goods Traffic

789. {
 Shri R. Barua;
 Shri D. D. Mantri;
 Shri Basumatari;
 Shri Bagri:

Will the Minister of Planning be pleased to state:

(a) whether Government have recently carried out a survey of goods traffic on the five National Highways converging on Delhi; and

(b) if so, the details thereof?

The Minister of Planning (Shri B. R. Bhagat): (a) Yes.

(b) A statement is laid on the Table of the House. [Placed in Library. See No. LT-4642/65].

Training of Nurses

790. {
 Shri Warior;
 Shri Vasudevan Nair;
 Shri Prabhat Kar:

Will the Minister of Health be pleased to state:

(a) whether it is a fact that a number of girls have been recruited from Kerala for training as nurses in West Germany; and

(b) if so, the terms and conditions of their service in Germany?

The Minister of Health (Dr. Sushila Nayar): (a) Yes.

(b) The terms and conditions are the same as for German Nurses and trainees in their different cities where the training is given; for example, in Weissloch hospitals the training emoluments are D.M. 532 gross per month leaving approximately D.M. 180 in hand after meeting expenditure on board, lodging and clothing; in cologne cash allowance is D.M. 100 for first two years and D.M. 200 for third year.

12 hrs.

PAPERS LAID ON THE TABLE

REPORT OF STUDY TEAM ON C.P.W.D.

The Minister of Works and Housing (Shri Mehr Chand Khanna): I beg to lay on the Table a copy of Report of the Study Team on the Central Public Works Department. [Placed in Library. See No. LT-4622/65].

NOTIFICATIONS PUBLISHED IN KERALA GAZETTE

The Minister of Health (Dr. Sushila Nayar): I beg to lay on the Table a copy of the following Notifications:—

- (1) S.R.O. 41/64 published in Kerala Gazette dated the 25th February 1964, making certain amendments to the rules relating to the preparation of Annual Financial Statement and the Accounts to be kept by the Municipal Councils, under sub-section (2) of section 345 of the Kerala Municipalities Act, 1960, read with clause (c) (iv) of the Proclamation dated the 24th March, 1965, issued by the Vice President discharging the functions of the President, in relation to the State of Kerala. [Placed in Library. See No. LT-4623/65].
- (2) S.R.O. 260/65 published in Kerala Gazette dated the 22nd June, 1965, making certain amendment to the Trivandrum City Improvement

Trust Establishment Rules, 1962, under sub-section (2) of section 131 of the Trivandrum City Improvement Trust Act, 1960, read with clause (c) (iv) of the Proclamation dated the 24th March, 1965, issued by the Vice President, discharging the functions of the President, in relation to the State of Kerala. [Placed in Library. See No. LT-4624/65.]

ANNUAL REPORT OF D.V.C. AND AUDIT REPORT

The Minister of Irrigation and Power (Dr. K. L. Rao): I beg to lay on the Table a copy of Annual Report of the Damodar Valley Corporation and Audit Report on the accounts thereof for the year 1963-64 under sub-section (5) of section 45 of the Damodar Valley Corporation Act, 1948. [Placed in Library. See No. LT-3625/65.]

AUDIT REPORT UNDER SECTION 69 OF KERALA ELECTRICITY (SUPPLY) ACT, 1948.

The Deputy Minister in the Ministry of Irrigation and Power (Shri Shyam Dhar Misra): I beg to lay on the Table.

- (1) a copy each of the following papers under sub-section (5) of section 69 of the Kerala Electricity (Supply) Act, 1948, read with clause (c) (iv) of the Proclamation dated the 24th March, 1965, issued by the Vice-President discharging the functions of the President, in relation to the State of Kerala:—
 - (i) Audit Report on the Annual Accounts of the Kerala State Electricity Board for the year 1961-62. [Placed in Library. See No. LT-4627/65].
 - (ii) Audit Report on the Annual Accounts of the Kerala State Electricity Board for the year 1962-63. [Placed in Library. See No. LT-4626/65].

[Shri Shyam Dhar Misra]

(2) a copy of Administration Report of the Kerala State Electricity Board, for the year 1961-62 under section 75(1A) of the Kerala Electricity (Supply) Act, 1948, read with clause (c) (iv) of the Proclamation dated the 24th March, 1965, issued by the Vice-President discharging the functions of the President, in relation to the State of Kerala. [Placed in Library. See No. LT-4628/65].

CENTRAL EXCISE (SEVENTH AMENDMENT) RULES, 1965

The Deputy Minister in the Ministry of Finance (Shri Rameshwar Sahu): I beg to lay on the Table a copy of the Central Excise (Seventh Amendment) Rules, 1965, published in Notification No. G.S.R. 1159 dated the 14th August, 1965, under section 38 of the Central Excises and Salt Act, 1944. [Placed in Library. See No. LT-4629/65.]

12.01 hrs.

MOTION OF NO.—CONFIDENCE IN THE COUNCIL OF MINISTERS—contd.

Mr. Speaker: Yesterday I had extended the time by one hour. I wanted to accommodate Dr. Aney and Shri J. B. Singh.....

Shri Karni Singhji (Bikaner): Shri P. K. Ghosh was on his feet.

Mr. Speaker: But I cannot help it. When objection was taken by one of the Members of the Opposition that there is no quorum, the House had to be adjourned. We will have to proceed with the reply of the Prime Minister.

Shri Karni Singhji: Shri P. K. Ghosh was on his feet.

Mr. Speaker: That is right. But what can I do? I also wanted to accommodate Shri J. B. Singh.

Shri P. K. Ghosh (Ranchi East): It is the convention that unfinished speeches are allowed to be finished

the next day. I may be allowed to finish my speech.

Mr. Speaker: I had declared yesterday in the morning that the debate would be concluded by yesterday evening and that we will have the Prime Minister's reply today. I have to apologise to the Members whom I have not been able to call though I did my best to accommodate them.

श्री ज० व० सिंह (वोसी): अध्यक्ष महोदय, मेरा एक निवेदन सुन लीजिए। यह मेरा कसूर तो नहीं है कि कोरम नहीं था। जब भी हम कुछ कहना चाहेंगे, तो हमें शायद अडिटर में टाइम मिलेगा और उस वक्त कोरम नहीं होगा। ऐसी स्थिति में हमें बोलने का अवसर कब मिलेगा? मैं चुनकर अथवा हूँ कूडा-करकट से और ये लोग चुनकर आए हैं जनता से इनको बोलने का अधिकार है। अगर इस तरह से हमारे हकों पर हमला होगा और हमारे हकों की रक्षा नहीं होगी, तो हमारा तो फंक्शन करना ही मुश्किल हो जायेगा।

The Prime Minister and Minister of Atomic Energy (Shri Lal Bahadur Shastri): Mr. Speaker, Sir, the Members of the Opposition are free to move a No-Confidence Motion whenever they so like. But I would merely like to say that to make it, more or less, a routine matter in every session of the House is perhaps not setting up a very healthy precedent and especially in the present context of things. I would merely say that this Motion is very regrettable.

I am thankful to Mr. Masani for the few good words he spoke about me. We differ in our views and we belong to different parties, but this should not cause any bitterness at all between us. We have worked for more than thirty years together and I think it should sustain our old acquaintance and friendship.

The main attack on our policies has been that we have made a very big Plan and this Plan will cause great difficulties for us. As the House is aware, soon after our independence, we had to concentrate on the economic development of the country. Naturally this was the first and foremost task for the Government and we have pursued it to the maximum extent possible.

What was the context in which we decided that we should try to develop our country on a planned basis? Sir, we have, of course, our own ideology and our own policy, but we felt that we need not have a very dogmatic approach but it was essential that there should be planned development and we felt—or the Government felt—that there should be regular Five-Year Plans.

Our problem is that our needs are tremendous. We have been subjected to slavery for a long period and we find ourselves in an extremely miserable position because, wherever and in whichever direction we go, we find, that the country is backward; whether it is roads, ports, railways, power, electricity, industry, mines or any other field, we find that we are extremely backward and we have to catch up with the events. But we should also realise that, for that, we have to find the necessary resources. What are we to do if the needs and requirements are great? We have to fulfil those needs and requirements and, in fact, what we have planned for falls far short of fulfilling our needs and requirements. Whether it is the State Governments or even, if I might say so, the Members of Parliament or others, they all want the various things to be done and different measures and steps taken to remove many of the deficiencies which prevail in the country. This compels us to have a bigger Plan and it is in this context that we find that we have to draw up a bigger Plan every time because we have to catch up with the tempo which the earlier Plans have created. If we do not do

it, then it would mean the stagnation of our economy which would ultimately result in the misery of our people. We do believe . . .

Shri Hari Vishnu Kamath (Hoshangabad): I am sorry to interrupt. Why did the Prime Minister suggest one year's respite for consolidation? (*Interruptions*).

Mr. Speaker: Order, order.

Shri Hari Vishnu Kamath: The Prime Minister had yielded, and therefore, I asked the question. Why should my hon. friends shout?

Shri Maurya (Aligarh): When the Opposition Members were speaking, they were interrupting, but when the Prime Minister is speaking now, they want that we should not interrupt.

Mr. Speaker: I would just request the hon. Prime Minister in regard to one thing. If he is prepared to answer those interruptions, then he might yield, but if he wants to proceed uninterrupted, then he might continue, and I would ask the hon. Members not to interrupt. But when he himself sits down, then I have no option but to permit the interruption.

Shri Hari Vishnu Kamath: He had sat down, and that was why I put my question.

Mr. Speaker: I would request hon. Members now not to interrupt. I presume that the hon. Prime Minister does not want to yield. So, he might be allowed to proceed uninterrupted. There should be no interruptions. At the end of his speech, if there is anything to be asked, then I shall permit a few questions.

Shri Hari Vishnu Kamath: He may not yield in future, but when I put my question, he had yielded.

Shri Lal Bahadur Shastri: The hon. Member might as well have waited to listen to my speech and then put his question.

Shri Hari Vishnu Kamath: It was because he had yielded that I asked the question.

Shri Lal Bahadur Shastri: As I was saying, in the present circumstances we have no alternative but to go in for a bigger plan, because the country wants it and the country needs tremendous changes and great developments. Even our industrialists will also, I have no doubt, want a much bigger plan. But, of course, they would like to depend on getting aid and help more and more from foreign countries. Of course, we cannot accept that policy, because we have to depend more and more on ourselves. I do not mean to suggest that we do not want aid or help from other countries, but ultimately our objective has to be to reduce the quantum of help which we get from abroad. In fact, a much bigger plan was proposed in the Planning Commission; various committees met and there was a suggestion to have a plan of about Rs. 27,000 crores first and then of Rs. 24,000 crores.

Siri Ranga (Chittoor): Why not Rs. 30,000 crores?

Shri Lal Bahadur Shastri: There was even a suggestion for a plan of Rs. 30,000 crores. But after having taken everything into consideration we felt that we must look to the resources as well. There is no point in just being an idealist. Before we accept any plan, we must see what the resources are and how far it would be feasible to find both the external and internal resources. After having had talks with the Chief Ministers of various States, we came to the conclusion that it would be possible for them to find the necessary resources which had to be found from the States, and the Centre also would be in a position to find the necessary resources. So, in these circumstances, we agreed to this figure of Rs. 21,500 crores.

However, I must say that we will have to keep a constant watch on the resources position, and if we find that necessary resources are not forthcoming we will have to review the position. I do not think that this would happen, but yet I would like to say

that we must find the necessary resources; but if we do not get them, whether by the states or by the Centre, then we will have to review our position most carefully. In fact, every year at the time of the presentation of the Budget, the resources position will be carefully examined. It is necessary that we tap new resources and new sources. I know there will be taxation. We will try to get funds from our public sector projects through their earnings. There will be savings. All these elements will help in finding the necessary resources.

I have, however, a feeling that in regard to taxes, we can certainly tap new avenues. But in some cases, we have also to consider if a particular taxation measure has not reached the saturation point, and if it means almost a no-return, then we have to review the position. We have to consider it, because what we want is a constant flow of money and resources for our plan, and we should not certainly give the impression that there has to be taxation for taxation's sake.

We will also have to be very careful in regard to our foreign exchange position. We do not know what we will get from other countries with a view to finding necessary foreign exchange resources for the plan. But yet the picture does not seem to be very dim; the prospects seem to be, on the whole, fairly satisfactory. However, I would not like to express my views categorically one way or the other. Yet an effort has to be made, and our Finance Minister would soon be going to the United States and to some other countries with a view to discuss matters and see that necessary resources are made available for the Fourth Five Year Plan.

Of course, in a socialist society, the public sector has to receive the highest priority. I would not like to say much as to how our public sector projects have functioned . . .

Shri Hari Vishnu Kamath: Not worth saying.

Shri Lal Bahadur Shastri: But as far as I can say, except for a few projects, on the whole the other projects have functioned very well indeed.

Shri Ranga: Question.

Shri Lal Bahadur Shastri: in fact, the Finance Minister the other day mentioned the figures, the profits and earnings from the public sector projects. If we do not have the desire and necessary strength to run these public sector projects profitably—it is not merely a question of ideology—we will certainly have to reconsider. But I have no doubt that in a few years, in course of time, our public sector projects will be doing much better than the private sector projects. We have made considerable improvement in management, and we will have to effect further improvements, but it is necessary that the public sector projects should cover as many areas as possible. Of course, we have the private sector projects, and they have to play their own role. I would say that Government will try to help them as much as it can in order to achieve the targets which have been prescribed for them.

Shri Masani paid compliments to Pakistan for the progress they have made. I do not grudge it.

Shri M. R. Masani (Rajkot): I did not, somebody else perhaps.

Shri Lal Bahadur Shastri: Perhaps someone else said it. I would not like to go into details, and, I do not want to compare ourselves with other countries. Still, some kind of propaganda is being carried on, and therefore I thought I should make it clear as to what kind of progress Pakistan has made. It is only after a long period of very slow growth in the 1950's that Pakistan's economy has begun to grow rapidly, at over 5% per annum since 1959-60. Agriculture which grew only by 1.3 per cent per annum in the 1950's shows a rate of increase of 3.5% since 1959-60, which is about the average rate of growth of Indian agriculture over a

much longer period. The rate of growth in India in 1964-65 was 7.33 per cent, according to estimates just published.

No less important is the fact that Pakistan's development had been accompanied by a much greater disparity in income between the poor and the rich, and I shall quote what Mr. R. F. Husain has written in *The Times*, London, on August 13th. He had said:

"In the economic sphere there is great activity and on the whole the country gives an impression of expansion. There are more jobs and more moneys in people's pocket, but the disparity between the rich and the poor has increased alarmingly. The differences in their living conditions is glaring.

"The rich areas are remarkably clean and the poor disgustingly dirty. On paper vast sums of money are allocated to improve conditions, but all too often the money finds its way into the private pocket."

Shri Vasudevan Nair (Ambalapuzha): Where is the difference?

Shri Lal Bahadur Shastri: I do not say that we have completely removed all disparities. There are disparities in our country. Of course, there is a section which has reaped enormous benefits, and yet our effort has been to make an all-round development, all-round progress. There are sections in our country which are suffering or have suffered, yet it cannot be denied that a very large number of our people, their size is very great, have benefited by our plans and programmes. I would also like to add that compared with our population and with the area, Pakistan has got almost double the aid which we have received from other countries. That is a factor with which greater development is possible.

I know that we are facing a difficult situation in so far as food is concerned. It has caused us great concern during the last month and a half.

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This is rather a strange situation but unfortunately there has been a short-fall in the rains. This caused a special kind of situation creating doubts in the minds of the farmers as well as traders. The result is that there has been a shortage of food-grains in some parts of the country and there have been special difficulties in certain pockets. Luckily, we have now got the rains and it has given some relief. It has to be realised that the bigger wholesalers and if I may say so big farmers have got foodgrains with them and they will have to be tackled . . .

Shri Ranga: Question.

Shri Lal Bahadur Shastri: I know there will be some difficulty in handling the big farmers but the State Governments have no alternative, the State Governments will have to handle and tackle the big farmers; they should try to persuade them, whatever the methods be. But this has to be tackled and they have to be handled.

Secondly, we are getting imports and we expect to get adequate imports and we will try to help the areas which are in difficulties and try to help them as much as we can. This is of course the short term remedy. Immediately we have to do these things. Ultimately it is only greater production which will solve this problem and we attach the highest importance for that to the agricultural sector. Mr. Masani said that our allocation was rather very small and he mentioned this in percentage. In terms of percentage it may not be large as compared to what it was in the Third Plan and I would merely like to tell him that in actual amounts the allocation is double. For instance in the Third Plan the allocation was Rs. 1091 crores. Now, in the fourth Plan, it is Rs. 2,400 crores. In irrigation, power and rural works and rehabilitation and two or three other items which are connected with agriculture, there has been consistent in-

crease; there are big increases in the fourth Plan as compared to the third Plan. If irrigation, power, small industries, transport—all connected with the rural areas—if all these various items which directly benefit agricultural production are included, it will be found that the total figure comes to Rs. 4,387 crores as compared to Rs. 2,141 crores in the third Plan. So, the allocation is quite big.

The point is whether it would be possible for this sector to absorb all this amount of money; if it would be absorbed, naturally we will feel very happy. Not only that. I am prepared to say that in case there is any dearth of money for the agricultural sector, it would be found, and it would naturally be given the highest priority. Secondly, if there is to be any cut in any field, it will not be done in the case of agriculture. We may have to do it in some other sector but not in agriculture.

I would also like to say that what I had suggested was that in the first year of the fourth Five Year Plan, the highest allocation will be made for agriculture. I had said that the Planning Commission should give thought to it and also that they should prepare an integrated plan of agriculture. I do not know how it has appeared in the newspapers. I did not get either any oral or written information from the Planning Commission that they did not agree with this approach. What has appeared in some newspapers is absolutely incorrect. In fact, as I said, the Planning Commission is preparing an integrated plan of agriculture with the necessary inputs and all that; they should prepare a co-ordinated picture of agricultural development. They are doing it, and I have no doubt that the plan that they will draw up for agriculture will certainly put agriculture on a sound footing.

A reference has been made to planning. It has been said that the biggest evil is perhaps the planning of

our country's economic development and for that perhaps the Planning Commission is held responsible. I would merely say that in this vast country, with enormous problems, we cannot go ahead with the economic development without having a plan with us. And if there is no plan, we will present a distorted picture of our economy. I would like to tell Shri Masani that it is not only the socialist countries who have got planning bodies. Even in the United Kingdom there are two bodies which they have set up for planning.

Shri Ranga: Are they super-Cabinets placed on top of the Government. *(Interruption).*

Shri Lal Bahadur Shastri: It is not a super-Cabinet.

Shri Ranga: You are only a nominal Chairman of the Planning Commission. *(Interruption).*

Mr. Speaker: Order, order.

Shri Lal Bahadur Shastri: The Planning Commission has been given its task, and it has to complete that task. It has completely to follow the policies of the Government. There is absolutely no reason to suggest that they can superimpose their views on the government. But certainly there is constant consultation and discussion and more or less we agree amongst ourselves. Generally we find that we see eye to eye with each other. As I said, U.K. France or other countries have a planning agency. Besides that, I might add that the World Bank, to which I think Mr. Masani will attach importance, also has suggested that there should be a proper plan for development. They will consider giving aid or loan only if a country has got a proper plan for development. In the circumstances, to suggest that planning itself is some kind of evil will not be correct at all. To some extent, I think with some reservation, Mr. Dandeker agreed with it.

We have to depend more and more on ourselves and we must contribute

the maximum, the country will have to give the maximum, in the form of taxes or in other forms. The imposts which have been levied might be heavy, but yet it is an indication of the fact that we want to contribute our best for the fourth plan and for helping in building up our economy. These imposts do not touch the common man at all . . .

Shri M. R. Masani: Question.

Shri Lal Bahadur Shastri: . . . or needs or items which are daily necessities of life.

What is more important is that in the fourth plan, we must see that there is no deficit financing. Inflationary tendencies have to be checked and curbed. So, even if we have to undertake some burden, we should be willing to do so, so that at least there is no further inflation in our country and the prices are contained within a reasonable limit.

There is some doubt in the minds of the people whether these imposts or checks on imports might not affect our production. There is some substance in it. We will certainly have to consider as to what steps should be taken so that the increase in production is not handicapped. Naturally for raw materials and components, we need free foreign exchange and special efforts will have to be made to get it, so that production, specially in small-scale industries and even bigger industries, does not suffer.

Of course, in a regulated economy, there have to be controls and some regulations and checks. But I do feel that we have also to review side by side whether certain controls could not be lifted. After all, firstly, it is necessary that there should be minimum checks and counter-checks in so far as the setting up of industries is concerned. And, secondly, as I said, if necessary, controls in certain—of course, where it is absolutely essential—cases may be lifted. For example, we have recently lifted controls over some special qualities of

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steel and pig iron, and we have also decided it in principle that cement would be de-controlled except for the quantity which is needed by the Government. So we have to keep under constant review the kind of regulations, checks and controls we have, because it is essential that production should increase and nothing will help the country more than increased production in different directions.

Sir, I must say that the picture which Shri Dandekar painted the other day was as if there had been no progress at all and this country is just going to ruins. I would merely say that over the period of 14 years since we embarked upon planned economic development the real national income of the country has gone up by about 69 per cent, despite increase in population. The real income per head of the population increased by about 27 per cent

Shri Hari Vishnu Kamath: What about the distribution of that?

Shri Lal Bahadur Shastri: . . . production of foodgrains has gone up by over 54 per cent, the agricultural production as a whole rose by about 40 per cent (*Interruption*) . . . in 1963-64 the *per capita* availability of cereals, cloth and a range of manufactured articles has gone up since 1951, industrial production as a whole has been diversified and has increased by over 145 per cent, the generation of electricity is now five times more than what it was at the beginning of the First Plan. Hardly any crude oil was produced or refined in 1950. In 1964 the figures were 2.2 million tonnes and 9 million tonnes respectively. The production of steel presents a similar picture and in the matter of extension of irrigation facilities what has been done over the three Plan-period represents much more than the progress over half a century and in fact more than which preceded it. At the beginning of the First Plan the total gross area irrigated from all sources was about 55.8 million acres. Major

and medium irrigation schemes taken up in the first three Plans have alone an aggregate potential of about 44 million acres.

Shri Ranga: How much is going waste?

Shri Lal Bahadur Shastri: With what we propose to do in the matter of additional irrigation facilities over the Fourth Plan, all but a small proportion of irrigable area in the country would be provided with irrigation facilities. In this field, our achievements could perhaps compare with the best elsewhere. Simultaneously, there has been a large expansion in social services and transport capacity. When all is said and done, this, in the aggregate, represents no mean order of progress (*Interruption*).

I do not mean, Sir, to suggest that everything is satisfactory. We have to make considerable progress (*Interruption*). And, we have to tackle the much more difficult problems the country is faced with. I might, Sir, add that what is more important here is the implementation of our programmes and policies. It has often been said that we have been lacking in proper implementation and execution of our programmes and policies. We have been looking into this matter. There have been various study groups functioning. But I have often felt that, perhaps, these patch-works or these small efforts are not going to meet the situation, and I am of the opinion that there should be a high-power commission to go into this matter (*Interruption*). Because, it must cover the whole gamut of administration. There is the Secretariat, there are the directorates and, then we have also the administration in the districts. I think both these aspects are very important and they must be tackled by a commission which would be sufficiently powerful. I have no doubt that if we have a commission of distinguished people, it will produce adequate results. Their recommendations will be such as would help in

Improving our administration in building up our Secretariat and also in building up the services working in the field. So, in this context, I do hope that this proposal will generally be endorsed and approved, and I think it is an important proposal (*Interruption*).

I would not like to say much on other matters, but I have merely to request this House and also the people outside that we are at the present moment involved in a grim struggle with Pakistan in Kashmir and this is a time in which we should get the support and co-operation of all.

Shri Ranga: You must deserve it.

Shri Lal Bahadur Shastri: It is essential that nothing should be done which would in any way help Pakistan. Any disunity here in the country or any kind of strike will be... .. (*Interruptions*).

Mr. Speaker: Order, order. There should not be a running commentary from so many quarters. Let us hear the Prime Minister quietly. It is not a dialogue that is going on, it is a reply to a debate. It is not a dialogue that everywhere it should be interrupted or private conversation should be indulged in.

श्री प्रकाशवीर शास्त्री (विजनौर) :
उत्तर प्रदेश में क्या हो रहा है ?

अध्यक्ष महोदय : आपने जो कहना था कह दिया। डिबेट में हर एक को अपनी बारी मिलनी है और उस वक्त वह अपनी बात कह सकते हैं।

श्री बागड़ी (हिसार) : अध्यक्ष महोदय...

अध्यक्ष महोदय : अब नेता जो आप बैठिये।

Shri Lal Bahadur Shastri: Sir, I would like to say, I do not know if
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the hon. Members realise the gravity of the situation. I am really amazed over it. After all . . .

श्री मधु लिमये (मुनेर) : प्रधानमंत्री जी यह कैसे कह सकते हैं कि हम लोग स्थिति की गम्भीरता को नहीं समझते हैं ? हम अपेक्षा कर रहे हैं कि वे नाति को सफाई करें।

श्री बागड़ी : वे नाति की सफाई क्यों नहीं करते ?

अध्यक्ष महोदय : अब आप बैठ जायें। पत्नीर उनके हाथ में है इसलिए उनको बालने दीजिए।

श्री मधु लिमये : वे हमें चार्ज कर रहे हैं कि हम लोग गम्भीरता को नहीं समझ रहे हैं तो हमें कहने का मौका दिया जाय।

Shri Lal Bahadur Shastri: I say it and I repeat it, because . . .

श्री रामसेवक यादव (वाराणसी) :
यह गलत आप कहते हैं। आप गम्भीरता का अहसास करते तो नाति बतलाते कि आप क्या करने जा रहे हैं और किस लिए सहयोग चाहते हैं ? देश में क्या वातावरण निर्माण कर रहे हैं ? पंजाब, उत्तर प्रदेश और उड़ीसा में क्या हां रहा है ?

Mr. Speaker: Order, order. There can be only one Member on his legs at a time. We cannot proceed in this manner. I have said it again and again and now I am repeating it . . . (*Interruptions*). Now I will ask every member to sit down.

श्री रामसेवक यादव : अध्यक्ष महोदय, प्रधानमंत्री हम पर चार्ज लगा रहे हैं।

अध्यक्ष महोदय : आर्डर, आर्डर ।
माननीय सदस्य बैठ जायें ।

श्री बागड़ी : अध्यक्ष महोदय, मैं आप को व्यवस्था चाहता हूँ कि प्रधानमंत्री अविश्वास-प्रस्ताव पर बंशते समय, सरकार की जिन गलत नीतियों की आलोचना की गई है, उन का स्पष्टीकरण व कर के दूसरी तरफ जा रहे हैं । (Interruptions).

अध्यक्ष महोदय : इस वक्त माननीय सदस्य ने स्वीच नहीं देता है । उन्होंने प्राइम-मिनिस्टर का जवाब सुनना है । वाद में मौका देने पर वह अपनी राय दे सकते हैं । इस वक्त वह बैठ जायें ।

श्री मधु लिमये : प्रधानमंत्री ने सहयोग की अपील की है, इसलिए हमने यह कहा है—वर्ना हम बिल्कुल नहीं कहते । सहयोग किस आधार पर ? किस नीति के लिए ?

Shri Lal Bahadur Shastri: I must say that I do not expect any support from the hon. Members of the Socialist Party . . . (interruptions).

Mr. Speaker: Order, order. If three members stand up and talk at the same time, I will have to take some action.

श्री रामसेवक यादव : सरकार की नीति ही ऐसी नहीं है कि उस को सहयोग दिया जाये । (Interruptions).

अध्यक्ष महोदय : माननीय सदस्य बैठ जायें ।

श्री रामसेवक यादव : अगर प्रधानमंत्री हमारा सहयोग चाहते हैं, तो उन को अपनी नीति बदलनी चाहिए ।

श्री बागड़ी : अध्यक्ष महोदय, . . . (Interruptions).

अध्यक्ष महोदय : अगर माननीय सदस्य इसी तरह बोलते जायेंगे, तो मुझे एकशन लेना पड़ेगा । यह जरूरी नहीं है कि हर एक

बात माननीय सदस्य के माफिरु हो या वह उस को पत्तन्द करें । (Interruptions).

श्री रामसेवक यादव : प्रधानमंत्री चीन की मदद चाहते हैं, हिन्दुस्तान के दुश्मनों की मदद चाहते हैं—देशभक्तों और मुक्तक दोस्तों की मदद नहीं चाहते हैं । वह संयुक्त सोशलिस्ट पार्टी की मदद नहीं चाहते हैं, जो कि राष्ट्रीयता और समाजवाद की पार्टी है । वह देशद्रोहियों का साथ और सहयोग चाहते हैं । (Interruptions).

श्री बागड़ी : अध्यक्ष महोदय . . . (Interruptions).

अध्यक्ष महोदय : मैं ने माननीय सदस्यों से बार-बार कहा है कि जब मैं खड़ा हूँ, तो वे नहीं बोल सकते । माननीय सदस्य बैठ जायें ।

Shri Hanumanthaiya (Bangalore City): Action has to be taken.

Mr. Speaker: There is a limit. I have abstained and restrained myself all this time.

श्री रामसेवक यादव : जो प्रधानमंत्री संयुक्त सोशलिस्ट पार्टी का सहयोग नहीं चाहता है वह देशद्रोही है । (Interruptions).

श्री राधे लाल व्यास (उज्जैन) : अध्यक्ष महोदय, ऐसा बार-बार होता है । मेरा निवेदन है कि . . .

अध्यक्ष महोदय : माननीय सदस्य बैठ जायें । जो कुछ हो रहा है, मैं उसको देख रहा हूँ ।

श्री बागड़ी : जो सरकार संयुक्त सोशलिस्ट पार्टी का सहयोग नहीं चाहती है, वह सरकार राष्ट्रद्रोही है ।

अध्यक्ष महोदय : अगर माननीय सदस्य खामोशी से नहीं सुन सकते, तो वह बाहर चले जायें । (Interruptions).

श्री मधु लिमये : हम नीति सुनना चाहते हैं ।

श्री बागड़ी : अध्यक्ष महोदय, . . .

अध्यक्ष महोदय : मैं ने माननीय सदस्य से कहा है कि अगर वह नहीं सुनना चाहते हैं, तो वह बाहर चले जायें । मैं ने उनसे इतनी दफा कहा है । आशिरा नहि हद हाना चाहिए । इत तरह बार-बार बोलने का क्या मतलब है ?

श्री बागड़ी : अध्यक्ष महोदय,

अध्यक्ष महोदय : यह डी टैट है, मजाक नहीं है । There ought to be some limit.

Shri Lal Bahadur Shastri: I am sorry for what has happened. I shall not take more time of the House. However, I would like to say that any kind of activity which leads to violence, or which would be inciting violence in some form or another would be most unfortunate in the present circumstances.

Shri S. M. Banerjee (Kanpur): Including firing.

Shri Lal Bahadur Shastri: There can be meetings, protests, demonstrations and processions. We have no objection to any kind of opposition which is more or less peaceful and we will certainly listen to their views.

Shri Hari Vishnu Kamath: But meetings are banned.

श्री मधु लिमये : सरकार भी लाठी-गोली की नीति छोड़ दे ।

Shri Lal Bahadur Shastri: Of course it would be left to Government to decide its course of action. Any kind of violence would be most unfortunate, especially in the present circumstances, and it would be exceedingly difficult for the government to put up with it.

In regard to Kashmir I do not want to say much. I have already expressed my views on what course or line of action we propose to take in Kashmir. But these incidents, our capturing of certain posts, should not put us in a state of complacency. The situation is much more difficult and much more grave. It is not going to be a short-term affair; it is going to be a prolonged thing. Therefore, we have to prepare our country to meet this menace and to meet the situation. In this any help or support from any quarter, even from those who oppose us, would be most welcome.

We are passing through critical days and we are passing through fire. We have no doubt that it is fire. But I would only like to say that this Government, which is passing through fire, will come out of it much brighter and much more stronger. In the face of this opposition motion I want to tell the House that it is this Government and the party to which we belong which will deliver the goods.

Shri M. R. Masani: Mr. Speaker, Sir, when I opened the debate I had expressed the hope that the House would focus its attention primarily on the home front which, in my view, requires careful examination, and I am very glad that, by and large, and in particular in the reply of the hon. Prime Minister, that emphasis and that focus have been maintained. I wish I could say that the issues that have been raised have been adequately or satisfactorily answered.

We had alleged, in so far as the primary issue of food is concerned, that agriculture has been cruelly neglected in the last two Plans, and that the next Plan proposes to repeat that neglect. The hon. Prime Minister has tried to refute that charge by mentioning the figures of actual allocation and not the percentage and by mentioning that while the percentage had not risen beyond 22.2 to 22.8 per cent for irrigation and agriculture, the actual allocations were larger. The

[Shri M. R. Masani]

actual allocations are given in the Memorandum on the Plan at page 11, that in place of Rs. 1,700 crores there are Rs. 3,400 crores, that is double. But what does this double mean? This double is in a doubled Plan. The quantum of the Plan has gone up from Rs. 10,000 crores in the Third Plan to Rs. 20,000 crores in the Fourth Plan. So, the percentage is the same. You have doubled the allocation in twice as big a Plan. Even though you have said that you will give it priority, you have kept agriculture right at the bottom, as in the Third Plan. These absolute allocations are misleading in many ways. During the last five years the rupee has depreciated to the extent of 35 per cent. So, these allocations have to be cut down, if I may say so to the hon. Prime Minister, by 35 per cent if we really wish to know how badly he has been misled by the Planning Commission.

I had asked two questions of the Food Minister, both of which he has failed to answer. One question I had asked was what deliveries have you made from the 3 million tons which you have collected during the period of rising prices and great distress to our people during the last few weeks and months? No reply was given to that because, as I said, the Government of India is the biggest hoarder in the country today. I asked another question. I asked the Government why the Agricultural Prices Commission's unanimous rejection of maximum prices for rural products has been ignored. Why have the Government not accepted the unanimous decision of the Agricultural Prices Commission that while there may be a minimum price there may be no maximum price? No answer was given. The Food Minister made a long speech but forgot to answer these two points.

I am not surprised because, in the last few days Government have taken a major defeat on the food front. One of the three experts whom they themselves selected to form the Agri-

cultural Prices Commission has resigned in protest. The day after I spoke in this House pointing out that the Commission was being ignored, one of the three Members has put in his resignation which has been accepted. The Member who has resigned is Dr. Raj Krishna, one of the finest economists in the country. In his letter of resignation to the Food Minister, he says:

"He had also serious doubts not about the logical necessity of rationing but about the workability and some of the economic and welfare consequences of it in the conditions in our country."

Then, he goes on to say:

"...it would be very odd for him to oppose the fixation of maximum prices for certain types of transactions and at the same time to help in the determination of maximum prices and to oppose the continuation of zones and then to help in the determination of the "right" quantities of "exports" and "imports" of every State in India."

He ends up by saying:

"It is very distressing for me to read reports of distress which could, according to my reasoning be less with a different policy, and yet to be associated with the pursuit of the present policy."

Here is a vote of no-confidence in the Government from one of their experts chosen for his expertise in this very field.

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In so far as planning is concerned, our criticism is not that there is planning in the country. Mr. Dandekar has very clearly explained that from 1959 we have been saying that the Swatantra Party believes in Planning. But it believes in a different kind of planning. My hon. friend the Prime Minister now referred to the British pattern of planning. We have said for years that that kind of planning, the National Economic

Development Council in England, is exactly the kind of democratic planning that we want in this country. We do not want the kind of planning that has been borrowed wholesale from the Soviet Union because the essential difference between the Soviet pattern and the Western pattern is that one is coercive, the Command Economy, and the other leaves it to the people to follow the Plan or to show that the Plan is wrong and to improve on the Plan. What do we specifically suggest? We suggest that the present Third Five Year Plan, most of whose targets are not fulfilled today, should be allowed to continue for two more years so that the majority of the targets might be fulfilled and then, of course, another Five Year Plan may be taken in hand after proper consideration. That is the concrete proposal which I put before the House and the Government. They have not shown by one answer what is wrong with this proposal. If they want a very orthodox precedent, let me remind them of Mr. Khrushchev's example. Mr. Khrushchev did exactly this when he took over from Stalin and found the country in a mess. He said then, "We have not fulfilled the present Plan. Let us extend it by two years and make it a Seven Year Plan. When we finish it, we will move on to the next Plan." Here is the Communist leader of the biggest Communist country providing a precedent. They do not have to follow our advice, let them follow those whom they have followed so far. This proposal that we have made has not been rebutted and not a single argument was advanced by the Treasury Benches to show what would go wrong if the Third Plan was elongated for two years and properly completed and that time used for a little rethinking and little heart-searching as to where we are going and how we are doing.

There is today the jungle of controls. It paralyses initiative and increases corruption. Every control means an additional opportunity for corruption. As far back as 22nd April, a Memorandum was presented

by the Opposition in Rajasthan to my hon. friend the Prime Minister. It made charges against the Chief Minister of Rajasthan of misdeeds, blatant acts of corruption, gross misrule and naked acts of favouritism. I am informed by the memorialists that although this was submitted on the 22nd April to the Prime Minister, he has not vouchsafed them with a reply even today. That is how when you go in for a regime of excessive controls, even if you are good people, you are driven gradually into conniving at corruption and shielding the guilty. Mahatma Gandhi, and nobody knew the rural masses in the country side better than him, repeatedly attacked controls. This is what he said on one occasion at a prayer meeting:

"Control gives rise to fraud, suppression of truth, intensification of the black-market, and to artificial scarcity. Above all, it unmans the people and deprives them of initiative. It undoes the teaching of self-help...it makes them spoonfed. This is a tragedy next only, if indeed not equal to, fratricide on a vast scale....".

It was against that fratricide that Mahatma Gandhi laid down his life. Even while he was fighting against fratricide, he compared the evil of controls to the evil that in the end destroyed his life but keeps his memory sacred for ever. This is the great master of the ruling Party whom they treat with such scant courtesy and thought.

The emphasis on controls, regimentation and Statism is where the Government is going wrong. They are hopelessly outdated on this issue. It is not only free countries, it is not only the democracies, that see this. More and more socialists and communists all over the world are beginning to see the validity of what I am saying.

We accept the socialist aim of a "free and equal society" but we are

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perspective enough to see that the method of Statism and controls is not the method that leads society to a free and equal society. If I had the time, I would have read from the programme of the German Socialist Party to show that they are against planning beyond a minimum; they are against controls beyond a minimum; and they lay the greatest stress on free competition and a free way of life. In other words, the German Socialist programme is nothing more than a paraphrase of our own programme. But why go to socialist democracies? Let us go to the communist countries. I wish hon. Members opposite would read a little more of what appears in the Soviet press and in the Soviet economic journals. Let them read Professor Lieberman, as my friend Mr. Nath Pai points out, and they will find a very rapid shifting away from regimentation, Statism and planning to a free competitive economy.

Only day before yesterday, in the *Economic Times* of August 24, there was a whole article on the Yugoslav scene. The hon. Prime Minister was there not long ago. I wonder if he educated himself on this particular point? In case he did not do that, let me read a few sentences from what the Yugoslav Government is doing here and now as we are discussing the problems. It says:

"Yugoslavia has lately been suffering from all the well-known economic ills—wild inflation, balance of payments deficit, sluggish productivity in her factories. The Government is now trying to give a hard, competitive tone to the economy in order to restore it to health."

And how do they propose to restore it to health? They are doing it precisely by the measures we, on this side, have been suggesting and not by the measures that my hon. friend

the Finance Minister suggested. It says:

"The startling downgrading of the dinar is, paradoxically, the first step in an effort to make Yugoslavia's currency stronger and to strengthen the country's over-all economic position...."

"...Internal producers' prices have been able to rise because imports have been closely restricted by currency allocation through the banks. Imports are now to be allowed relatively freely...."

"Now tariffs are to be lowered to 11.8 per cent, in the hope that at the new exchange rate and with this small tariff, foreign goods will offer a steady competition to domestic producers and so prevent further inflationary price increases. At the same time, factories will have an incentive to export more."

This closely follows the pattern of Ceylon which I commended to the House when I opened the debate three days ago. It is very interesting that since I spoke, a communist country is now following the Ceylonese path and rejecting the path that this Government insists on pursuing.

I was very interested to hear Dr. Mishra from the Communist benches when he talked about "the new class," the new class that is so well-described in 'Djalas' which I have in my own way tried to describe on more than one occasion in the last twelve or twenty-four months. Dr. Mishra pointed to a new class of parasites and exploiters, some in the State sector and some in the private sector, who combine to loot the community, who use the licences and permits and quotas to extort from the community and he went on to say that these people now play a very prominent part in the Ministry-making of the Congress State Governments. I am very glad that a member of the Communist

Party is so perceptive as to follow our analysis.

The only vested interest in this country is the vested interest of this new class, the new class which has a mixed physiognomy, partly politicians in office, partly officials, and partly private capitalists who play ball with these people. That is the only class against which the common people have to wage a fight today.

This Government has neglected its basic obligations, as Mr. Dandekar pointed out yesterday. It cannot supply water to the farmer; it cannot supply drinking water; it cannot provide transport and communications. But this Government goes into all walks of life where it has no business to go. The politician pokes his nose into every walk of life of the community from one end to another.

I shall leave aside business, because we have discussed it enough. There are other walks of life where they go. Take universities. I was very glad to hear my hon. friend, the Education Minister, admitting, yesterday that there is far too much politics in universities. Who took it there? Was it not the Chief Ministers and Education Ministers of State Governments who wanted either to become Vice-Chancellors or to nominate Vice-Chancellors? All universities are being corrupted by political interference from the ruling party.

Not only universities, take sports also. The politician cannot keep his finger out of sports also. I was very glad that the Indian Olympic Association last month drafted a model Constitution—a Sub-Committee has drafted a model Constitution. It has recommended that persons engaged in active politics should be made ineligible to be members of National Sports Federation or Sporting Associations in the country. As one engaged in politics, I welcome this.

The politician has a very legitimate place in the life of this country, but when he tries to displace educationists, sportsmen and businessmen, it is time that he is put in his

place. By antagonising people in this manner, our class are inviting their doom. People are getting fed up with politicians of all kinds. People are saying "Sab Chhor Hain" (*Interruptions*). People are getting fed up because of the misdeeds of the hon. members opposite.

As this debate was going on, I received a letter from a gentleman in the South, an educated man, a lawyer. He says in this letter: "A number of us feel that the country has to be saved from the politicians first before it can be saved from Pakistan and China." I reject the sentiment. I think this is a gross exaggeration of a legitimate feeling of resentment against the attempt of the politician to dominate every walk of life. If the politician does not stick to his own walk of life, which is politics, he will soon find that the politician is thrown out of politics itself, as is happening in certain other countries.

I am alarmed—I do not know whether other hon. Members hear this kind of thing as much as I do—at the number of young, educated, middle-class men who come to me and say: "Let us scrap the Constitution and have a military dictatorship". I have to spend hours arguing with such people. Good people in any country would be good democrats. (*Interruptions*).

Shri Hanumanthaiya: This is indirectly a kind of incitement to subvert democracy.

Mr. Speaker: Order, order.

Shri M. R. Masani: I am surprised that my hon. friend, Shri Hanumanthaiya, should say such a thing.

I am warning this House that, if we do not stick to our task of ruling this country, if we try to put our fingers into every field, whether it is business or sport or education or text-books, we shall create such resentment among the younger people,

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the more intelligent people, that they will try to throw us out of our own legitimate sphere, which is to rule the country.

I am a staunch democrat; I do not yield to anyone in that. When Mr. Hanumanthaiya asked me the other day as to what was my attitude to the burning of public property and violence, my answer was very clear: we deprecate and denounce all violence and burning of public property. All violence coming from unauthorised sources must be condemned *ab initio*. Our path is not the path of "increasing misery;" we want our people to progress with increasing prosperity and increasing well-being. Let me say this: when people burn and loot, they are quite wrong; but they are not the only culprits. There are the other culprits also who weaken democracy by being in office and not giving good government, by lowering respect for those in office, by spreading cynicism about democracy and morality among the common people, who strengthen the hands of those who want to resort to violence and destruction of property. As a democrat, let me be fair: I condemn those who incite violence and also condemn those who create conditions of starvation, misery and hardship, conditions where common people loot and burn.

I believe that this Government has misused the Emergency and the Defence of India Rules in some cases. I do not say that there has been a gross misuse. I do not think that the Government have become Fascists. When it is said that the Government have become fascists, I have defended it in a public meeting by saying that such people did not know the meaning of fascism.

There have been cases of misuse of the Emergency and of the Defence of India Rules and for that I do not want the House to accept my word.

I want to refer to what the former Attorney-General, who enjoyed confidence of this Government over a number of years, said recently in a learned lecture he gave. Mr. M. C. Setalvad said in Madrs on August 16:

"The continuance of the Emergency now approaching the close of its third year and the Presidential order depriving citizens of their right to move the courts for infringement of fundamental rights were a 'negation' of the rule of law and had cast a 'slur' on the fair name of constitutional and democratic government."

He also pointed out that the use of the Defence of India Rules to deal with students, to deal with foodgrain hoarders, to deal with striking trade unionists or to deal with my friend, Dr. Lohia, is a completely misuse of the Defence of India Rules. If Dr. Lohia or anyone else breaks a law, by all means put him up before the court and try him and if the Magistrate convicts him, then let him go to jail for his crime. I do think that Government are provoking people with a certain measure of impatience by their misuse of special powers.

My friend, Dr. Karni Singhji gave a challenge to the Opposition for our responsibility, and I accept that challenge. I think he is right in saying that, along with the Government, we too are letting down our people by not providing the country with an alternative government. The people are sick of this government, but they do not know where to turn to. It is our fault that we are not providing the country with an alternative government and he is right in saying that. He performed a public service in pointing a finger at this side of the House. (*Interruptions*).

Shri Joachim Alva (Kanara): In regard to controls, you are misleading the House.

Mr. Speaker: Order, order. I have already appealed to the Members. He will please resume his seat.

Shri M. R. Masani: I was referring to Dr. Karni Singhji and I do not know why Mr. Alva should get annoyed.

I was saying that Dr. Karni Singhji was right. If democratic opposition parties continue to squabble among themselves, continue to allow the absence of Proportional Representation in our Constitution to create a Lok Sabha thoroughly unrepresentative of the people, then they also are to blame. So far as I am concerned, I can assure Dr. Karni Singhji that my Party and I have striven since 1961 and will continue to strive (*Interruptions*) until we can bring the opposition democratic parties to a measure of co-operation that will give at least an honest Lok Sabha representative of the people. I would, Sir, in that context . . . (*Interruptions*).

Mr. Speaker: I ask the Members to be patient now and listen to the reply.

Shri M. R. Masani: . . . like to pay a tribute to Acharya Kripalani, our veteran, who has ceaselessly tried at this advanced stage and in his frail health to bring democratic opposition groups together. I hope he will continue his efforts.

Now, I come to the last part of my speech, and that is to answer a plea that has been made and a question that has been put by many hon. Members. That question was this: "Is this the proper time for a motion of no-confidence in the Government"? My hon. friend Shri Mahatab put that question; Shri Hanumanthaiya put that question. A fair lady, Shrimati Tarkeshwari Sinha, put that question. Shri C. Subramaniam also raised that issue. The question was: "When the country's affairs are in such a mess, when the home front is collapsing, when we are facing bankruptcy, when our frontiers are threatened, is this

the time to bring forward a motion of no-confidence?". May I ask in return: "If the land is flowing with milk and honey, if everything in the garden is rosy, if the country's relations with all its neighbours are good, would that be the right time for a motion of no-confidence?". Let there not be any misapprehension. . . .

Shri Joachim Alva: He is misleading the House in regard to controls. (*Interruptions*).

Mr. Speaker: Order, order. I have called the hon. Member to order so many times. Can he not listen with patience? He has to listen with patience, even though he may not agree with the hon. Member who is speaking.

Shri Joachim Alva: But he is misleading the House.

Mr. Speaker: It is his business and it is his turn to reply now, and he is replying to the debate. The hon. Member should listen with patience.

Shri M. R. Masani: Let me assure the Prime Minister and the House and through them the country and the world that there can be no misconception about where we stand in regard to the attack and infiltration from Pakistan. When I opened this debate, I said to the Prime Minister, "I agree with you that defence involves the right to retaliate, the right even to cross the frontier and attack the enemy in his own territory", and the whole House has with one voice supported that point of view. On that issue, there is no difference between us. Whatever the fate of this motion of no-confidence, let India and the world know that on that point we are all at one with Government, and the Prime Minister will get the fullest co-operation he wants on that issue.

Shri J. B. Kripalani (Amroha): Does he get it from his own people?

Shri M. R. Masani: But when the home front is in danger of collapsing, it is essentially a national service to draw attention to those false policies of Government and to those wrong policies of Government which are endangering our defence and which are endangering our economy, and that is what we of the Opposition have tried to do.

My hon. friend Shri Raghunath Singh must read his history again. He gave the example of Britain. In Britain, it was exactly the other way about. Let me remind him that, when the Second World War was on, when the Chamberlain Government was doing badly, Mr. Chamberlain invited the Leader of the Opposition, Mr. Attlee, to join his Cabinet. Mr. Attlee said: 'I will not join your Cabinet till you resign and until a new Conservative Government with a new policy comes in'. He moved a motion of censure against Mr. Chamberlain. That motion was defeated, as our motion will be defeated today. But the Conservative Party had the sense and the imagination....

Shri Ranga: And the patriotism.

Shri M. R. Masani: ...and the patriotism to draw a moral. Mr. Chamberlain went and tendered his resignation to the King, and the King sent for Mr. Churchill and (Shri Joachim Alva: You are not a Churchill.) said 'Labour are prepared to co-operate with you if you go in for a Coalition Government'. That was how the Opposition behaved in Britain during wartime. We are only following that very excellent British model.

Another argument is: 'When you have not got a majority, why do you move a motion of no-confidence?' If we had a majority, there would be no need to move a motion of no-confidence, because we would not be sitting here on this side. In a Parliamentary democracy, the Opposition

moves a motion of no-confidence only when it has no majority; otherwise, the occasion does not arise. It is true that the people in the galleries might get a very wrong idea of the strength of the Government and the Opposition. Let me remind them...

Shri Sonavane (Pandharpur): Can the hon. Member refer to the galleries?

Shri M. R. Masani: All right; I would say that the people in the country may have a wrong impression, but let me remind the House that the political parties and groups that are supporting this motion of no-confidence...

Shri K. D. Malaviya (Basti): Divided house.

Shri M. R. Masani: ...polled more votes in the last elections to the Lok Sabha in 1962 than my hon. friends opposite. We may be under-represented in this House and they may be over-represented, but we represent over half the country, and this motion of no-confidence has the country behind it. As Acharya Kripalani said yesterday, this is the voice of the people. It is even the voice of many Congressmen who may not have the courage to speak out openly.

Finally, we were asked: 'Why don't you talk to us; why don't we sit together and solve these problems? Your suggestions will be considered'. Mr. Speaker, Sir, I ask you to consider our experience here, since my party was formed in 1959, on every issue that we have raised, on every constructive suggestion that we have made, we have been brushed aside without the slightest attempt to answer us.

Shri Joachim Alva: My hon. friend is misleading the House in regard to controls. He has changed four times in his career. What did he say in 1944?

Mr. Speaker: Order, order.

Shri M. R. Masani: From 1959, Shri J. B. Kripalani and I had warned the country against Communist aggression. But the former Government refused to listen to us and went on with Panchsheel. We had warned against the wrong priorities in the Second and Third Plans. Yesterday, Shri C. Subramaniam said that there was no fertiliser. You may read my speeches on the Second and Third Plans, and you will find that I had pleaded for fertilisers and not for steel. Today, we are suffering because the Opposition has not been listened to.

On every Budget, we have pointed out that excessive taxation will be inflationary, but we have not been listened to. When the next budget came, we are told that the last one was inflationary, but the next one will not be inflationary. When this House first rejected the Constitution (Seventeenth Amendment) Bill, we pleaded that it be dropped. But the previous Government brought it back again within a few weeks and forced it through the House.

When the Gold Control Bill was before the House, everyone knows that nobody wanted that Bill except the Finance Minister, but he was allowed to bully the whole House into passing that Bill which everyone knew was worthless.

There was even one occasion when the Congress Members of the Joint Committee were over-ruled, and that was on the Companies (Amendment) Bill. I hope my hon. friends will remember it. That was in regard to the conversion of loans into equity shares. At that time, the Joint Committee's report was over-ruled; the decision of the majority of the Executive Committee of the Congress Party was over-ruled, and this House was bullied into passing a law that it did not believe in.

With this record, are we to accept this invitation to sit down and talk things over? Let the Government

change its attitude to the Opposition. Let them say that in some cases they are prepared to listen with an open mind and modify their policies. When that happens, we shall be glad to co-operate.

This motion of no-confidence is due to the failure of the Government to listen to the voice of reason, whether it comes from here or from the press or from the public of India. They are people with closed minds, they will not listen, they persist in error, and when they persist in error, we have no option but to resort to this step.

I have no regrets for having introduced this motion. I think that the last four days have been highly educative to this House and to the country on important economic issues affecting our home front.

More than being educative, we have provided a constitutional channel for the seething discontent in the country and the bitterness among the common people against those in office. If my hon. friends opposite do not want motions of no-confidence, they will have riots and they will have revolution. This is the democratic and constitutional way of giving expression and vent to the pent-up feelings of the people. If the people lose heart, if they despair, as many people do in India, and say there is no escape from these people in office and we have got to suffer them for our lifetime, then Indian democracy is sunk.

Finally, this motion has given hope to the people. It has shown them what can be done. It has given them a foretaste of the shape of things to come. They now know that it can be done and it will be done some day, and that India will have a new and a better Government.

Shri H. N. Mukerjee (Calcutta Central): There is one point of explanation which I wish to place before the House. Our Party had supported the censure motion on certain grounds

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which we had indicated. We had expected that Shri M. R. Masani when he replied to the debate would speak in a manner which would reflect the maximum unity as far as Opposition Parties were concerned. But I am sorry to have to say that the way he has placed his case disables us from giving full support to his motion. We wish to censure Government but we shall do so for reasons very different from what Shri M. R. Masani has placed before the House.

Shri Surendranath Dwivedy (Kendrapara): I would request you to read the motion. Let it not be construed that all of us accept all that has been said by the Mover.

Mr. Speaker: The question is:

"That this House expresses its want of confidence in the Council of Ministers".

The Lok Sabha divided:

Division No. 7]

AYES

[13.36 hrs.

Alvares, Shri
Bade Shri
Badrudduja, Shri
Bagri, Shri
Banerjee, Shri S.M.
Berwa, Shri Onkar Lal
Bhattacharya, Shri Dinesh
Bheel, Shri P.H.
Brij Raj Singh, Shri
Buta Singh, Shri
Chakravartty, Shrimati Renu
Chatterjee, Shri H.P.
Chaudhury, Shri Tridib Kumar
Daji, Shri
Dandekar, Shri N.
Dwivedy, Shri Surendranath
Ghosh, Shri P.K.
Gupta, Shri Indrajit
Gupta, Shri Kashi Ram
Kachhavaiya, Shri Hukam Chand
Kakkar, Shri Gauri Shanker
Kamath, Shri Hari Vishnu

Kandappan, Shri S.
Kannamwar, Shrimati Tai
Kapur Singh, Shri
Kar, Shri Prabhat
Kohor, Shri
Krishnapal Singh, Shri
Mahananda, Shri
Manoharan, Shri
Masani, Shri M.R.
Mate, Shri
Maurya, Shri
Mohan Swarup, Shri
Mukerjee, Shri H.N.
Nair, Shri Vasudevan
Nath Pai, Shri
Pandey, Shri Sarjoo
Pottakkatt, Shri
Ramabadrans, Shri
Ranga, Shri
Reddy, Shri Eswara
Reddy, Shri Narasimha
Reddy, Shri Yallamanda

Sen, Dr. Ranen
Seth, Shri Bishanchander
Sezhiyan, Shri
Shashank Manjari, Shrimati
Shastri, Shri Prakash Vir
Shinkre, Shri
Siddhanti, Shri Jagdev Singh
Singh, Shri J.B.
Singh, Shri Y.D.
Sivasankaran, Shri
Solanki, Shri
Swamy, Shri M.V.
Trivedi, Shri U.M.
Utiya, Shri
Verma, Shri S.L.
Vimla Devi, Shrimati
Vishram Prasad, Shri
Warior, Shri
Yadav, Shri Ram Sewak
Yajnik, Shri
Yashpal Singh, Shri
Yudhvir Singh, Shri

NOES

Abdul Rashid, Bakshi
Abdul Wahid, Shri T.
Achal Singh, Shri
Achuthan, Shri
Akkamma Devi, Shrimati
Alagesan, Shri
Alva, Shri Joachim
Anjanappa, Shri
Ankineedu, Shri
Anthony, Shri Frank
Arunachalam, Shri
Azad, Shri Bhagwat Jha
Babunath Singh, Shri
Bajaj, Shri Kamalnayan
Bakliwal, Shri
Bal Krishna Singh, Shri

Balkrishnan, Shri
Balmiki, Shri
Banerjee, Dr. R.
Barman, Shri P. C.
Barrow, Shri
Barua, Shri R.
Basappa, Shri
Basumatari, Shri
Baswant, Shri
Besta, Shri
Bhagat, Shri B.R.
Bhagwati, Shri
Bhanja Deo, Shri L.N.
Bhanu Prakash Singh, Shri
Bhargava, Shri M.B.
Bhattacharyya, Shri C.K.

Birendra Bahadur Singh, Shri
Bist, Shri J.B.S.
Borooh, Shri P. F.
Brisethwar, Prasad, Shri
Brij Basi Lal, Shri
Chakrverti, Shri P.R.
Chanda, Shrimati Jyotana
Chandak, Shri
Chandrabhan Singh, Shri
Chandrasekhar, Shrimati
Chandriki, Shri
Chaudhry, Shri Chandarmani Lal
Chaudhuri, Shrimati Kamala
Chavan, Shri D.R.
Chavda, Shrimati Joraben
Chuni Lal, Shri

- Dafle, Shri
 Daljit Singh, Shri
 Das, Dr. M.M.
 Das, Shri B.K.
 Das, Shri Sudhansu
 Das, Shri C.
 Deo Bhanj, Shri P.C.
 Desai, Shri Morarji
 Deshmukh, Shri Shivaji Rao, S.
 Day, Shri S. K.
 Dhuleswar Meena, Shri
 Dighe, Shri
 Dinesh Singh, Shri
 Dixit, Shri G.N.
 Dorai, Shri Kashinatha
 Dubey, Shri R.G.
 Dwivedi, Shri M.L.
 Elayaperumal, Shri
 Ering, Shri D.
 Firodia, Shri
 Gahmari, Shri
 Gajraj Singh Rao, Shri
 Ganapati Ram, Shri
 Gandhi, Shri V.B.
 Ganja Devi, Shrimati
 Ghosh, Shri N.R.
 Goni, Shri Abdul Ghani
 Gondh, Shri
 Govind Das, Dr.
 Guha, Shri A. C.
 Gupta, Shri Badshah
 Gupta, Shri Shiv Charan
 Hajarnavis, Shri
 Hanumanthaiya, Shri
 Harvani, Shri Ansar
 Hazarika, Shri J.N.
 Heda, Shri
 Hem Raj, Shri
 Himatsingka, Shri
 Iqbal Singh, Shri
 Jadhav, Shri M.L.
 Jadhav, Shri Tulshidas
 Jagjivan Ram, Shri
 Jamir, Shri S.G.
 Jamunadevi, Shrimati
 Jayaraman, Shri
 Jedhe, Shri
 Jena, Shri
 Jha, Shri Yogendra
 Joshi, Shri A.C.
 Josh, Shrimati Subhadra
 Jyotishi, Shri J.P.
 Kabir, Shri Humayun
 Kadadi, Shri
 Kairolkar, Shri
 Kamble, Shri
 Kanakasabai, Shri
 Kannamwar, Shrimati Tari
 Karni Singhji, Shri
 Karuthiruman, Shri
 Kedarai, Shri C.M.
 Keishing, Shri Rishang
 Khadilkar, Shri
 Khan, Shri Osman Ali
 Khan, Shri Shah Nawaz
 Khanna, Shri Mehr Chand
 Khanna, Shri P.K.
 Kindar Lal, Shri
 Kisan Veer, Shri
 Kodoki, Shri Liladhar
 Koujalei, Shri H.V.
 Kripa Shankar, Shri
 Krishna, Shri M.R.
 Krishnamachari, Shri T.T.
 Kureel, Shri B.N.
 Lahtan Chaudhry, Shri
 Lakshmikanthamma, Shrimati
 Lalit Sen, Shri
 Laskar, Shri N.R.
 Laxmi Bai, Shrimati
 Mahadeva Prasad, Dr.
 Mahtab, Shri
 Mahishi, Dr. Sarojini
 Maimoona Sultan, Shrimati
 Majithia, Shri
 Malaichami, Shri
 Malaviya, Shri K.D.
 Malhotra, Shri Inder J.
 Malliah, Shri U.S.
 Manan, Shri
 Mandal, Dr. P.
 Mandal, Shri J.
 Mandal, Shri Yamuna Prasad
 Maniyangadan, Shri
 Mantri, Shri D.D.
 Marandi, Shri
 Maruthiah, Shri
 Masuriya Din, Shri
 Matcharaju, Shri
 Mathur, Shri Harish Chandra
 Mehdi, Shri S.A.
 Mehrotra, Shri Brij Bihari
 Mehta, Shri J.R.
 Mehta, Shri Jashvant
 Melkote, Dr.
 Mengi, Shri Gopal Datt
 Menon, Shri Krishna
 Menon, Shri P.G.
 Minimata, Shrimati
 Mirza, Shri Bakar Ali
 Mishra, Shri Bibhuti
 Mishra, Shri M.P.
 Misra, Shri Bibudhendra
 Misra, Shri Shyam Dhar
 Mohammad Yusuf, Shri
 Mohanty, Shri Gokulananda
 Mohsin, Shri
 More, Shri K.L.
 More, Shri S.S.
 Mukane, Shri
 Mukerjee, Shrimati Sharda
 Munzani, Shri David
 Murli Manohar, Shri
 Murthy, Shri B.S.
 Murti, Shri M.S.
 Muthiah, Shri
 Naik, Shri D.J.
 Naik, Shri Maheswar
 Nanda, Shri
 Naskar, Shri P.S.
 Nayak, Shri Mohan
 Nayar, Dr. Sushila
 Nesamony, Shri
 Nigam, Shrimati Savitri
 Niranjani Lal, Shri
 Oza, Shri
 Paliwal, Shri
 Pande, Shri K.N.
 Pandey, Shri R. S.
 Pandey, Shri Vishwa Nath
 Pandit, Shrimati Vijay Lakshmi
 Pant, Shri K.C.
 Paramasivan, Shri
 Parasahar, Shri
 Patel, Shri Chhotubhai
 Patel, Shri Man Singh P.
 Patel, Shri N.N.
 Patel, Shri P. R.
 Patel, Shri Rajeshwar
 Patil, Shri D.S.
 Patil, Shri M.B.
 Patil, Shri S.B.
 Patil, Shri S. K.
 Patil, Shri T.A.
 Pattabhi Raman, Shri C.R.
 Prabbakar, Shri Naval
 Pratap Singh, Shri
 Puri, Shri D.D.
 Raguhnath Singh, Shri
 Rai, Shrimati Sahodra Bai
 Raj Bahdur, Shri
 Raja, Shri C.R.
 Rajdeo Singh, Shri
 Raju, Shri D.B.
 Raju, Dr. D.S.
 Ram, Shri T.
 Ram Sewak, Shri
 Ram Subhag Singh, Dr.
 Ram Swarup, Shri
 Ramakrishnan, Shri P.R.
 Ramanathan Chettiar, Shri R.
 Rameswamy, Shri S.V.
 Ramdhani Das, Shri
 Rampure, Shri M.
 Ramshekhar Prasad Singh, Shri
 Rane, Shri
 Rao, Shri Japanatha
 Rao, Dr. K.L.
 Rao, Shri Krishnamoorthy
 Rao, Shri Muthyal
 Rao, Shri Rajasopala
 Rao, Shri Thirumala
 Raut, Shri Bhola
 Rawandale, Shri
 Ray, Shrimati Renuka
 Reddi, Dr. B. Gopala
 Reddier, Shri
 Reddy, Shri Linga
 Reddy, Shri R. Surendra

Reddy, Shrimati Yashoda
 Roy Shri Bishwanath
 Sadhu Ram, Shri
 Saha, Dr. S.K.
 Sahu, Shri Rameshwar
 Saigal, Shri A.S.
 Samanta, Shri S.C.
 Saraf, Shri Sham Lal
 Sarma, Shri A.T.
 Satyabhama Devi, Shrimati
 Satyanaryana, Shri
 Sen, Shri P.G.
 Shah, Shri Manabendra
 Shah, Shri Manubhai
 Shah, Shrim-ti Jayaben
 Shakuntala Devi, Shrimati
 Sham Nath, Shri
 Shankaraiya, Shri
 Sharma, Shri A.P.
 Sharma Shri D.C.
 Sharma, Shri K.C.
 Shastri, Shri Lal Bahadur
 Shastri, Shri Ramanand
 Sheo Narian, Shri
 Shivananappa, Shri
 Shree Narayan Das, Shri
 Shyam Kumari Devi, Shrimati

Siddanajappa, Shri
 Siddiah, Shri
 Sidheshwar Prasad, Shri
 Singh, Shri D.N.
 Singh, Shri K.K.
 Singh, Shri S.T.
 Singha, Shri G.K.
 Sinha, Shri Satya Naryan
 Sinha, Shrimati Tarkeshwari
 Sinhasan Singh, Shri
 Sivappraghassan, Shri Ku.
 Snatak, Shri Nardeo
 Senavane, Shri
 Soy, Shri H.C.
 Srinivasan, Dr P.
 Subharaman, Shri
 Subramaniam, Shri C.
 Subramanyam, Shri T.
 Sumat Prasad, Shri
 Surendra Pal Singh, Shri
 Surya Prasad, Shri
 Swamy Shri M.P.
 Swaran Singh, Shri
 Tahir, Shri Mohammad
 Tantia, Shri Rameshwar
 Thengal, Shri Nallakoya
 Thimmaiah, Shri

Thomas, Shri A.M.
 Tiwary, Shri D.N.
 Tiwary, Shri K.N.
 Tiwary, Shri R.S.
 Tripathi, Shri Krishna Deo
 Tula Ram, Shri
 Tyagi, Shri
 Ukey, Shri
 Upadhyaya, Shri Shiva Dutt
 Vaishya, Shri M.B.
 Valvi, Shri
 Varma, Shri M.L.
 Varma, Shri Ravindra
 Veerabasappa, Shri
 Veerappa, Shri
 Venkatesubbiah, Shri P.
 Verma, Shri Balgovind
 Verma, Shri K.K.
 Vidyalankar, Shri A.N.
 Vijay Anand, Maharajkumar
 Virbhadra Singh, Shri
 Vyas, Shri Radhey Lal
 Wadiwa, Shri
 Wasnik, Shri Balkrishna
 Yadav, Shri N.P.
 Yadav, Shri Ram Harkh
 Yadava, Shri B.P.

Mr. Speaker: The result of the Division is: Ayes 66, Noes, 318.

The motion was negatived.

Shri Ranga: This is the biggest censure on you.

13.37 hrs.

COMPANIES (SECOND AMENDMENT BILL)—contd.

Mr. Speaker: Further consideration of the following motion moved by Shri T. T. Krishnamachari on the 18th August 1965, namely:—

“That the Bill further to amend the Companies Act, 1956, as reported by the Joint Committee, be taken into consideration.”

Shri Vidyalankar may continue his speech.

The Minister of Finance (Shri T. T. Krishnamachari): May I ask your guidance in regard to the timing? We have got 2½ hours left.

Mr. Speaker: Five hours had been allotted. Now we have 2½ hours left. We will have one hour for general discussion and the rest for clause-by-clause consideration.

Shri S. M. Banerjee (Kanpur): You Sir, were not in the Chair when this Bill was being discussed. Many members had expressed a desire that the time should be extended. It was left to you to decide. The Chairman was there at that time. So many amendments have been tabled.

Mr. Speaker: I will see.

श्री यशपाल सिंह (कैराना) : समय बढ़ाया जाय ।

ग्रन्थाल महोदय : देखेंगे ।

Shri A. N. Vidyalankar (Hoshiarpur): Mr. Speaker, the other day I started by congratulating the Finance Minister on bringing forward this Bill. I know that the Finance Minister has a very soft corner for the corporate sector and, rightly, he desired that such amendments should be made to the company law so that the corporate sector should be able to play its progressive role and approach

the socialistic ideals in a democracy. But I am afraid that even after scrutiny by the Joint Committee, the Bill has not emerged in a form in which it should inspire hope and confidence. In certain respects I find that the Joint Committee has given it a slight push rather in the opposite direction.

The Finance Minister may claim credit for introducing the legislation in favour of the corporate sector. The company law and his Bill deal with the corporate sector, and before we properly understand how to deal with this sector, we should understand the nature and character of the corporate sector as it exists.

The Vivian Bose Commission report exposed certain defects in the company law. I think the Finance Minister was anxious to rectify those defects that permitted the misuse of powers and various other actions of which many company directors were guilty.

I have said that the corporate sector is not today playing its proper role, specially in the context of a socialistic democratic order. I have also said that if we want to deal properly with this sector, we should understand its present character. At present, out of the total share capital of all non-government companies, 25 per cent is owned by the four top-most business houses of Birlas, Tatas, Martin Burns and Dalmia-Jain. Only 20 industrial houses are today controlling 1073 companies with a share capital of Rs. 352 crores. Of the 619 directorships in ten topmost insurance companies, 107 are held by Singhanias, 103 by Dalmia-Jain, 80 by Ruias, 60 by Birlas, 35 by Goenkas and 55 by Podars. Of the big five banks, two are controlled by Tatas, two by Birlas and one by Dalmia-Jain. This is the actual position of the corporate sector today. The poor, small shareholder has no voice in the company as against these giants and colossi. I am stating these startling facts so that the House may keep in mind the character of the corporate sector. The

purpose was to do away with the monopolistic tendencies in this sector, but I am afraid that the amendments suggested have not been able to achieve that end. In certain respects, they have, in fact, gone in the opposite direction.

Now I take up some of the clauses to which I have objections. First of all, no amendment has been made to modify the managing agency system. I think that we should do away with this system; if we cannot do away with it, at least this ought to have been materially and radically modified.

Clause 35 raises the age limit for directors from 65 to 75. I think this is absolutely against the spirit of the times. This is a retrograde step. We want industry and business to progress through this corporate sector, we want virile young men with vigorous minds to work, but here we are imposing the rule of senile people who have been allowed to be directors in companies up to 75 years.

The Joint Committee has practically ignored the views expressed by the representatives of the shareholders and the Chartered Accountants and Auditors. For instance, the shareholders desired that the blank transfer system should be completely done away with, but this has not been done. On the other hand, this system has not only been recognised, but is being encouraged. I am not totally against certain amendments that some of my friends here have suggested in this connection.

Transfer or sale of managements has also been allowed. Management of a company is a function, an obligation, a duty, it is not a commodity that should be freely sold or transferred for the sake of certain benefits, advantages or profit. This should not be allowed. It should be taken seriously.

Under Clause 44, companies have been allowed to advance 20 per cent in

[Shri A. N. Vidyalankar]

certain cases to other companies. I think that this should not be allowed, because companies collect money for their own business. These advances of loans by one company to another can be misused in many ways, and instances have also come before us. Certain chains have been established that are harmful and that practically spoil the whole spirit of the corporate sector.

There has been a lot of discussion about donations to political parties. I also belong to a political party, but I personally feel that this should not be allowed, as this is a source of corruption. Naturally, the big business have the money, the power, in their hands, and they try to influence and bring pressure on the political parties and the legislators. I, therefore, think that this should be done away with. Though this may not be palatable to many friends who belong to different parties, I think the various parties should come to some common understanding and decide in the interests of purification of public life that companies should not be allowed to give political donations.

I welcome the amendment in Clause 23. In the report of the Joint Committee it has been stated that because sufficient number of Cost Accountants are not available in the country, Chartered Accountants and other persons are allowed to do their job. I agree with this. I know that many Cost Accountants are available, though they are not practising because there is not sufficient scope. Given the scope, I think many of them who are employed will come into the field. I think that a condition should be imposed on the Chartered Accountants and others who are allowed to do the job that they should properly qualify themselves by passing the examination in cost accounting, as otherwise the main purpose of the provision would be defeated. If you create the demand, naturally people will come forward and pass the examination. There would be no diffi-

culty. This condition should be laid down.

The new section 149 (2B) in Clause 15 states that companies can alter their business, go to other business, with the permission of the Company Law Board. I am doubtful whether this will lead to happy results. I personally feel that this permission should not be easily granted. When a company is started it is for some particular business or industry; it should not be allowed to easily change to another business or industry. That is not a very happy proposition. I think this clause should not have been added.

I feel that there is evidence that the affairs of many of the medium-sized and small companies are not properly looked after. The Company Law Administration generally ignores them. Much misuse of powers, much fraud and misuse of funds go on in such companies. In order to fill up their reports, the inspectors catch hold of some small and middle-size companies and find out one or two instances of misuse of power or fraudulent action. They proceed against them. This kind of administration in this manner is not good. The administration should exercise fully those powers that it takes under the law or under the rules. I feel that the powers that the Government takes at present are not properly and fully exercised. They are exercised to pounce upon somebody with whom they are not happy or whom they do not like. They do not regularly and properly discharge their functions. The company law administration needs to be pulled up and they should properly exercise the powers that they take under this legislation. Thank you.

Shri P. C. Borooah (Sibasagar): After a good deal of labour and time the law relating to companies in India was recast and codified in voluminous enactment in 1956. It was further amended very extensively in 1960; then in 1962, then again in 1963 and further

in 1964. The present is the fifth amendment since the principal Act was enacted in 1956. Changes in the Act has thus become almost an annual feature since 1960.

Too much of everything is bad; and too much of changes in the law goes contrary to the sanctity of law and reputation of good government. I consider there had been a bit too frequent changes in our company laws. The report on the working and administration of the Companies Act stated that there had not been any serious infringement of the law since the new Act came into existence in 1956. In spite of this vital changes are brought in the Act every year to the great discomfiture of the public concerned. This has also made the corporate sector feel rather insecure and uncertain, with the growing feeling that Government are out to cut down their activity and assume more powers for themselves which to a considerable extent has resulted in jeopardising our had-pressed economy. It works as a disincentive to enterprise and corporate investment both internal and foreign. I would, therefore, suggest that government should cry a halt to the frequent changes in the law and give some respite to the corporate sector so that it can grow and develop and contribute its mite for augmenting production. In regard to clause 20, there was originally a proviso saying that no inspection of the books and accounts shall be made by the registrar or any other officer authorised by the company law board unless he is of the opinion that sufficient cause exists for such inspection. That has been deleted. I feel that this change is not reasonable and that inspection should be made by the registrar or any other officer deputed by him only when he feels that such an inspection is necessary. I therefore suggest that the original provision should be allowed to go into the Act.

It is also provided that books of accounts and records are to be preserved for eight years. It is too long a period. Many companies are in the records

who had died long before the completion of the 8th year. A voucher however insignificant in amount may have to be preserved with care for eight years. It may not be possible for all companies to do that. I suggest that either eight years' time may be reduced or vouchers for amounts less than Rs. 1,000 be excluded from the purview of this provision.

13.52 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

Clause 23 deals with compulsory cost accounting and just now my hon. friend dealt with this. It is necessary in the case of very large and advanced companies. It requires no statutory provision for them. But most of our companies are engaged in small and medium scale industries which have not so much developed that cost accounting may be necessary. It is a completely novel provision, unknown in any country in the world. This provision, if retained will impose an unwarranted burden upon most of the companies which are yet too small to undertake the whole process of cost accounting. Most of them simply cannot afford it. Besides there are not enough cost accountants in our country Shri Vidyalkar said that it could be given to auditors also and I have my support to the same. It will otherwise open a new avenue of exploitation of the weaker sections of the private sector.

The age of the directors is sought to be restricted to 75 years by clause 35. Shri Vidyalkar said that age should not be raised. But all those who spoke before him spoke against fixation of any age limit. How many directors are there in the boards of directors of 4,000 and odd companies in the country, who will be above 75 years of age? It may not be more than a couple of dozens. Why be hard on these few septuagenarians? What benefit would the Government derive by depriving those few wise men from conducting the affairs, of their own companies? Secondly, choosing of directors is a right by itself of the

[Shri P. C. Borooah]

shareholders of the company. What is the necessity of taking away this right of the shareholders? It should be left to the shareholders themselves. I, therefore, request that this age provision be dropped altogether and for good.

Clause 51 abolishes the present advisory commission. The setting up of the Advisory Commission was acknowledged from all quarters as an improvement on the Act of 1953. The then Finance Minister Shri C. D. Deshmukh and the House was all in praise for it. The various reports of the company law administration have borne this out. It has in fact infused a sense of confidence in the business community who have a feeling that their problems are also looked into by an impartial authority and are not dealt with arbitrarily by the Government. It is therefore very necessary that the provision of this advisory commission be retained and the proposal for the advisory committee instead deleted.

Clause 56 introduces a new section by which Government or any body is not compelled to disclose the source of information received by the Government or by him to any court of law, tribunal or authority. This section if accepted will open up opportunities for supplying false information by interested parties in order to blackmail a company for their ulterior motive. Both morally and judicially every person against whom any information is given is entitled to know the identity of the informant and has also a right to check the integrity of the person and the authenticity of information. If this is denied dangerous consequences will follow. We had bitter taste of the days a year or so ago when almost all the Chief Ministers were subjected to vilification and baseless and false charges of corruption were levelled against them.

Even now, the Chief Minister of Uttar Pradesh has expressed her diffi-

culty to function on account of character assassination and vilifications launched against her colleagues. Do the Government want to give shelter to such persons who indulge in such nefarious activities from behind? I am sure it could not be the intention.

14.00 hrs.

I, therefore, urge that this right to challenge the integrity of the informant and the authenticity of the charges is not denied to the aggrieved parties and continues to be available to them. This clause may, therefore, be amended accordingly.

With these few words, I request the hon. Finance Minister to take into account the various suggestions made and the considerations placed before the House in regard to the various provisions of the Bill, and I support the Bill.

Shri Alvares (Panjim): Mr. Deputy-Speaker, Sir, it was in 1956 that the Government instituted a commission of inquiry under the chairmanship of Justice Vivian Bose in order to make enquiries into certain practices of certain groups of companies.

Shri Hari Vishnu Kamath (Hoshangabad): Sir, on a point of order. I think there should be quorum in the House.

Mr. Deputy-Speaker: The bell is ringing—Yes; now there is quorum. The hon. Member may continue his speech.

Shri Alvares: That enquiry was of a specific nature and it revealed a large scope of abuses that the corporate body was indulging in at that time. As I said, that enquiry was confined to one group of companies and was limited to a certain issue, but eight years later, in 1964, the Government appointed a committee on distribution of incomes and levels of living,

under the chairmanship of an eminent economist, Professor Mahalanobis. That committee reported identically on this issue and on pages 32 and 43 one comes across their analysis which reads almost as if it was lifted from the report of the Vivian Bose Committee. This goes to prove that during an interval of eight years, from 1956 to 1964, the corporate sector, instead of being warned by the recommendations and investigations of the Vivian Bose Committee, continued to indulge in the same practices as were indulged in by them, and with a certain amount of impunity. The result was that as the Mahalanobis Committee reported, there was a concentration of economic wealth by various means which were available to the corporate sector to indulge in without being called to book by any rule that was existing. Therefore, if any hon. Member of this House were to allege, as some have alleged, in the course of their speeches, that this new Companies (Amendment) Bill is not necessary, because those abuses are not generally current. Though in fact those abuses are current and are always endemic, it would not be correct, because the Mahalanobis Committee, as I said, has reported in identical terms all the practices that are still continuing and which have resulted in an enormous concentration of wealth and in the control of companies. Therefore, this Companies (Amendment) Bill must be viewed in the context, not merely of the Vivian Bose Committee's report but also of the Mahalanobis Committee. There was an interim report, in respect of recommendations, to amend the company law by the then Solicitor-General, Shri Daphtary, and Shri Sastri. I find that in this amending Bill, the clauses that have been drafted are mainly based on the recommendations they have made. I do not see any serious objection to this Bill except in its overall compass to which I shall come later.

But I must say this: that this Bill, without being prohibitory in its provisions, speaks only to be regulatory

and restrictive, and therefore, I hope that as a preliminary attempt to regulate the operation of the joint stock companies in the corporate sector, this Bill, in the first instance, will serve as a warning that if the operational performance of the corporate sector is not improved and does not move with the times as, shall I say, delineated in our economy, perhaps more prohibitory measures may be brought in, in order to make it fall in line with the plans that we are now engaged in implementing.

There are various provisions, some of which need special attention. There is the question of cost accounting. In this House we have often asked the Finance Minister as to what attitude he is going to adopt on the issue of cost accounting. The reply has always been evasive. Two days ago, a question was tabled in this House; unfortunately it was not reached. When the question of cost accounting of sugar companies was under discussion, the Government reply was that there was no proposal yet to undertake cost accounting of sugar production in this country for various reasons that I do not know. But the reasons were not divulged to us. We know that cost accounting would naturally bring to notice the various abuses that take place in the sale of the product. Not only would cost accounting be able to unearth or stop the malpractice of underinvoicing by a large number of foreign firms and companies but at the same time, I am sure it would reveal the great gap between the cost of raw materials and the final product as turned out by the factories of this country. We have always asked in this House that the rural sector should be paid a fair price. What that fair price is, has always been difficult to determine. I do not know if the Agricultural Prices Commission will be able to tell us what it proposes to do so that the agriculturist and the primary operator will get a fair price or fair share of the ultimate prices that the

[Shri Alvares]

products are able to fetch in the seller's market. But surely, if cost accounting of these various products is undertaken, it will be possible for the Government to find out the margin between the cost of raw materials and the final product, and they will be able to determine what amount of this should be passed on to the producers of these primary commodities.

The second point that needs consideration is that the cost accountants should be a separate entity. I do not favour the proposal where chartered accountants may also be asked to undertake the task of cost accounting. Everybody knows the role that a chartered accountant has to play in this country. The chartered accountant is an eminent, very technical and a prestigious person. Often he has to advise his own clients in regard to their interests. The work of a cost accountant and the work of a chartered accountant are conflicting in interests and therefore it will serve no purpose where cost accounting has to be undertaken that the chartered accountants will be given the same responsibility. I would, therefore, urge that the work of cost accounting should be undertaken by a separate cost accountant and the responsibility should not be given to a chartered accountant.

There are various provisions in the Bill to which I need not refer at this stage. There are malpractices referred to in the Daphtary-Sastri report in regard to the grant of shares, blank transfers or benami shares, underwriting commission and dummy directors. All these malpractices have found reference in some clause or the other in this Bill and I do hope at some stage, these practices will disappear.

As I have said earlier, this Bill does not go far enough. We are living in an acquisitive society and I do not suppose that the business community are so mentally conditioned as to be able to draw the line between acquisitiveness and avarice. We are today

mainly a society where profitability is the main motive force. Our whole economy moves in that direction. It is an anachronism to talk of profitability entirely as the sole motive force when we have reached the stage of planned economy. I would really wish that the Finance Minister would bring about certain more measures, which I shall indicate in a moment, so that the regulatory processes of the Companies Bill are complete in themselves.

I am referring to the stock exchanges and to the managing agency system. None of these practices that have been described in the Vivian Bose Report and Mahalanobis Report also would have been possible if the stock exchanges would not have manipulated the cost and price of shares and the managing agents would not have been able to take advantage of them. The managing agency system. I agree, has done its bit under certain circumstances. Today it is not at all necessary. Today it lends itself more to abuses than service. Managing agents in today's circumstances have hardly any responsibility to the shareholders. They are appointed for various periods and are irremovable for 5 to 20 years; the shareholders cannot call them to account. There is no relationship and by this process, the shareholder is denied any personal contact with those who manage the business and enterprise in which they have a share.

Similarly with the stock exchanges. Who does not know that the stock exchanges are made to fluctuate according to the will of big business? So many companies have been liquidated, the shares of so many companies have been brought down to cheaper prices, without any relationship whether those companies are viable or not and whether they are performing a public service or private service. Therefore, the Companies (Amending) Bill needs reference to these things and I do hope that at some stage very soon, the Finance Minister will introduce legislation to

do away with the stock exchanges and the managing agency system.

Shri V. B. Gandhi (Bombay Central South): Sir, I shall say a few words about certain provisions of this Bill. Firstly, I would suggest that the period of currency of a blank transfer of shares should be extended to one year, instead of 6 months, as provided in the Bill. Secondly, the Registrar of Companies should not have the right of inspection of books of accounts without giving previous notice to the company. Thirdly, the government should prescribe qualifications for practising cost accountants and in doing so, should remove the restrictions under which the cost and Works Accountants Act has at present placed them. For instance, a whole-time employee of a firm of cost accountants should not be prohibited from being permitted to practice as a cost accountant.

Regarding the retiring age of directors, the existing section as it is is really more flexible and any change is unnecessary.

Lastly, I consider the abolition of the advisory commission as nothing short of a tragedy. The commission deserves to be continued with its full power. In my way of thinking, the new advisory committee would be a poor substitute for the commission.

It is apparent that our government does not look with favour on the system of blank transfers, even though the system has worked not badly in most of the leading countries of the world. The system of blank transfers has served some useful object. It has served in promotion of investment and also it has served to increase the liquidity of the share market. But if we must have restrictions, let us see to it that these restrictions are not too severe to allow the stock exchanges to operate in their normal way. Also, these restrictions should be such as will not do much inconvenience to the operations. I would suggest that the period within which the delivery of instruments of transfer

should be made to the companies should be extended to one year. The extended period of one year would lead to greater convenience of the operators and also would be, perhaps, a lot more logical. What I would suggest is that the Government could at least give this suggestion a trial. Let us have it for a trial period. The Government can always change it if Government's experience is not such that would be encouraging. There is an amendment standing in my name to this effect, and I hope that that amendment will be considered worthy of Government's attention.

Now, there are two notable changes that the Joint Committee has made in this Bill. One is the provision that no one shall be prevented from depositing any shares with the State Bank of India or in a Scheduled Bank or any other bank approved by the Government in that behalf by way of security for the repayment of any loans advanced to such a person. This is a very valuable provision, but by itself this is not enough. It would be more meaningful if it is supplemented by another provision to the effect that this facility is also extended to the holding of shares in a fiduciary capacity. This is really worth considering. There is an amendment to this effect already in my name, and I do hope that this provision should be extended to the fiduciary holding of shares. It will be in keeping with the general spirit of this important measure.

Another notable improvement to which I just referred is that the Joint Committee has given powers to the Company Law Board to extend the period of delivering the shares to the companies by such periods as the Board may deem fit. This is a very valuable improvement made by the Joint Committee.

Mr. Deputy-Speaker: The hon. Member should try to conclude now.

Shri V. B. Gandhi: Sir, may I have five more minutes?

Mr. Deputy-Speaker: No, no. I have to give chance to two more Members.

Shri V. B. Gandhi: I will just finish in two minutes.

Sir, about clause 20 which deals with the inspection of books by Registrar I have already said something. I would only add one word saying that, let us not forget that Government functions through all sorts of officers having various backgrounds and ethical standards. Such an invitation to unhindered inspection should not be made. It might give ideas to some officers and we should not be surprised if it did.

Shri G. N. Dixit (Etawah): Mr. Deputy-Speaker, Sir, this Bill comes well processed by the Joint Committee. Sir, under your stewardship the Committee put in sufficiently hard work. Almost all organisations of industry in this country came through their representatives as witnesses before the Committee. They were thoroughly examined and cross-examined, and on all points—of which I bear witness—there was a consensus and that consensus was, I was really amazed to find, almost in every case, accepted by the Finance Minister. I used to hear that he was a man who was unbending. But in this Committee I found that he was extremely accommodative and every member was of the same view. I had my differences on other accounts, but so far as the Bill is concerned, technically, it is perfectly as was the consensus of this Committee. Even those members who opposed it here in the House felt, in the Committee, that this was the best possible final picture that could emerge out of the Committee.

There were two points on which the Finance Minister could not accommodate. One was about the age of 75 years. My hon. friend, Shri Raghunath Singh has given his arguments. When I was hearing his arguments,

I was thinking not of the Ministers, not of the advocates, not of the doctors, who could function after 75 years, but I was thinking of my hon. friend, Shri Himatsingka. He is a Member of Parliament. He makes valuable contributions in the Parliament. The Constitution permits him. The law permits him. We all also like him. But the result of this Bill when enacted is going to be that he will remain a Member of Parliament but will cease to be a director of his companies. I tried to find some argument in support of the Finance Minister, but except one I could not find any other. That is, if you treat this directorship as a business and after a certain age a man must take *sanyas*, and if membership of the Parliament is *sanyas* then it is perfectly all right, this would be a good argument, because we start doing public duty and cease functioning in business and, therefore, cease to be a director. But what I find is this. When Gandhiji was there certainly there were great precepts, great ideals and, probably, public life was the beginning of *sanyas*. But that is not so now, during these 17 years as the politics has developed. Therefore, if it is possible for the Finance Minister to reconsider this question I will appeal to him to do so. He might reconsider it, because the more the age advances, according to me, the more a man becomes less selfish. That is because he is going to face God. Generally businessmen are pro-God and they are not non-believers. Therefore, a man of more than 75 years is expected to do less bad things than a businessman who is younger. On that argument also, therefore, a man who is more than 75 years of age, if he is fit to work, may be allowed to remain as a director.

My grievance was, as I had pressed it in the Committee and as the records of the witnesses whom I had cross-examined will show—I was happy to know that the best talent in the country appeared as witnesses including Shri Palkiwala and one of the members of the Vivian Bose Commission—

and when I made that complaint the Finance Minister was responsive and all the officers were responsive even though nothing come out of that, that while this Vivian Bose Commission was appointed with 11 items to be enquired into, 9 of them related to the happenings, vis-a-vis the Dalmia Jain Airways, and two of them only related to this fact as to what steps are to be taken so that such occurrences may not take place in future. Out of those 9 enquiries it was found that public money to the tune of Rs. 2,60,00,000 and odd had been defalcated by these people of the shareholders. The report as it came from the Vivian Bose Commission—I am happy that the Deputy Law Minister is here—was sent to the then Solicitor-General—he is the present Attorney-General—Shri Daphtary to advice along with Shri Viswanatha Shastri. They processed it and submitted a report. And in that report they said that there were certain latches of limitation. The word "fraud" has been used in the popular sense—that is what the then Solicitor-General and the present Attorney-General said—and therefore there were certain difficulties in realising back the money or in taking civil proceedings or criminal proceedings against those persons.

Even then I did not agree with the two counsels; not only I, there were counsels who belong to the Congress Party, in this House or the Rajya Sabha, who are as big counsels as those two lawyers, and they also did not agree with this view.

After that report, even if there was a bar of limitation, this House which is enacting the law today could very well have amended the law of limitation and cleared the way for Government to realise that money and pay it back to those poor shareholders whose money was defalcated. But I am really sorry to find that nothing has been done so far in that direction.

But I am happy on this score and I must congratulate the Home Minis-

try that in spite of all that report of the two great lawyers, the Home Ministry has prosecuted the wrong-doers and those wrong-doers are facing prosecution today. My friend Mr. Banerjee was wrong in the statement he made; probably he was under the impression that it was in this enquiry or muddle that Shri Ramkrishna Dalmia has been sentenced to imprisonment. That was a different case. That has nothing to do with the case with which the Vivian Bose Commission was concerned. That was not covered by that report. This concerned the Dalmia Jain Airways and the allied Companies.

My submission, my request, my appeal—and I am repeating it today—to the Finance Minister was that it is his public duty to get this money out of the swindlers, whoever might have eaten the money, when there was the Vivian Bose report, and take it back and pay it to the shareholders whose pockets have been defalcated. The only opposition to this plea of mine was—and I was happy to find that most of the Members of the Committee supported me, and the Finance Minister also did not differ from me—the only objection raised by the office was that this was something other than what the Bill was concerned with and therefore technically it could not become part of the Bill. I agreed with that. But then, I was told that a separate Bill could be brought in this House if necessary, or action could be taken. This matter can be examined if no further amendment of the law is necessary and civil action lies. And if such an opinion or advice is received by the Government, action must follow. In criminal cases the burden of proof is heavier than in civil cases. And Government has the data to prove it in a criminal case. After all, whether it is the Home Ministry or the Finance Ministry, the Government is one, and therefore if it can face a criminal court it can also be pushed through in a civil court.

[Shri G. N. Dixit]

Sir, one thing more and I have finished. So far as this Bill is concerned, so far as the general policy is concerned, I have said that technically it is perfectly all right; I have gone through it. I was hearing with great satisfaction what the Prime Minister said today, while replying to the debate on the no-confidence motion, about the success of the public sector. But I may say this from the little experience I had of one concern. I had the occasion to visit the Heavy Electricals, Bhopal. For three hours I roamed about the factory, and the gross indiscipline I found in the factory was that the labour was not working and was not caring for the bosses. Even when the bosses were going round they were not working. And with an investment of Rs. 55 crores, the total production there is coming only to Rs. 3 crores, and out of that a good part consists of imported things assembled there. And everyone of these officials agreed that the workers were not working and that it had become almost impossible to take work from them. One of the big officials said that the only way appears to be that a train-load of girls might be brought to Bhopal and they might be got married, then they might become responsible and then they might start working!

But the fact remains that the public sector is working in this way. If the experience of Heavy Electricals gives some inkling, there appears to be great difficulty in making the labour work. I was feeling the other way, that if the Heavy Electricals is entrusted to some man who has got experience of business, if our Finance Minister himself goes and sits there and functions, I am sure he will make it work extremely successfully. We need some men who have got experience of working industry. If they are put in charge of these factories there is some hope for these factories; otherwise, our public sector is doomed. And if our private sector is also impeded in its working by placing checks and

balances, as Shri Palkiwala said before the Joint Committee, and I entirely agree with him, if instead of punishing the wrong-doer you are placing checks and balances on the person who is honest and who is trying to work the industry, it is a wrong way of getting things done.

That is all that I wish to say on this.

Shri C. K. Bhattacharyya (Raiganj): Mr. Deputy-Speaker, my interest in speaking on this Bill is the interest of an ordinary individual belonging to the public or, I might say, the interest of an ordinary shareholder.

Going through the clauses of the original Bill and the clauses in this Joint Committee report, I support all those measures which have been proposed and adopted for making the position of the shareholders secure, for giving them a hold over the companies and consolidating their authority over the management of the company. What we find after a company is floated is that the shareholders become nobodies. Those who somehow get into authority can do almost whatever they like, ignoring the shareholders altogether. That is the reason which led to the circumstances ending in the appointment of the Vivian Bose Commission. In fact, the whole Bill proceeds from the Vivian Bose Commission report. So, all those measures which have been adopted in the interest of the shareholders, I do support.

And one of these, I believe, is the clause putting restrictions on the change of objects of the company. Shri Dixit was just now referring to the defalcation of Rs. 2.60 crores by the Dalmia Jain concern. But that could be done only because there was no check on the objects. In fact, this is what I find from a question put by Shri Dixit himself to one of the businessmen who appeared before the Joint Committee. He asked: "Take the Dalmia Jain case. Rs. 22 lakhs were spent on the main business, but

Rs. 2.6 crores were spent on certain other not much published business". That was at the root of the whole trouble. The company or rather the management could do whatever they liked with the money, spend only a small portion of it over their publicised objects and spend a major portion of it over objects not publicised and which at best might be characterised as ancillary.

Therefore, I was happy to find that in this Bill there is a clause in which it is stated that the main objects and the ancillary objects should be separated and stated separately, and the main objects cannot be changed without the support of the shareholders.

Then, a restriction has been put on blank transfers. I am not an expert on such transfers. After going through the evidence of the Joint Committee I have got some idea about it. I find that it had led to large amount of corruption. If shares could be transferred without mentioning the names of the owners, anything could be done with those shares. Shri Dixit referred to it. I find that Shri Palkiwala, while giving evidence before the Joint Committee, agreed that restrictions are required to be put on blank transfers. He says:

"I respectfully agree with what you have said. Just as you have prohibited fictitious names being used as shareholders, you may equally prevent the system of blank transfers, generally for no commercial reasons."

So, he has supported this restriction on blank transfers. This is a welcome provision in the Bill.

The use of one company's money for getting hold of another has been one of the root causes of the present situation in which many companies have been seized by particular groups or persons. I find from one of these reports that this particular technique was devised by a very well-known

businessman and perfected by another equally well-known businessman. Both of them found themselves in trouble and are now in jail. The using of the assets of one company in order to get hold of another, thus forming a ring or group and all the companies one fine morning finding themselves in trouble or on the verge of liquidation because of the policies of a group of people should be stopped. So, this is a very good provision which should be supported.

Of late, we have come across another particular type of technique and I do not know whether the Finance Minister has been careful about it and has thought of some provision to check it. The company law says that a person cannot be the director of more than 20 companies at a time. In order to get over this provision, in order to evade this provision a number of concerns or sub-companies are formed under one company, all of them being managed by the same group of people. I would request the Finance Minister to devise some method to put a check on this.

There is another provision restricting the age of the directors to 75. I do not think it is a good provision. Shri Dixit has referred to our friend, Shri Himatsingka, I know him for the last forty years. To me he appears to be the same person whom I saw forty years ago. There is Sir A. Ramaswami Mudaliar. A person like him should not be ousted merely because he has passed the age of 75. Shri Palkiwala gave the instance of a person who was appointed by the Government of India to manage a public company. He was aged 76 and he brought the company to a profitable position. Age is not always a disqualification. Allow me to quote a Sanskrit saying:

अलंकरोति वार्धक्यं नटननक-नापितान्
अलंकरोति वार्धक्यं दुग्धवैद्य-विवारकान् ।

[Shri C. K. Bhattacharyya]

In the case of an actor, dancer and barber age is a disqualification. But, in the case of a wise man, in the case of a doctor, in the case of a judge, age is an accomplishment. In the present case also age should be regarded as an accomplishment. With their vast experience they might be more helpful to the company than they might otherwise have been.

Then I come to clause 23 of the Bill as reported by the Joint Committee, clause 24 of the original Bill. This is a provision for the appointment of cost accountants to look into the costing. I would have preferred the clause as it stood before it was modified by the Joint Committee. Originally the provision said that he should be a cost accountant or such other person possessing the prescribed qualifications. The Joint Committee has interposed chartered accountants. I believe that the inclusion of chartered accountants in this clause was not necessary. The work of the chartered accountants will come much later. They could not be substituted for cost accountants.

Shri S. M. Banerjee: So, you support my amendment?

Shri C. K. Bhattacharyya: There are so many amendments on that subject. If Shri Banerjee will feel flattered that I give support to his amendment, I would not deny him that pleasure.

Shri T. T. Krishnamachari: Mr. Deputy-Speaker, I am grateful to the hon. Members who spoke on this motion for the very valuable remarks which fell from them. I have to point out only one fact. What they have said, or much of what they have said, is quite relevant to the administration of companies. But, at the present moment, we are only considering the report of the Joint Committee. We have either to accept

those changes or reject them. While it is perfectly the right of any hon. Member to deal with other aspects of the company law, I would confine myself only to those remarks which are relevant to the particular discussion before the House.

I am very grateful to my hon. friend, Shri Dixit, for what he said. In fact, in this matter Government has a reasonably open mind. If the Joint Committee felt in any case that a particular change should be adopted, the Government had no objection to it. May be, certain refinements are possible to what the Joint Committee had done. But I do not think there is any need for going back on what the Joint Committee had done. Therefore, when I heard the remarks of my hon. friend opposite, Shri Dandekar, I felt that much of what he said should have been said in the beginning, before the Bill was referred to the Joint Committee. His disagreement with some of the provisions of the Bill, even before it went to the Joint Committee, and as it came out therefrom, is fundamental and it is perfectly right for him to reiterate his objections. But I do not see how we can at this stage, except by abolishing the company law altogether, incorporate any of his suggestions.

In regard to his remarks about cost accountants and chartered accountants here is a Member—I am referring to the last speaker—who feels that the Joint Committee had enlarged the scope of the provisions so as to include chartered accountants also to do the work, which is not correct. On the other hand, the Joint Committee felt that the number of cost accountants available today is so small that if we want to use the provisions we should perhaps rope in other people who are qualified to do the work but who may not be exactly cost accountants or

members of the particular body representing cost accountants. The Government recognises the fact that there should come a time when all industries should have cost accountants and that we should know the cost of the product, the selling price of the product and so on and the profits which they make or the profits which they do not show merely because of selling at a lower figure than they ought to sell. We have to make a beginning somewhere and do it cautiously because if we compel all industrial firms to have cost accountants, there are not enough people to go round. The Select Committee's decision was a compromise. Let us work this compromise for some time and see what would be done. In fact, some action has been contemplated in that regard and one has to curtail the orbit of it so as to see how it works initially.

Then, some hon. Members, Mr. Vidyalankar and Mr. Alvares, spoke about the fundamentals of the economic structure of property and ownership in this country. There is only one defect in regard to company law. It is this that the company law is for the purpose of regulating the working of joint stock companies which means that we accept a certain form of investment, a certain form of utilising that investment, that is, the company procedure which we have also adopted in regard to public undertakings. What has been suggested can only be done either by limiting these company procedures to small capital concerns and taking the rest away by Government or by not having companies at all but to make the individuals to do the business. I do not think that is contemplated at the present moment or at the present juncture of our evolution. Besides that, that is not really germane to this particular discussion.

One provision that seems to have caused considerable amount of interest to the House is the question of age. The Government's position was that having enacted a law—normally

it means that persons who are above 65 years must get some kind of a special approval from shareholders—and finding there is no case in which anybody has been rejected, Government felt that we will not give any option in this matter but will fix a particular age because the law, as it is now, is ridiculed. There is no use having a provision saying that anybody above 65 must get a special resolution passed because special resolutions are always in the pockets of people who control companies. In the same way, there is another provision also about relations. In fact, those provisions can only be used by somebody to get rid of directors rather than to get rid of relations. If the point is that you should get the approval of the company or the shareholders by a special resolution, it is always done. In most companies, they have the proxies, they have a number of shares with them and they can get a special resolution passed. So, my feeling is that we should not have any provision in law which is just being ridiculed. We are not dealing with the question of relations excepting that the present Bill tones down the number who come within the mischief of the Act. If the House feels, if a large number of hon. Members feel, that there should be no age limit, I have no objection to that.

Shri Sham Lal Saraf (Jammu and Kashmir): If a company is not able to pass a special resolution?

Shri T. T. Krishnamachari: I can tell the hon. Member that there is no case where the appointment of anybody above 65 has been rejected. No company has rejected it. So, the thing is that either you put the age at a particular limit beyond which nobody should act or you just take it away altogether because at the moment it is a dead letter. I think nothing wrong will happen. Of course, somebody suggested that you may have 75 but in particular cases Government might give approval. I do not want that. As a matter of fact, it is throwing the onus on Government, the element of choice, and whichever

[Shri T. T. Krishnamachary]

way Government might exercise its choice, it may be impunged for it. The question of weighing as to who is the better man, one in one company who is 78, another man in another company who is 76 and the third man in other company who is 82, should not be left to Government. I do not think that the Company Law Administration should be asked to undertake such a responsibility. I am quite prepared to leave it to the House. If the House feels that this absolute limitation of 75 should not be there, let us take away the age-limit altogether because in operation over these 9 years, I do not think there has been a single instance in which a person about whom a special resolution was asked was denied it. So, let the good people serve even though they do not take *sanyas* as a politician has to do. I have no objection at all and I leave it to the House to decide. If the House feels strongly about it, they can take the decision.

Of course, a mention was also made by my friend, Mr. Gandhi, about the Company Law Advisory Commission and the Company Law Advisory Committee. The matter was very carefully considered. We did find that the balance of advantage would be in a Committee because there are a large number of cases where we found out that we could not explain why the Company Law Advisory Commission decided in a particular way. The Company Law Advisory Commission, in the manner in which it is constituted, is not a judicial body excepting having its Chairman who can be overruled in most cases by other people. I think it is much better to have a Committee because ultimately we have to overrule them though I am disinclined to overrule them. Somebody mentioned to me about the case law. I am afraid, if you compile the case law with the recommendations of the Commission, you will find a number of contradictions coming up—maybe, they are forgotten; I do not say it is wilful. They may have done something in one case and they might

have taken a different decision in another case a year hence. I am one of those who certainly believe that consistency is the hobgoblin of a small mind and from that point of view—perhaps, the Company Law Advisory Commission has no small mind—I do feel that more justice would be done by the proposed Committee where practically all the people will be there and, therefore, I am unable to accept the suggestion that we should go back to it or there is any particular sanctity in the composition of the Commission as it is today.

As I said, many other things have been said which have nothing to do with the particular motion before the House. My hon. friend, Mr. Dixit, mentioned about a particular matter. We did discuss it. I am glad he reminded of it again. Though, I think, we did start some kind of enquiry into it, the matter will be pursued. To what extent it will be pursued gainfully, I cannot say. That is all I have to say at this stage.

Mr. Deputy-Speaker: The question is:

“That the Bill further to amend the Companies Act, 1956, as reported by the Joint Committee, be taken into consideration.”

The motion was adopted.

Mr. Deputy-Speaker: We shall now take up clause-by-clause consideration of the Bill.

Clause 2—there are no amendments.

The question is:

“That clause 2 stand part of the Bill”.

The motion was adopted.

Clause 2 was added to the Bill.

Clause 3 was added to the Bill.

Mr. Deputy-Speaker: Clause 3A(New)—Amendment No. 55 stands in the name of Shri Morarka—he is

not here. So, that goes. Now, we take up clause 4—there are no amendments. The question is:

"That clause 4 stand part of the Bill".

The motion was adopted.

Clause 4 was added to the Bill.

Clause 5 was added to the Bill.

15 hrs.

Mr. Deputy-Speaker: The question is:

"That Clauses 6 and 7 stand part of the Bill".

The motion was adopted.

Clauses 6 and 7 were added to the Bill.

Clause 8— *insertion of new section 68A*

Shri Himatsingka (Godda): I shall just request the Finance Minister to consider whether we should retain clause (2) about fictitious name not being used. Will the provisions of sub-section (1) be prominently reproduced in every prospectus issued by the company and in every form of application? Will it not look ridiculous if these are publicised prominently as though it is a very common thing. Therefore, let the provisions be there, but I feel that sub-clause (2) should be dropped.

Shri T. T. Krishnamachari: It can stand. I do not think it will do any harm; I do not think it will detract from the reputation of any particular company.

Mr. Deputy-Speaker: The question is:

"Clause 8 stand part of the Bill".

Clause 8 was added to the Bill.

Mr. Deputy-Speaker: The question is:

"Clauses 9 and 10 stand part of the Bill".

Clauses 9 and 10 were added to the Bill.

Clause 11— *(Amendment of section 75)*

Shri N. Dandekar (Gonda): I beg to move:

Page 4—

for lines 28 to 34, substitute—

'(c) in sub-section (4),—

(i) before the existing proviso, the following proviso shall be inserted, namely:—

"Provided that in case of contravention of the proviso to clause (a) of sub-section (1), every such officer, and every promoter of the company who is guilty of the contravention shall be punishable with fine which may extend to five thousand rupees:"

(ii) in the existing proviso, after the word "Provided", the word "further" shall be inserted.' (2).

The reason for, or rather the nature, of the amendment is quite simple, namely, to retain the existing proviso. In other words, Clause 11, sub-clause (c), introduces a proviso and I accept that proviso altogether.

In the first part of my amendment I am suggesting that, before the existing proviso, the proposed proviso should be inserted. The second part of my amendment is to retain the existing proviso as it is in the Act. Now the existing proviso enables a company or any officer to whom extension of time is not allowed to go to the Court. That is in no way affected by the amendments which have been made by Clause 11, Section 75 of the Principal Act. Those amendments, namely, sub-clauses (a) and (b) of Clause 11 are excellent, particularly sub-clause (b), which enables the Registrar to give extension of time, if the time allowed is inadequate. He may, on application made in that

[Shri N. Dandekar.]

behalf by the company, whether before or after the expiry of the said period, extend that period as he thinks fit. Simultaneously it is proposed to delete the existing proviso to the effect that, in proper cases, if the company thought fit, it may go to a court against a decision of the Registrar and the reason given is that it is designed to save companies from the expenses involved in applying to a court. I do not understand why this should be deleted. There is no compulsion to go to the court. It is a valuable right that already exists. I virtually accept all that has been proposed in Clause 11 except this. I suggest that the existing proviso may remain. This is the object of my amendment.

Shri T. T. Krishnamachari. The purpose of omitting this particular sub-clause is nullified by the proposed amendment. It will mean that there will be a concurrent jurisdiction of Court along with Registrar.

Shri N. Dandekar: It is there already.

Shri T. T. Krishnamachari: The change has been made advisedly. Perhaps the hon. Member feels that, if the power is given only to the Registrar, it is likely to be abused. But he has not said it. We have seen from our experience in the past that, on many occasions, apart from the delay and the legal expenses involved in going to the court, the court has often imposed heavy penalties on the companies for the delay in filing documents.

Shri N. Dandekar: The company may go to the court. I am asking only for that to be retained.

Shri T. T. Krishnamachari: The position as has been envisaged now is more suitable for the purpose. I do not want to labour on this point because I have a brief. Apparently there is no meeting-ground on this matter.

Mr. Deputy-Speaker: I now put Amendment 2 to the House.

The amendment was negatived.

Mr. Deputy-Speaker: The question is:

"That Clause 11 stand part of the Bill".

The motion was adopted.

Clause 11 was added to the Bill.

Mr. Deputy-Speaker: The question is:

"That Clause 12 stand part of the Bill".

The motion was adopted.

Clause 12 was added to the Bill.

Clause 13—(Amendment of section 108).

Mr. Deputy-Speaker: Clause 13. Do hon. Members wish to move any amendments?

Shri N. Dandekar: I beg to move:

(i) Page 5, line 31,—
for "six" substitute "twelve". (3)

(ii) Page 5, line 33,—
for "two" substitute "four" (4).

(iii) Page 5, line 40,—
after "any person" insert—

"holding shares in a fiduciary capacity or". (5)

Shri K. C. Pant (Naini Tal): I beg to move:

Page 5,—

(i) line 26,—

for "obtainable from" substitute—
"and presented to";

(ii) line 27,—

for "who", substitute—

"before it is signed by or on behalf of the transferor and the prescribed authority";

(iii) line 28,—
for "issued", substitute—
"so presented";

(iv) lines 31 and 32,—
for "within six months from such date", substitute—

"at any time before the date on which the register of members is closed in accordance with law for the first time after the date of such presentation"; and

(v) lines 33 and 34,—
for "that date" substitute—
"the date of such presentation". (74).

Pages 5 and 6,—

for lines 35 to 41, and 1 to 3 respectively, substitute—

"(1B) Any instrument of transfer which is not in conformity with the provisions of subsection (1A) shall not be accepted by a company—

(a) in the case of shares dealt in or quoted on a recognised stock exchange, after the expiry of six months of the commencement of the Companies (Amendment) Act, 1965, or after the date on which the register of members is closed in accordance with law for the first time after such commencement, whichever is later;

(b) in any other case after the expiry of six months of such commencement.

(1C) The provisions of subsection (1A) shall not apply to any shares deposited by any person with—

(a) the State Bank of India;

(b) any scheduled bank; or

(c) such banking company (other than a scheduled bank) or financial institution as may be approved by the Central Government by notification in the Official Gazette,

by way of security for the repayment of any loan advanced to, or for the performance of any obligation undertaken by such person." (75).

Page 6, line 5,—

for "Company Law Board" substitute—

"Central Government". (77).

Page 6, line 6,—

for "the Board", substitute,—

"that Government". (78).

Page 6,—

for lines 9 to 12, substitute,—

"it may deem fit; and the number of extensions granted hereunder and the period of each such extension shall be shown in the annual report laid before the Houses of Parliament under section 638". (79).

Shri Himatsingka: I beg to move:

Page 5,—

for lines 26 to 34, substitute—

"(a) shall be in the prescribed form and shall, at any time prior to its execution by the transferor, be presented to the prescribed authority which shall stamp or otherwise endorse thereon the date on which it is presented; and

(b) shall be delivered to the company,—

(i) in the case of shares dealt in or quoted on a recog-

[Shri Himatsingka]

nised stock exchange, before the register of members is closed or a record of members is taken for the first-time after such date for determining the names of members to whom dividend is to be paid or new shares are to be offered or allotted:

Provided that when the register of members is not closed or a record of members is not taken as aforesaid during any financial year, the instrument of transfer shall be delivered to the company within forty-two days from the day on which the annual general meeting in respect of such financial year is held:

Provided further that the period available for delivering the instrument of transfer to the company shall not in any event be less than two months;

- (ii) in any other case, within two months from that date." (73).

Shri Himatsingka: I beg to move: Page 5,—

for lines 35 to 38, substitute—

"(1B) Any instrument of transfer which is not in conformity with the provisions of sub-section (1A) shall not be accepted by a company after the expiry of the period prescribed in the said sub-section or the expiry of six months of the coming into force of the companies (Amendment) Act, 1965 whichever is later." (76).

Mr. Deputy-Speaker: The amendments and the Clause are now before the House.

Shri T. T. Krishnamachari: I am willing to accept 74, 75, 77, 78 and 79.

Shri N. Dandekar: The amendments that I have, Nos. 3 and 4, go together. No. 5 is a separate one. The purpose of 3 and 4 is quite simple. I accept entirely the object of this Clause, namely, that wide scale use of blank transfers as instruments of transfer of shares ought not to be allowed. It leads to abuse of all kinds, not the least of which is in the field of taxation.

Amendments Nos. 3 and 4 that I have moved are very simple. While accepting the principle of the proposed clause 13, all that I am suggesting is that—and that is entirely for practical reasons which I shall presently mention—the share transfers on the prescribed form shall be delivered to the company in the case of shares dealt in or quoted on a recognised stock exchange within a period of 12 months instead of six months as in the proposed provision, and similarly that in any other case, namely shares not dealt in or quoted on the stock exchange, the time-limit should be four months instead of two months.

The reason for the first extension period that I have suggested is this. While I agree that blank transfers ought to be frowned upon and brought down as rapidly as possible, one must not ignore the fact that the position as it prevails in the stock markets today, if loaded with a short time-limit for the registration of transfers, would reduce greatly the liquidity of stock exchange transactions and share markets and so on, and consequently, the period ought to be, at any rate while we are taking this as a new thing, twelve months. In regard to the other case where shares are not quoted on the stock exchange, I suggest that the period of two months is exceedingly small. The people are scattered all over the country and it does take a good deal of time to buy shares and to get them from a stock-broker and to send them back again with signatures or with one thing or

another and to get them registered with companies. I have known, in administering the estate of a minor which I am doing, that with the greatest attempt at promptitude, it takes something like three months between the time that I can acquire the shares and get them transferred; particularly, if I happen to buy shares in Poona on the stock exchange at Calcutta, it takes a good deal of time. Therefore, I suggest that the period of two months is far too inadequate and it should be made four months.

Amendment No. 5 is of a different character altogether. It is concerned with the exemptions from this provision, if the share transfers are deposited with certain institutions as provided in this clause. The clause at present reads:

"The provisions of sub-section (1A) shall not apply to any person depositing any shares with the State Bank of India or any scheduled bank or financial institution approved by the Company Law Board by notification in the Official Gazette, by way of security for the repayment of any loan advanced to, or the performance of any obligation undertaken by, such person."

That is the present exemption, and that is a perfectly good clause. I am suggesting the addition in the second line at that page, that is, in line 40, of the words that these provisions shall not apply to any person holding the shares in a fiduciary capacity. I personally hold a large number of shares in a fiduciary capacity for a particular family, the head of which family is a minor. The company law does not recognise trustee holdings. The company law only recognises a particular person as the owner of the particular family, the head of which names the shares are registered. Consequently, in the management of trust estates—I am also the managing trustee of a small charitable trust—one is compelled to hold these shares in one's own name. I do not hold them with blank transfers, but one is compelled to hold these shares in

one's own name. But as a fiduciary matter *vis-a-vis* the trust or *vis-a-vis* the minor,—whoever is the beneficiary of the trust,—one has to put on record there a blank transfer signed by me in favour of the successor trustee, whoever he may be, so that in the event of my death, the thing does not get cluttered up, or in the event of something else happening to me, the thing does not get cluttered up, and my successor trustee or the manager of the estate, as the case may be, can get those shares transferred back to his name. It is also one of the ways in which honest fiduciary management of estates can be secured, and I have, therefore, suggested that holding shares in a fiduciary capacity in blank transfers ought to be one of the exempted cases, for the simple reason that—not that I want it, but for the simple reason that—the companies would not recognise trusts. Under the company law, you cannot register shares in the name of so-and-o trustee; you can only register shares in the name of so-and-so, and if that so-and-so is managing the affairs in a fiduciary capacity, it is right and proper that he should execute a blank transfer and leave it there along with the shares so that his successor, in the event of anything happening to him, is in a position to take over those shares. That is all that I have to say.

Shri Himatsingka: My purpose has been served by the acceptance by the Finance Minister of the other amendments which he has mentioned.

Shri Prabhat Kar (Hooghly): So far as the amendments moved by Shri N. Dandekar are concerned, firstly with regard to the question of extending the time-limit in regard to blank transfers, I would submit that extending it to 12 months is not necessary. The period provided in the Bill is six months, but that has now been changed by the acceptance of amendment No. 74, and the provision will now read:

"at any time before the date on which the register of members is closed in accordance with law for

[Shri Prabhat Kar]

the first time after the date of such presentation.”.

To that extent, the period is extended. That is, till the register of members of the company is closed. My hon. friend Shri N. Dandekar wanted that the period should be twelve months. By the amendment now accepted by the Finance Minister, the period has been extended till the books of the company are closed, and so, his suggestion is covered to a certain extent, though not completely. I do not know, however, why the Finance Minister is accepting this position.

Shri N. Dandekar has pointed out that there are difficulties in getting the shares registered with the company concerned and so on. I do not think that that position is correct. Once the shares are purchased, they are purchased with the transfer deeds; otherwise, the stock cannot be delivered; along with the transfer deeds, the shares have to be sent the next day for registration and then they are lodged with the company. Once they are lodged with the company, I think they would be covered, including shares that have been sent for registration.

My hon. friend has raised the question of delay in regard to a Poona share being purchased on the Calcutta stock exchange, that is to say, the shares of a Poona company being purchased on the Calcutta stock exchange. I personally feel that there would not be much difficulty in regard to that.

Then, under proposed sub-section (1D) of section 108, I find that the Central Government or the Company Law Board will have power to grant extensions. So, that power is already there. So, if there are any genuine cases where such extension is required, the Central Government have the power to extend the period.

So far as blank transfers are concerned, with my little experience, I might point out that this is one of the

ways of perpetuating the malpractices of the companies which are continuing to hold shares by blank transfers. We have often referred here to the malpractices indulged in by companies and we have been wanting to put a stop to such malpractices. Therefore, I feel that a time-limit is necessary. From this point of view, I do not understand why even six months should be given. Even that period, according to me, is a long period. A genuine purchaser, unless it be that he wants to speculate and secure some advantage with a view to boost up the shares of a particular company or a railway, would immediately after the purchase of the shares send the instruments of transfer and have the shares registered in his name. So, I should like to submit that there is no reason for any delay in this regard, unless it be that the investor has got something else in his mind. Therefore, I would suggest that the provision should be retained as it stands in the Bill. In view of the special power by which the Central Government can extend the time-limit, I feel that there is no cause for anxiety on the ground that there would be any kind of difficulties to anybody.

Shri T. T. Krishnamachari: The amendments Nos. 3 and 4 moved by my hon. friend Shri N. Dandekar are for extension of time, with which I am not in agreement. But we have made a substantial change, to which my hon. friend who has spoken before me has objected, by accepting amendment No. 74, which has been moved by my hon. friend Shri K. C. Pant. Instead of the phrase 'within six months from such date', this amendment will substitute the words:

“at any time before the date on which the register of members is closed in accordance with law for the first time after the date of such presentation.”.

That certainly gives a longer time in special cases. This is the view, I think,

of some of the people who have an objective view of the working of the stock exchange. That is why Government are prepared to accept this amendment No. 74.

The other amendment, namely amendment No. 75 which I am accepting is really clarificatory in nature. It re-states the position in a clearer form.

In regard to amendment No. 5, I really cannot quite comprehend what purpose is going to be served by that. For, if it is a question of a trustee, as the hon. Member himself has recognised, a trust is not recognised in the company law, and the thing has got to be registered in the name of the trustee in his personal name. If there should be any difficulty, it could be got over by the person holding the shares in a fiduciary capacity getting the shares registered within the stipulated period. If he has any difficulty, it is open to him to approach the Central Government for extension of time for the purpose of registration. So I do not see the need for this particular amendment.

I am sorry I am unable to accept amendments Nos. 3 to 5. As I said before, I will accept amendments Nos. 74, 75, 77, 78 and 79.

Shri N. Dandekar: I seek leave of the House to withdraw my amendments Nos. 3 to 5.

Amendments Nos. 3 to 5 were, by leave, withdrawn.

Mr. Deputy-Speaker: The question is:

(1) Page 5,—

(i) line 26,—

for "obtainable from", substitute—

"and presented to";

(ii) line 27,—

for "who", substitute—

"before it is signed by or on

behalf of the transferor and the prescribed authority";

(iii) line 28,—

for "issued", substitute—

"so presented";

(iv) lines 31 and 32,—

for "within six months from such date", substitute—

"at any time before the date on which the register of members is closed in accordance with law for the first time after the date of such presentation"; and

(v) lines 33 and 34,—

for "that date" substitute—

"the date of such presentation".
(74).

(2) Pages 5 and 6,—

for lines 35 to 41, and 1 to 3 respectively, substitute—

"(IB) Any instrument of transfer which is not in conformity with the provisions of sub-section (IA) shall not be accepted by a company—

(a) in the case of shares dealt in or quoted on a recognised stock exchange, after the expiry of six months of the commencement of the Companies (Amendment) Act, 1965, or after the date on which the register of members is closed in accordance with law for the first time after such commencement, whichever is later;

(b) in any other case after the expiry of six months of such commencement.

(IC) The provisions of sub-section (IA) shall not apply to any shares deposited by any person with—

(a) the State Bank of India;

(b) any scheduled bank; or

(c) such banking company (other than a scheduled bank) or financial institution as may be approved by the Central Government by notification in the Official Gazette, by way of security for the repayment of any loan advanced to, or for the performance of

[Mr. Deputy-Speaker]
any obligation undertaken by, such person." (75)

(3) Page 6, line 5,—

for "Company Law Board", substitute—

"Central Government." (77).

(4) Page 6, line 6,—

for "the Board", substitute—

"that Government". (78)

(5) Page 6,—

for lines 9 to 12, substitute—

"it may deem fit; and the number of extensions granted hereunder and the period of each such extension shall be shown in the annual report laid before the Houses of Parliament under section 638". (79).

The motion was adopted.

Shri Himatsingka: I seek leave of the House to withdraw my amendments Nos. 73 and 76.

Amendments No. 73 and 76 were, by leave, withdrawn.

Mr. Deputy-Speaker: The question is:

"That clause 13, as amended, stand part of the Bill."

The motion was adopted.

Clause 13, as amended, was added to the Bill.

Clause 14 was added to the Bill.

Clause 15— (Amendment of section 149).

Shri K. C. Pant: I beg to move:

(i) Page 6, line 40,—after "clause (1)", insert—"or, as the case may be, sub-section (2B)". (81).

(ii) Page 7, line 20, for "Company Law Board", substitute—"Central Government." (82).

Shri T. T. Krishnamachari: I accept both these amendments.

Shrimati Renu Chakravartty: Barrackpore): What is happening to TTK? He is accepting all of Sari Pant's amendments. It has been arranged or what?

Shri T. T. Krishnamachari: They are clarificatory—most of them.

Mr. Deputy-Speaker: The question is:

(i) Page 6, line 40,—after "clause (1)", insert—"or, as the case may be, sub-section (2B)". (81).

(ii) Page 7, line 20,—for "Company Law Board", substitute—"Central Government". (82).

The motion was adopted.

Mr. Deputy-Speaker: The question is:

"That Clause 15, as amended, stand part of the Bill."

The motion was adopted.

Clause 15, as amended, was added to the Bill.

Clauses 16 to 19 were added to the Bill.

Clause 20— (Amendment of sec. 209)

Shri N. Dandekar: I beg to move:

Page 8,—omit lines 36 and 37. (6).

Page 8,—after line 37, insert—"Provided that no inspection shall be made by the Registrar unless he is of opinion recorded by him in writing that sufficient cause exists for such inspection". (7).

Page 9, line 1,—after "Provided", insert "further". (9).

Page 9, line 23,—after "entry" insert—"for an amount exceeding one thousand rupees". (10).

Page 9, line 30,—after "bankers" insert "auditors". (11).

Shri K. C. Pant: I beg to move:

Page 8,—for lines 23 and 24, substitute— manufacturing or mining activities, such particulars relating to utilisation of material or labour or to other items; of cost as may be". (83).

Shri V. B. Gandhi: I beg to move:
Page 9,—omit lines 1 to 3. (8).

Mr. Deputy-Speaker: These amendments and the clause are before the House.

Shri N. Dandekar: The first amendment I have moved concerns the deletion of lines 36 and 37 in cl. 20(b). This clause says that the books of accounts and other books and papers shall be open to inspection during business hours by the Registrar and by any officer of government authorised by the Central Government in this behalf. I am suggesting that inspections ought to be by the Registrar as this business of letting loose a'll kinds of people who may be authorised to look into these things would not, I think, be proper. The proper ground level officer for the administration of the company law here is the Registrar. I am quite clear in my mind that the Registrar ought to have the power to inspect, but that nobody else should be running round and making inspections.

The next amendment, No. 7, is for the restoration of a proviso which was in the Bill before it was amended by the Joint Committee. I would take leave of the House to draw attention to that proviso which was a reasonable and necessary one:

"Provided that no such inspection shall be made by the Registrar or such officer unless he is of opinion that sufficient cause exists for such inspection".

What I have suggested is the restoration of that proviso—Provided that no inspection shall be made by the Registrar unless he is of opinion recorded

by him in writing that sufficient cause exists for such inspection.

I agree the books of accounts of companies ought to be open for inspection by an appropriate officer named of the Central Government, in this case the Registrar. But I do suggest that it ought not to be a matter of whim and fancy, for no reason at all, and—if the previous amendment is not accepted—any officer authorised by Government should not be running all over the premises of a company looking into its papers. He ought at least in his own office record some reasons why he wants to make such inspection. That is why I have suggested in my amendment for good reason and for clear, and if I may say so, above-board working of the department in the matter of inspection, that there ought to be this proviso that no inspection shall be made by the Registrar unless he is of opinion recorded by him in writing that sufficient cause exists for such inspection. This proviso was there in the original Bill. I am perfectly certain that the company law people had put it in for good reason and I think it is bad reason which deletes it.

Amendment No. 9 is merely consequential. The proviso at page 9 would, if my amendment were accepted, become a further proviso. Hence this small verbal change "provided further that any such inspection may be made without giving any previous notice to the company or any officer thereof".

I want to pause on that to reiterate that I agree that inspection should be possible by an officer of the company law administration. I agree that in regard to such inspection they need not given notice; otherwise it becomes pointless; inspection; if anything is wrong, people get them right and hoodwink the officer. Conceding these two things, I have suggested reinsertion of the proviso, which is a perfectly reasonable one and which would

[Shri N. Dandekar]

prevent the officer from acting arbitrarily on his whims and fancies. He ought at any rate, within the precincts of his office, record some good reasons why he wants to inspect the records of a company.

I go on to amendments Nos. 10 and 11. Amendment No. 10 is concerned with a small but important amendment, that is to say, at page 9, line 23, after, "entry" insert "for an amount exceeding one thousand rupees." All these amendments concern Sec. 209 of the principal Act, the section dealing with accounts and books and vouchers and so on of a company, how they are to be kept, how long they are to be kept and so forth. Those are very proper provisions and among these provisions is a provision that these books of accounts and vouchers and papers should be kept for a period of 8 years preceding any particular current year in question, that is to say, altogether a period of 8 to 9 years. I am suggesting that a small amendment is necessary, that is, that the vouchers relating to any entry should relate to an amount exceeding Rs. 1000 in such books of accounts. In other words, what I am submitting is that no company could reasonably be expected or required to keep for a period of 8-9 years all petty little vouchers of 10P or 15P—there could be such vouchers, of petty amounts like Rs. 2.13 and so on. In the case of large companies—and one hopes that our companies will grow larger and larger; we are not going to remain in a state where our little-scale industries and middle-scale industries are going to continue to remain petty little industries; I have every hope that our industrial growth will be such that companies will grow larger and larger. In the case of these large companies is it reasonable to expect, is it proper to expect that all vouchers ought properly to be kept for a period of 8 years irrespective of the amount of the entry in the books to which such vouchers relate? My amendment requires only this, that

the obligation to keep vouchers should be limited to some reasonable amount for which the voucher is made, and I therefore suggested that vouchers relevant to any entry for an amount exceeding Rs. 1000 in such books of accounting may be required to keep. That explains the rationale of the amendment that I have moved.

Amendment No. 11 is an altogether different thing. The section in the Act sought to be amended is section 209(6). Sub-section (5) of this section casts a certain duty upon people which I think is important, and therefore I read it. It says:

"If any of the persons referred to in sub-section (6) fails to take all reasonable steps to secure compliance by the company with the requirements of this section, or has by his own wilful act he shall . . . be punishable with fine . . ."

Then follows the definition of the persons so responsible. The definition in sub-section (6) is:

"The persons referred to in sub-section (5) . . . i.e., persons responsible who can be penalised and sent to jail—

"...are the following, namely:—

- (a) where the company has a managing agent or secretaries and treasurers, such managing agent or secretaries and treasurers;"

—a perfectly sound one, to which now this sub-clause (d) of Clause 20 of this Bill seeks to add the following additional officers:

"and all officers and other employees and agents as defined in sub-section (6) of section 240 but excluding bankers and legal advisers . . ."

My amendment seeks also to exclude auditors. Auditors are not servants of the company. They are statutory

officers of the company who function under statute, whose powers and obligations are there under statute, and they can by no stretch of imagination be regarded as agents of anybody, much less of the company or employees of the company in the sense in which it is here intended to fix upon them the responsibility for the proper keeping of accounts, custody of account books and so on. The Joint Committee quite rightly added "but excluding bankers and legal advisers". I am suggesting that the exclusion should also extend to the auditors, because neither bankers nor legal advisers nor auditors can be properly called officers or employees of the company in the sense in which it is intended in this particular section.

Shri K. C. Pant rose—

Shri T. T. Krishnamachari: I am accepting his amendment.

Mr. Deputy-Speaker: No speech is necessary then.

Shri V. B. Gandhi: Nobody can object to inspection of books of accounts by the Registrar, but it becomes a rather unfair proposition when it is provided that the inspection can be made without giving previous notice to the company, and also that inspection can be made without requiring that in the Registrar's opinion there is sufficient cause for such inspection. In the original Bill as drafted by the Government, both these provisos were there. If both these provisos could be included, we need have no objection. Since the first proviso has already been deleted by the Joint Committee, I would like to see the second proviso, would like to see the second proviso, that is to say the right given to the Registrar to inspect books without giving previous notice to the company, also omitted.

Shri T. T. Krishnamachari: I am prepared to accept Amendment No. 11 also of Shri Dandekar.

As I already said, I am accepting Amendment No. 83.

In regard to the other amendments of Shri Dandekar, of course Amendment No. 9 is only consequential; Amendments 6 and 7 I am unable to accept.

He has himself provided the answer to the amendment of Shri V. B. Gandhi. What is sought to be done is that the inspection should be something which is a routine one. Therefore, it need not be reported that the Registrar inspected the company and therefore the company is in a bad way. The Registrar can normally go and inspect. As Shri Dandekar himself has mentioned, if the Registrar inspects for any particular purpose, then, if he gives notice, all the relevant records would have evaporated. Two things are sought to be provided. It is like what we do in the Reserve Bank. Inspection of scheduled banks is a normal process. There is nothing which is objectionable so far as that is concerned, and if they go and inspect a bank, there need not be a run. It may very well be that they go and inspect because they have got some information. Both things are possible here. Therefore, I am unable to accept the other amendments of Shri Dandekar.

Shri Himatsingka: What about vouchers?

Shri T. T. Krishnamachari: If we put a limit, how to tally the books if the vouchers have all gone? The hon. Member is a person who knows business and I suppose he has not had to undertake what I had to do as stock book-keeping. When you keep books, you have to total up the amounts of vouchers. If you take a few stray ones, they can also say that they do not know, they do not preserve, they are not above Rs. 1,000. Or, a man can make ten vouchers of Rs. 100 each, it is not very difficult. Oftentimes in Government we see it. I have said that licences issued above Rs. 75,000 should be sent to the Minister for him to see, and some clerk asks people to apply for four licences of Rs. 74,000 so that the Minister will not see them.

[Shri T. T. Krishnamachari]

That has happened, I know it. Sometimes you find out that it is all Rs. 74,000, strictly according to law. Maybe, it may not be necessary in normal cases, but once you make a provision like that, you cannot really tally the books.

Shri N. Dandekar: I am pressing Amendment No. 10. The others I withdraw.

Mr. Deputy-Speaker: Has the hon. Member leave of the House to withdraw his amendments Nos. 6, 7 and 9?

Hon. Members: Yes.
Amendments Nos. 6, 7 and 9 were by leave withdrawn.

Shri V. B. Gandhi: I do not press my amendment.

Mr. Deputy-Speaker: Has he the leave of the House to withdraw his Amendment No. 8?

Hon. Members: Yes.
Amendment No. 8 was by leave withdrawn.

Mr. Deputy-Speaker: I put Amendment No. 10 to the House.

The amendment was put and negatived.

Mr. Deputy-Speaker: The question is:

Page 9, line 30,—

after "bankers" insert "auditors".
(11).

The amendment was adopted.

Mr. Deputy-Speaker: The question is:

Page 8,—

for lines 23 and 24, substitute—

"manufacturing or mining activities, such particulars relating to utilisation of material or labour or to other items of cost as may be" (83)

The amendment was adopted.

Mr. Deputy-Speaker: The question is:

"That clause 20, as amended,

part of the Bill."

The motion was adopted

Clause 20, as amended, was added to the Bill.

Clause 21— (Amendment of section 227).

Mr. Deputy-Speaker: We take up clause 21. Are there any amendments?

Shri N. Dandekar: Sir, I have an amendment No. 21. I beg to move:

Pages 10 and 11,—

omit lines 31 to 40, and 1 to 4 respectively. (12).

Clause 21 seeks to amend section 227 of the principal Act which is among the more important sections of the Act which prescribes the powers and duties of auditors. The auditor is a statutory officer and the earlier section says that the auditor shall be one who has been a qualified member of the Institute of Chartered Accountants and so on. The present section 227(1) gives the powers of the auditor and the subsection proposed to be inserted, namely, clause 21 (a) (IA) goes on to prescribe a number of duties and obligations for specific matters which the auditor has to look into. This matter was subjected to a good deal of discussion in the Joint Committee and that is a clause to which I have myself assented. But when we come to sub-clause (b), there is another kind of requirement and it is to the effect that the Central Government may, by general or special order, direct that in the case of such class or description of companies as may be specified in the order, the auditor's report shall also include a statement on such matters as may be specified therein. In the first place, although I am sure you will rule me out as irrelevant, I feel that this particular clause is *ultra vires*. It confers upon the Central Government the power to legislate. The rights and duties of an auditor, who is a statutory officer, are statutorily specified in the earlier provision and in this sub-clause Government assumes

power to ask the auditor to say that the auditor must also do this. Therefore, sub-section (b) of clause 21 is one that confers upon the Central Government power to legislate about the duties and obligations of a statutory officer which I suggest ought to be laid down in the statute and so I think it is *ultra vires*. But the Speaker has held that this is a contention that has to be taken up, after the law is passed, in a court of law by somebody who is concerned with it and get the thing struck down. I am now talking of the merits. In principle it is wrong to give virtually legislative powers to the Government, to the administration to go on and on, in this particular case, prescribing duties and obligations of auditors by a general or special order and go on directing whatever they wish to direct.

The proviso to it is even more curious. It is designed to throw dust into the eyes of everybody. It says that 'provided that before making any such order the Central Government may consult the Institute of Chartered Accountants of India constituted under the Chartered Accountants Act in regard to the class or description of companies and other ancillary matters proposed to be specified therein unless the Government decides that such consultation is not necessary or expedient in the circumstances of the case.' The Central Government may consult. It is bad enough; it need not consult. But it goes further and says 'unless the Government decides that such consultation is not necessary or expedient in the circumstances of the case. I say that the whole thing is totally wrong. Apart from being *ultra vires*, I submit it is wrong in principle. My amendment is therefore designed to delete the whole of that from line 31 on page 10, to line 4 on page 11.

Shri Yashpal Singh (Kairana): Sir, on a point of order, there is no quorum.

Mr. Deputy-Speaker: Let the Bell be rung—there is no quorum.

Shri T. T. Krishnamachari: This particular provision has a history behind it. In the evidence, the auditors' representatives made this point and I had consultations with them and it is after consultation with them that this proviso was devised and put in. So much so Government does not do anything without giving these people notice. Naturally, there are certain saving clauses because, maybe, in a very small matter where you do not think it necessary, Government might have done something without consulting them and therefore, Government order should not be vitiated. That is why, the word 'may' is there and the saving clause is put in. Maybe, the hon. Member who knows the members of the profession, I think he is an auditor, might feel differently but this is something which we have devised after discussion with the concerned people. Therefore, I am not prepared to accept the elimination of this particular provision.

Mr. Deputy Speaker: I shall put amendment No. 12 to the vote of the House.

The Amendment No. 12 was put and negatived.

Mr. Deputy-Speaker: The question is:

"That clause 21 stand part of the Bill."

The motion was adopted.

Clause 21 was added to the Bill.

Clause 22 was added to the Bill.

Clause 23.—(Insertion of new section 233B).

Mr. Deputy-Speaker: We shall now take up clause 23. Are any amendments moved?

Shri Sham Lal Saraf: I am moving my amendments Nos. 47 and 49, I beg to move:

(i) Page 11, lines 15 and 16,—

for "by an auditor who shall be either", substitute—"normally by". (47)

(ii) Page 11, line 17,—

after "or", insert—

"with the special permission of Central Government by". (49)

Shri K. C. Pant: I beg to move:

Page 11,—for lines 10 to 14, substitute—

"233B. (1) Where in the opinion of the Central Government it is necessary so to do in relation to any company required under clause (d) of sub-section (1) of section 209 to include in its books of account the particulars referred to therein, the Central Government may, by order, direct that an audit of cost accounts of the company shall be conducted—". (84)

Shri V. B. Gandhi: I beg to move:

(i) Page 11, lines 17 to 20,—

for "or any such chartered accountant within the meaning of the Chartered Accountants Act, 1949, or other person, as possesses the prescribed qualifications", substitute—

"or any other person who possesses such qualifications as may be prescribed from time to time". (41)

(ii) Page 11, line 31,—

for "his", substitute "a confidential". (42)

(iii) Page 11, line 34,—

after "the", insert "directors of the". (43)

Shrimati Renu Chakravarty: Is amendment No. 48 not moved?

Mr. Deputy-Speaker: 41 is the same as 48.

Shri T. T. Krishnamachari: I am accepting 84.

Mr. Deputy-Speaker: These amendments to clause 23 are before the House.

Shri Sham Lal Saraf: Sir, I have moved two amendments. Mine are simple amendments which convey the same meaning. It is to my mind very important. According to the construction of this section, I feel that the cost accountants and chartered accounts have been equated in a way. It is not correct. That is why I have tabled these amendments.

My amendment reads as follows:

Page 11, lines 15 and 16, for "by an auditor who shall be either, substitute "normally by,"

In actual practice, the work done by these cost accountants is different from that done by the financial auditors. The cost accountants at the moment have to see, in this present developmental stage or developing stage of our economy, particularly our industry, that whatever is invested in whatever form—plant, machinery, raw material, power or anything else in a manufacturing unit or a factory—gets an optimum return. I think it is a work of a specialised nature. As far as financial auditing is concerned, that should be a different job, and that is in regard to accounting. Keeping that in view and also conscious of the fact, as I am, that cost accountants may not be available to the extent needed, the clause may be amended in the light of the suggestions made by me. Of course, the need for more cost accountants will arise after this measure is passed into law. But for that matter, as is mentioned in the clause, the qualifications are prescribed for the Chartered Accountants, or "any other person as possesses the prescribed qualifications." Those persons who possess the prescribed qualifications should know something about cost ac-

counting. Therefore, this work should be entrusted to the cost accountants. If that is done, that will serve my purpose.

The clause, as it is worded, reads, towards the end, "within the meaning of the Chartered Accountants Act, 1949, or other person, as possesses the prescribed qualifications." About that also, I may say that the qualifications may be prescribed from time to time, and it is for the Government to prescribe those qualifications. Keeping these points in view, I hope the hon. Finance Minister will accept these amendments of mine which are minor amendments and are quite simple but which have a very deep meaning.

Shri V. B. Gandhi: My amendment No. 41 makes only some changes in phraseology. It means that the wording of the clause will be less involved and more direct. I hope it will be acceptable to the hon. Finance Minister.

In my amendment Nos. 42 and 43, I have suggested that the report of the cost accountants shall be a kind of confidential report. I suppose normally these reports are confidential reports. But I would, for the sake of a good measure, put it in so many words that they should be a confidential record. Also, this report should be made not to the company but should be made to the Board of Directors. I have a feeling,—I do not know,—that there is something implicit in the relationship between the shareholders and the company that any report made to the company probably is a report of which the shareholders would be entitled to have a copy. I do not know, but there are fears at present entertained by companies that there would be a divulgence of certain vital matters of the company when the cost audit is introduced; these fears are both genuine and legitimate. In order to avoid any risk on that score. I would suggest that my amendments may be accepted.

15-55 hrs.

[DR. SAROJINI MAHISHI in the Chair]

Shrimati Renu Chakravarty: I want to support Shri Sham Lal Saraf in what he said about permitting financial auditors to audit where the cost accountants are not available. I also agree with Shri Dandekar in his plea that in a situation where we have very few cost accountants it is rather necessary for us to have something for the interim period. Shri Saraf has very clearly pointed out that cost accountants are very, very necessary, not only from the point of view of increasing the efficiency of an organisation, but also, I think, from our point of view, to really find out what is the cost structure, and what exactly is the pricing policy. In a situation where many of our organisations are going in for modernisation and rationalisation it is necessary to find out whether it is really necessary and whether it will be really paying. From these points of view, it is quite obvious that cost accountants are very necessary.

I remember also the occasion when we were debating about one of the public sector organisations. At that time, one of the Ministers was very insistent and said that he found constantly that the difference between the project cost in plan as it was originally envisaged and the actual financial position which was later on revealed, had increased to such an extent was so big that it has become very necessary for us to have a proper cost accountability. The hon. Finance Minister has also pointed out this feature. But when we come to the new amendment introduced here, we find that we are giving powers to the Government to permit, by executive order, the chartered accountants to come in to do the work of cost accounting. It is true that there is a shortage. I think we have just about a thousand or 1,500 cost accountants in this country. When we started we had very few auditors. Now, if we allow sufficient scope and create opportunities for cost accountants, they will also after a short period of time, increase in numbers and we will have a number of practising cost

[Shrimati Renu Chakravartty]
 accountants and their volume of work and their numbers will grow appreciably in no time. Actually, in the interim period, what should we do? That is the point.

One proposal has been made by Shri Sham Lal Saraf, that normally we should not allow creditors to do work of cost accountants. But I would like to say that when we put this clause in, we should also say something that if such a notification is made, we should have also a proviso laying down a time-limit specifying clearly the period when the chartered accountants are allowed to be called to do the work of cost accountants. It should not be a blanket period of time. We should not leave it open for all time. It should be a very specific period; the period should be specified. (*Interruption*). That is a period till we get enough cost accountants. The hon. Member Shri Saraf has introduced the word "normally". I support it. But I do feel that it is very necessary that we should specify and be very clear in our minds that what we legislate now is for the interim period. Maybe we could find out whether it is possible to make a suggestion to the Chairman of the Company Law Board to amend the Cost and Works Accountants Act, 1959, to permit the cost accountants who are wholtime salaried employees to practise as part-time cost auditors in a period of time when we are short of cost accountants. We could do some such thing, but it would be wrong, according to me, if we should leave the door wide open where auditors would really be doing the work of cost accountants. Neither shall we be giving sufficient scope to the growth of cost accountants nor shall we be actually having a proper measure of the managerial skill in respect of the actual pricing policy or efficiency of an organisation.

There is no reason to believe that there will be a long delay between cost audit and financial audit. They can go on simultaneously. But as Shri

Dandeker said, it would be difficult for the smaller companies to fulfil the provisions of cost accounting. It is true that smaller companies do not keep all the records in the way which cost auditing would want us to maintain them. They may not come up to the required standard, at first but once we start this auditing of cost accounts, it becomes obligatory these records will surely get more and more perfected, as also auditing records were in course of time. So, I urge upon the Minister to see that this clause should only be specified as an interim measure and that we should so modify it in the way suggested by Shri Saraf, or, when we issue a notification, it should have a very specific time-limit during which time we should permit auditors to work as accountants, and we should do everything to encourage the cost accountants to come up in large numbers, to increase their efficiency and thus the efficiency of our industries

16 hrs.

Shri N. Dandeker: Mr. Chairman, I am opposing the clause as a whole. The object of the clause as to who will do the audit, how it will be conducted and so on, is clearly stated in the first few sentences:

"Where in the opinion of the Central Government it is necessary to do so in relation to any company engaged in production, processing, manufacturing or mining activities—that would probably include 80 to 90 per cent of the companies in this country—the Central Government may, by general or special order, direct that an audit of cost accounts of the company shall be conducted in such manner as may be specified in the order" etc.

I want to submit that I have written a brief note on this in the Joint Committee Report already. Nevertheless, for the benefit of those who may not have had the time to go through it and give some thought to this very

important and difficult problem, I would like to reiterate my objections to this clause.

In the first place, I do submit that this is putting the cart before the horse. Cost accounting in any sophisticated sense—and it is only if there is a sophisticated system of cost accounting that one can talk about its audit—presupposes an industrial development at a considerably advanced stage. I remember myself when some 38 years ago, I was an article clerk in England in a firm of chartered accountants and qualified as a chartered accountant, cost accountancy even in England was in its infancy. There was only one company whose audit we did as financial auditors, who had in fact any system of cost accounting worth calling by that name. They, of course, had some kind of cost records, because no one can go on in a manufacturing business without something of that kind.

Today in this country I suppose it would be reasonable to assume that we are somewhere near the stage of industrial development that was then in England some 35 years ago. It is a characteristic of a really advanced stage of industrial development that you have a system of cost accounting that can be properly so called. Indeed, all these sophisticated developments of cost accounting and cost audit—the various ways of ascertaining costs depending upon the purpose for which you are ascertaining it—are a matter of the post-war era. I would like to explain that, because it is not as if there is any such absolute thing as the cost of a product. Supposing I am concerned with the production costs or works costs or sales costs or overall costs; there will be a different basis which is relevant for that particular cost. Suppose I am concerned with a competitive situation where my competitors appear to be undercutting me, though my product appears to be as good as theirs, there is another basis of costing with

reference to which you can judge whether I can or cannot reduce my price structure, so that what I lose by the swing, I get by the round-about by increased turnover. There are a whole system of allocations of departmental overheads. There are various types of overheads—overall overheads and so on. The cost accountants themselves differ as to the basis of allocation of overheads, whatever be the type. I do not know of two cost accountants who will agree on the basis of allocation of a departmental overhead. For instance, I do not know of two cost accountants who will admit whether sales overhead is an overhead cost at all in the matter of determination of the selling price or whether advertisement is an overhead cost directly chargeable to sales or it is an administrative overhead and so on. There are hundreds of questions like that. If we are going to let loose cost accounting audit with all these tremendous differences of opinion in a situation where we are just trying to get ahead with industrial development, I submit we shall be doing neither any service to the accountancy professions—whether it is cost accountancy or chartered accountancy profession does not for a moment concern me—nor any service to the companies themselves, which is the main object of this clause.

I would like to go further and suggest that this is just the way by which precisely those companies that are well managed will be penalised. When you have a statutory audit of this kind, it is impossible to keep the results of that audit confidential, notwithstanding to whom the report is submitted. Somebody suggested it should be made to the directors or to the company law administration. It does not matter to whom it is submitted. I have been an examiner in cost accountancy for M. Com. and one of the ways to judge a man's capacity as cost accountant is to see whether he is aware that there are 10 different ways of allocating overheads. There is no absolute way whatsoever that is

[Shri N. Dandekar]

necessarily correct for any particular reason.

So, this clause is going to penalise precisely those companies who have a good system of cost accounting, because it does not matter to whom the audit report is submitted. So long as it is a statutory report required by law to be made by an officer appointed by the company and whom the company is paying, any shareholder of the company is entitled to have a copy of that report and nothing can stop him. He can go to the court and compel a report of that kind to be given to him. I know what the consequences are going to be, that in this country when we are just getting a better development of technical and managerial personnel, better development of accountability and cost accounting, a better development of management accounting in particular, you are going to have a state of affairs in which you will be penalising the best of companies by disclosures of the facts and circumstances relating to their costs. I very strongly feel that this is a retrograde measure. I know of no country in which the audit of cost accounting is compulsory. Obviously, the cost accountants have done a fairly effective bit of lobbying. I am a chartered accountant and therefore, I have deliberately refrained from speaking about the validity of confining this cost accounting audit to the cost accountants or spreading it to chartered accountants or anybody who in the opinion of the Central Government possesses the necessary qualifications, as the clause puts it. I will not go into that deliberately, but I would submit that the whole clause for the reasons I have stated is really detrimental to the best interests of the companies and ought not to be passed.

Some hon. Members rose—

Mr. Chairman: Shri Prabhat Kar—
I would request hon. Members to take only two or three minutes.

श्री यशपाल सिंह : चूँकि स्पीकर साहब ने इस बिल के लिये टाइम बढ़ाने का वारा किया था, मेरा प्रस्ताव है कि इस बिल पर डिस्कशन के लिये एक घंटे का समय बढ़ा दिया जाय, क्योंकि यह बहुत इम्पोर्टेंट बिल है।

सभारति महीदय : हम देखेंगे।

Shri Prabhat Kar: Madam, the way this particular clause has been resisted by the representatives of big business....

Shri N. Dandekar: I would object to that. I am not here as a representative of big business, I am here as the representative of Gonda.

Shri Ranga (Chittoor): He can refer to my party by name, there is no objection.

Shri Prabhat Kar: It seems to me that this particular clause, which was supposed to be innocuous at the beginning, is one of the sole points which the Company Law Administration and the Finance Ministry have touched. I would say that the original clause which was presented by the Finance Minister was better than what it is now in the Bill as it has emerged from the Joint Committee.

So far as costing is concerned, it is one of the most important needs in the developing industries of our country. And, particularly, so far as the price structure of industrial goods and other raw materials is concerned, which is creating a lot of difficulties, costing or an enquiry into the cost is an important factor. We would have been happy if there had been a statutory provision for appointment of a cost accountant for every industry and submission of a report. Here it is not so. It is not said here that

every industry must appoint a Cost Accountant. It is said here:

"Where in the opinion of the Central Government it is necessary so to do in relation to any company engaged in production...."

So it is very, very, very restricted. Unless and until the Central Government thinks that there is such a necessity, necessity to go into the cost of a particular industry, the question of having cost audit will not be considered at all. We would have understood the resistance that is being shown to this clause if along with the Chartered Accountant, if along with financial audit, cost audit was also made statutory. We have been asking for this all the time. Then the question would have been different. Here it is completely a different thing. So there should not be any reason why it should be resisted.

The only point that I would like to mention here is that so far as cost audit is concerned, it should be done by a Cost Accountant. Shri Dandeker says that there are ten different ways of costing and no two Cost Accountants will agree. Now doctors differ. Does that mean, therefore, that Shri Dandeker should not consult a doctor when he has some ailment? For a particular ailment there will be different types of treatment. Does that mean that Shri Dandeker should not consult any doctor for his ailment? Therefore, this cannot be a reason, that because there are various systems of costing it should not be there. What system is to be adopted is a matter which will be decided by the Cost Accountant.

Shri V. B. Gandhi has suggested the deletion of the words "Chartered Accountant". If that is accepted then it is all right. If that cannot be accepted, then I want it to be like this, as suggested in amendment No. 47, with the words "normally by" and, as suggested in amendment No. 49, with the words "with the special permission of the Central Govern-

ment"—then it will read "normally by a Cost Accountant" and "with the special permission of the Central Government by a Chartered Accountant". I would prefer Shri Gandhi's amendment to be accepted by the Finance Minister because that was what was contained in the Bill as it was presented. The Company Law Administration must have given much thought to it before presenting it to the House. Therefore, there is no reason why it should be changed. I have seen that there are a number of Cost Accountants. The only question is of practising Cost Accountants whose number is less because of the fact that there is no provision. Under any circumstances Cost Accountants can practise and give the certificate. Even if that is taken away, I would suggest that if Shri Gandhi's amendment is not acceptable then Shri Saraf's amendments Nos. 47 and 49 can be combined and it should be accepted.

Shri T. T. Krishnamachari: Madam Chairman, I am between what might be called two opposite poles. Shri Dandeker wants the clause to be eliminated. It was discussed at great length in the Joint Committee and the present clause as it is, represents the consensus of views there. It is no doubt a fact that Government cannot compel at this stage, assuming that they have the power to do it, every company to engage a cost accountant for the reason that the profession itself is not very big at the moment. We have to see that this profession grows and this profession will grow if there are more opportunities for employment. This will give encouragement to more people to become cost accountants. Maybe chartered accountants who have got the training will go into the cost accounting field. At the same time, it is no use going the whole hog. The amendment of Shri Saraf has certain loopholes. It says that "normally" we may do this and abnormally do something else. I think even without the word "normally" the position is clear. If a cost accountant is available, he can be asked to do it; if not.

[Shri T. T. Krishnamachari]

a suitably qualified substitute would be there. Therefore, I do not see any particular logic at the moment in accepting the amendment of Shri Saraf. Nor am I agreeable to this clause being deleted, because we feel that we are taking a step in the right direction when we say that every company, including a Government company, should have a cost accountant.

The cost accountant is a useful person. The Tariff Commission, which decides on prices, has a set of cost accountants there. In my own Ministry we have cost accountants for various purposes, for purposes of examination. But the profession at the moment is not encouraged. Once we use them, once we order a cost accountant's report in the case of particular industries, naturally people will know that there is an opportunity of being employed and more people will get into that line.

I, therefore, suggest that excepting for the amendment of Shri K. C. Pant, amendment No. 84, which is in one sense only recasting the first four lines of the clause, the House may agree to leave the clause as it is. In other words, I am accepting only amendment No. 84.

Mr. Chairman: Are the other hon. Members pressing their amendments?

Shri V. B. Gandhi: I want to withdraw my amendment.

Shri Sham Lal Saraf: I do not want to press my amendments.

Mr. Chairman: Have the hon. Members the leave of the House to withdraw their amendments?

Some hon. Members: Yes.

Amendments Nos. 41 to 43, 47 and 49 were, by leave, withdrawn.

Mr. Chairman: The question is:

Page 11,—for lines 10 to 14, substitute—

"233B, (1) Where in the opinion of the Central Government it is necessary so to do in relation to any company required under clause (d) of sub-section (1) of section 209 to include in its books of account the particulars referred to therein, the Central Government may, by order, direct that an audit of cost accounts of the company shall be conducted." (84).

The motion was adopted.

Mr. Chairman: The question is:

"That clause 23, as amended, stand part of the Bill"

The motion was adopted

Clause 23, as amended, was added to the Bill.

Clause 24 was added to the Bill.

Clause 25.—(Amendment of section 240)

Shri N. Dandekar: I beg to move:

(i) Page 12, line 13,—

omit "or any person authorised by him in this behalf". (13)

(ii) Page 12, lines 20 to 22,—

for "or produce such books and papers before him or any person authorised by him in this behalf".

substitute "him". (14)

(iii) Page 12, lines 23 and 24,—

omit "or the production of such books and papers". (15)

(iv) Page 12, lines 27 and 28,—

omit "or sub-section (1A)". (16)

(v) Page 12,—

omit lines 33 to 36 (17)

(vi) Page 13, lines 10 and 11,—

omit "or any person authorised by him in this behalf". (18)

(vii) Page 13, lines 12 and 13,—

omit "or sub-section (1A)". (19)

Really, my amendments can be grouped in their purposes into two heads. The first is, in so far as the whole of the section is concerned, about the introduction of books, making information available and so on and so forth, it is perfectly all right except that it must be, I suggest, only to the inspector and not going again to any persons authorised by him. There are a series of amendments which are really concerned with just deleting that kind of delegation. For instance, my amendment No. 13 seeks to omit the words "or any person authorised by him in this behalf" and many of the changes that I have suggested are to the effect that whatever it is that we wish to confer by way of power upon the Inspector should be upon the Inspector and not on any other person authorised by him. He may ask a chaprasi to go and obtain these people's books and bring them along. Any person authorised by him can include anybody.

The second objection that I have got is more important than this question of whether the Inspector himself or any other person authorised by him should have these powers. In this connection, I must refer to Section 240 in the Act. That is a very necessary Section. It is concerned with putting obligations upon officers and other employees and agents of the company to produce documents, evidence, etc., in connection with the companies whose affairs are under investigation. That, in my judgment, is quite right that when the affairs of the company are, for good reasons, under investigation and when the Ins-

pector is empowered to go ahead and investigate the affairs of associated companies, it is quite proper that that investigation should be facilitated and not obstructed by appropriate powers conferred upon the Inspector to produce or cause to be produced information, account books, this and that and the other. This Section goes very much further and in order to indicate how much further it goes, I would like to indicate what are, under the existing Sections, the companies who may be pushed around in the course of such investigation.

It says:

"It shall be the duty of all officers and other employees and agents of the company, and where the company is or was managed by a managing agent or secretaries and treasurers, of all officers and other employees and agents of the managing agent or secretaries and treasurers, and where the affairs of any other body corporate, or of a managing agent or secretaries and treasurers, or of an associate of a managing agent or secretaries and treasurers, are investigated.....".

In other words, one investigation giving rise to another investigation, giving rise to a third investigation, the Section already provides that in regard to investigatee companies—if I might use such wording—the Inspector could have all the powers that are already contained in it. This particular provision that is now sought to be introduced by a new sub-section goes very much further and it concerns with giving the Inspector the whole range of powers in connection with any other company on the earth in the country. If, for instance, companies 'A' to 'Z' are under investigation in Bombay and a company 'B' is not under investigation in Calcutta, nevertheless, the Inspector may, with the previous approval of the Central Government,

[Shri N. Dandeker]

require anybody other than a body corporate referred to in the sub-section which I have just read, any respectable, decent, company whose affairs are not under investigation to furnish such information—that is all right; certainly, companies not under investigation cannot be excused from furnishing information to the investigating officer in relation to the affairs of the companies that are under investigation but it goes further—or to produce such books and papers before him or any person authorised by him. The company with highest reputation whose affairs are not under investigation may be called upon to produce its books to the Inspector or any officer authorised by him. I cannot imagine a greater disgrace to a company which should be required to produce its books to an Inspector who is investigating somebody else's affairs. The public do not know that this particular company's affairs are not under investigation; the public do not know that this innocent company's books are being seized and called upon to be produced before the Inspector by the Inspector or any person authorised by him. If that were so, I would have no objection, not because any associated company's affairs are under investigation. If that were so, then too I would have no objection. But because some companies' affairs are under investigation, innocent companies' books may be called for and then the rest of the consequences if the books are not produced—penalties and all sorts of things would follow. I submit that this is most obnoxious. I do not think that we have reached a stage in the country when there should be the Gestapo treatment of testing the honesty of decent people. As I said, I have no ease whatsoever in relation to the group of companies that are covered by sub-section 1; they are quite rightly to be investigated; they are quite rightly to be called upon to furnish information; they are quite rightly expected to have their

account books, papers and vouchers and to produce them for investigation and rightly to be punished if they do not produce.

I agree further that an unconnected company which may have some information of value to the Inspector must also, if called upon to do so, furnish the information. That again is quite right and proper. But I do suggest that it is beyond all reason, beyond all decency, that credits of good companies should be destroyed by some Inspector by sending notice to produce the account books. The amendments that I have suggested are really meant to serve two purposes; in the first place, the Inspector must himself act even in relation to companies whose affairs are under investigation; secondly, that in relation to companies whose affairs are not under investigation, the Inspector should have power to call for information but not the power to require production of books. He can go and have a look at it; that is a different matter. But to call upon them from Calcutta to produce books in Amritsar, for instance, would be a monstrous kind of business, with which I personally think that this House ought not to be associated.

These cover the general purposes of the amendment that I move.

Shri T. T. Krishnamachari: This again is a matter which has been discussed and the Hon. Member had indicated his serious objection to it. I feel that this is necessary, but I am not sure if I can make any amendment now. But if somebody would move an amendment to say that wherever it appears "any person authorised by him in this behalf", it should really mean "authorised by the Central Government", it would be all right. I think it occurs in two places, Clauses 25(a) and 25(b). If we can add the words "with the previous approval of the Central Government"

at these places, I am prepared to accept it if the Chair permits it and if the House approves of it.

Shri N. Dandeker: This previous consent of the Central Government relates to authorisation of the person or to the production of books?

Shri T. T. Krishnamachari: I am not yielding to the question of production of books.

I shall certainly accept if the Hon. Member feels that the clause is omnibus; if it only means an Inspector, who has the previous approval of the Central Government. The approval of the Central Government should be to the authorisation by him in this behalf. I am prepared to accept it, provided the Chair permits it.

Shri N. Dandeker: May I move an amendment to my amendment No. 13. I add the words "with the previous approval of the Central Government" after the words "or any person authorised by him in this behalf".

Shri T. T. Krishnamachari: It may be to the effect that in Amendment No. 13 after the words "or any person authorised by him in this behalf", add the words "with the previous approval of the Central Government"; again the same thing in Amendment No. 18.

If the Chair permits it and if the House approves of it, I shall accept the amendment.

Mr. Chairman: There are two amendments, Nos. 13 and 18. The hon. Finance Minister is willing to accept them. I would like to know from Shri N. Dandeker whether he is pressing his other amendments, namely amendments Nos. 14, 15, 16 and 19.

Shri N. Dandeker: I am keeping amendments Nos. 14, 15, 16 and 19 as they are. I am accepting the sug-

gestion put forward by the Finance Minister by way of amendment to my amendments Nos. 13 and 18. The rest of the amendments remain as they are and as I have got them.

Mr. Chairman: There is an amendment to amendment No. 13 to clause 25 and also an amendment to amendment No. 18 to clause 25.

Now, I shall put the question that these amendments to amendments 13 and 18 be accepted by the House.

The question is:

"That in Amendments Nos. 13 and 18 moved by Shri N. Dandeker,—

after the words 'or any person authorised by him in this behalf',—insert "with the previous approval of the Central Government."

The motion was adopted.

Mr. Chairman: So these amendments to amendments Nos. 13 and 18 to clause 25 are accepted by the House.

Now, I shall put amendments Nos. 13 and 18 as amended to the vote of the House.

The question is:

(i) Page 12, line 13, after 'or any person authorised by him in this behalf, insert 'with the previous approval of the Central Government.' (13 as amended.)

(ii) Page 13, lines 10 and 11, after "or any person authorised by him in this behalf", insert "with the previous approval of the Central Government". (18 as amended.)

The motion was adopted.

Mr. Chairman: Then I come to amendments Nos. 14, 15, 16, 17 and 19. Is the hon. Member pressing them?

Shri N. Dandekar: I would beg leave of the House to withdraw amendment No. 17, because if the other amendments are negatived, that does not really arise, but I am pressing the others.

Mr. Chairman: Has the hon. Member leave of the House to withdraw amendment No. 17?

Several hon. Members: Yes.
Amendment No. 17 was, by leave withdrawn.

Mr. Chairman: I shall now put amendments Nos. 14, 15, 16 and 19 to vote.

Amendments Nos. 14, 15, 16 and 19 were put and negatived.

Mr. Chairman: I shall now put clause 25, as amended, to the vote of the House.

The question is:

"That clause 25, as amended, stand part of the Bill".

The motion was adopted.

Clause 25, as amended, was added to the Bill.

Clause 26 was added to the Bill.

Clause 27—(Amendment of section 241)

Shri N. Dandekar: I am opposing this whole clause. I would not take more than five minutes in explaining my objection to the clause. The clause appears very innocuous. It seeks to insert the words '(other than an interim report)' after the words 'any report' occurring in section 241 of the principal Act. The point here is really this. When the affairs of a company are under investigation, the inspectors make reports from time to time. The section, as it at present stands, is a sound provision of law:

"The Central Government shall forward a copy of any report made by the inspectors to the company at its registered office, and also to any body corporate,

managing agent, secretaries and treasurers or associate dealt with in the report by virtue of section 239".

This is a perfectly sound section. It is equally sound that where the report is more than one, that is to say, an inspector makes one report, then he looks into another matter and makes another report; he goes through a third matter and makes a third report and so on, the company should be entitled to all these so-called interim reports as they arise from time to time. Now, clause 27 takes away from the company the right to receive all such interim reports. The company may only receive the final report. This is secured by this amendment:

"any report (other than an interim report)".

I think this is utterly objectionable. For one thing, a good deal of these investigations goes on behind the back of the company; you cannot do otherwise. Suddenly, these reports are then submitted to the authority concerned and it is on the basis of these reports that eventually whatever action is taken is taken, whether it is prosecution, fine, penalty or anything else. Since the whole procedure is really *ex parte*, the law quite properly requires that any reports so submitted should be made available to the company, so that it may know what it is all about, instead of being suddenly, so to speak, assaulted from the blue. Now this amendment would only entitle a company to receive a copy of 'any report other than an interim report'. Frankly, I do not know what 'any report other than an interim report', is; I suppose it is the final report, but it could mean any one of these series of reports which somebody may choose to call not an interim report. Frankly, I think it is all wrong. I think these reports on investigations upon which action will be taken must be available to the company, and where more than one report has been submitted, all these reports must be made available to the Company.

Shri T. T. Krishnamachari: I am afraid I am unable to accept the position, because an interim report may be just a two-line report, and it is not right to make it obligatory on Government to supply it to the company. Naturally, the substance of the section 241 says that any report which is substantial on which any action would be taken should be in the hands of the company, and the company has got a right to ask for a report on which Government has to take some action. But if it is some interim report on which no action is taken, it does not stand to reason that it should be made available to the company. The inspector might say 'I have gone there; I have not been permitted to see the books'. It does not mean that that report should go to the company. I think the position of the party is sufficiently covered by the wording of section 241 and the addition of the words 'interim report' for the purpose of obviating an obvious lacuna in law which was pointed out is necessary in this case.

Mr. Chairman: The question is:

"That clause 27 stand part of the Bill".

The Motion was adopted.

Clause 27 was added to the Bill.

Clauses 28 and 29 were added to the Bill.

New clause 29A

Shri T. T. Krishnamachari: This is an amendment which is consequential to the House disposing of amendments to clauses 35 and 37. If those amendments are rejected by the House, this will not come in at all. So I would request you to hold over 29A. After amendments to clauses 35 and 37 are disposed of, this can be taken up because it is consequential to amendments to clauses 35 and 37.

Mr. Chairman: We shall take up new clause 29A afterwards.

The question is:

"That clauses 30 to 34 stand part of the Bill".

The Motion was adopted.

Clauses 30 to 34 were added to the Bill.

Clause 35—(Amendment of section 280)

Shri Himatsingka: I beg to move:

Pages 15 and 16,—

for clause 35, substitute—

"35. Omission of section 280.—
Section 280 of the principal Act shall be omitted." (56)

Section 280 provides that when a person has attained the age of 65, he shall not be capable of being appointed director of a public company, but section 281 provides:

"(1) Nothing in section 280 shall prevent the appointment of a director who has attained the age of sixty-five years or require a director to retire who has attained that age, if his appointment is or was made or approved by a resolution passed by the company in general meeting and specifically declaring that the age limit shall not apply to him."

Clause 35 proposes that the age limit be raised to 75, but the provision under section 281 is being taken away by Clause 36. Therefore, if we accept the two sections as now proposed, the position will be that if a person has attained the age of 75, he cannot be appointed a director of any public company or any private company which is a subsidiary of a public company. I feel that this provision should not find a place in the Companies Act at all. There is no such provision anywhere in the world. There is no bar to any person of 75 or above being appointed to responsible positions of Chief Ministers, Prime Minister, President of the Republic and

[Shri Himatsingka]

so on. Therefore, I feel that this provision is wholly unnecessary, that section 280 should be deleted. If that is deleted, of course, the other amendments will also follow.

16:42 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

I do not want to take much time because a number of hon. Members have spoken in this strain that this provision should go. I am glad the hon. Minister has also left it to the House and is not particular about it. I feel that this provision should go.

Shri T. T. Krishnamachari: I do not propose either to accept or reject it. I leave it to the House.

Shri Raghunath Singh (Varanasi): The old section should remain.

Shri T. T. Krishnamachari: I do not want that the old section 281 should remain because I can tell you it is a farce, because I have not known of a single instance in which anybody of 65 years has been rejected by the shareholders. It is just a rubber stamp, like going and buying a platform ticket. You have a special resolution, everybody has approved. We have had some census taken. I have found that the old section is a fraud on ourselves, to say that we impose a limit of 65, but we can have a special resolution of the shareholders. In most companies, at any rate worthwhile companies, this has had no effect at all, and there are people already there who are 78 or 80, somebody who cannot even get up. So, I object to it. So, either the House should accept that there should be a limit of 75, or, if they do not want it, I am prepared to completely abrogate it. Let us not have any limit at all. That is why if the House feels that this limit should not be there, I leave it free to the House. The only thing is that if the House accepts it, then the consequential limit will have to be accepted.

Mr. Deputy-Speaker: I shall now put amendment 56 to the vote of the House. That is the omission of section 280.

Shri T. T. Krishnamachari: Instead of 65 years of age and a special resolution, the present clause says that nobody shall be a director, if he is above 75 years of age. Now, if section 280 itself is omitted, we cannot really impose any amendment to it.

Shri Raghunath Singh: There should be no age limit. That is our view.

Mr. Deputy-Speaker: The question is:

Pages 15 and 16,—

for clause 35, substitute—

"35. Omission of section 280.—
Section 280 of the principal Act shall be omitted." (56)

The motion was adopted.

Clause 35, as amended, was added to the Bill.

Mr. Deputy-Speaker: So, the old clause 35 automatically goes. So, I shall put clause 36 to the vote of the House. The question is:

"That clause 36 stand part of the Bill."

The motion was adopted.

Clause 36 was added to the Bill.

Clause 37.—(Amendment of section 282)

Mr. Deputy-Speaker: We take up clause 37.

Shri T. T. Krishnamachari: Now that they have accepted amendment 56, the amendment of this clause is automatic . . .

Amendment made:

Page 16,
for clause 37, substitute—

"37. Omission of section 282.—
Section 282 of the principal
Act shall be omitted." (57)
(Shri Himatsingka)

Shri T. T. Krishnamachari: I suggest therefore, that amendments Nos. 85 and 87 also may be put to the vote of the House.

Shri K. C. Pant: 55 and 56 also.

Mr. Deputy-Speaker: I shall put clause 37, as amended by amendment No. 57, to the vote of the House.

Shri T. T. Krishnamachari: I am sorry. Clause 37 is all right. As a consequence, amendments Nos. 85 and 87 have to be put to vote.

Mr. Deputy-Speaker: Amendment 85 is for a new clause 29(A). I shall come later to amendment No. 87. I will first put amendment No. 85 to the vote of the House.

New clause 29A— contd.

Amendment made—

Page 14,—

after line 30, insert—

"29A. Amendment of section 246.—In section 256 of the principal Act,—

(i) in sub-section (4) in sub-clause (v) of clause (b) the words, brackets and figures "or sub-section (3) of section 280" shall be omitted;

(ii) sub-section (5) shall be omitted." (85).

(Shri K. C. Pant)

Mr. Deputy-Speaker: The question is:

"That New clause 29A be added to the Bill".

The motion was adopted.

New clause 29A was added to the Bill.

Mr. Deputy-Speaker: I will come to 87 later on

An hon. Member: What happens to clause 37?

Mr. Deputy-Speaker: 37 has been amended by 57. I shall put clause 37 as amended by amendment No. 57 to the vote of the House. The question is:

"That clause 37, as amended, stand part of the Bill."

The motion was adopted.

Clause 37, as amended, was added to the Bill.

Clauses 38 to 40 were added to the Bill.

Clause 41— (Amendment of section 309).

Mr. Deputy-Speaker: We take up clause 41 now. Is there any amendment?

Shri N. Dandekar: I move:

Page 18, line 7, for "monthly payment," substitute—

"monthly, quarterly or, annual payment". (23)

My amendment is quite simple. I hope the Finance Minister will accept it. It is with regard to the mode of payment for a director who is neither whole-time in the employment of the company nor a managing director who may be paid remuneration. I have suggested that instead of merely monthly payment, it would be monthly, quarterly or annual payment. Most people are not whole-time working directors or managing directors. They have remuneration in quarterly payments or annual payments and not necessarily in monthly payments. This clause as it is would seem to require unnecessarily monthly payments. I do not think there should be any objection to the acceptance of this amendment.

Shri T. T. Krishnamachari: I have no objection. I accept it.

Mr. Deputy-Speaker: The question is:

Page 18, line 7, for "monthly payment" substitute—

"monthly, quarterly or, annual payment". (23)

The motion was adopted.

Mr. Deputy-Speaker: The question is:

"That clause 41, as amended, stand part of the Bill."

The motion was adopted.

Clause 41, as amended, was added to the Bill.

Clause 42— (Amendment of section 310)

Shri N. Dandekar: I have amendment No. 24. I shall be brief and I shall explain it in five minutes. I move:

Page 18,—

for lines 31 to 34, substitute—

"amount of such remuneration—

- (a) by way of commission, not exceeding, after such increase, the limits laid down in the proviso to sub-section (4) of section 309 of the principal Act; or
- (b) by way of a fee for each meeting of the Board or a Committee thereof attended by any such director not exceeding, after such increase two hundred and fifty rupees". (24)

This clause says that the approval of the Central Government shall not be required; this is a good relaxation of the provisions of section 310 of the principal Act, that the approval of the Central Government shall not be required where any such provision or any amendment thereof purports to increase or has the effect of increa-

sing the amount of remuneration, etc. The present position is if the amount of remuneration is to be increased, the permission of the Central Government is necessary and it is sought to provide that in certain cases it should not be necessary. I am only expanding the scope of the clause in which amendments having the effect of increasing the remuneration need not require the permission of the Central Government, namely, where the "amount of such remuneration (a) by way of commission, not exceeding, after such increase, the limits laid down in the proviso to sub-section (4) of section 309 of the principal Act." . . . Section 309 of the Act places a limit on remuneration and the circumstances in which these remunerations may be paid in respect of directors who are not whole-time directors and directors who are not managing directors, and as in the previous clause, they may either be paid by monthly remuneration or by way of commission, subject to certain limits.

All I am suggesting is that provided those limits are not exceeded, any changes having the effect of increase in remuneration need not require the permission of the Central Government, in the same way as any increase in the fee for each meeting of the company, provided the amount alongwith the increase, does not exceed Rs. 250. need not require the permission of the Central Government. In other words, so long as they are within limits and also so long as those limits are of a type which do not require initially the permission of the Central Government, any such increase within the limits ought not also to require the permission of the Central Government.

Shri T. T. Krishnamachari: I am afraid it expands the scope of the provision. While I agree that it is not necessary to come to the Central Government for most of these things, I think probably later on we may have an examination of this question, and see how much we could relax.

But at the present moment, I do not know to what abuses it will lead to. Not being quite aware of the full implications, I am unable to accept it.

Shri N. Dandeker: May I just give a very simple explanation so that you could understand? It is open to a Company without approaching the Central Government to sanction by a special resolution remuneration to the directors aggregating not more than a certain percentage. The effect that I am giving is, if they had in fact sanctioned something less three years ago, they might bring it back to the level which they ought to have given, without the approval of the Central Government.

Shri T. T. Krishnamachari: I quite agree. The general principle seems to be sound, but I have to examine it carefully to see how it affects; I would beg of the hon. Member not to press it. I will have the matter examined later on.

Shri N. Dandeker: I beg to withdraw the amendment.

Amendment No. 24 was, by leave, withdrawn.

Mr. Deputy-Speaker: The question is:

"That clause 42 stand part of the Bill."

The motion was adopted.

Clause 42 was added to the Bill.

Clause 43 was added to the Bill.

New Clause 43A

Amendment made:

Page 19, after line 29, insert—

'43A. Amendment of section 318.— In section 318 of the principal Act, in sub-section (3), in clause (c), the word and figures "Section 280," shall be omitted.' (87)

(*Shri K. C. Pant*)

Mr. Deputy-Speaker: The question is:

"That new clause 43A be added to the Bill."

The motion was adopted.

New Clause 43A was added to the Bill.

Clause 44 (Amendment of section 370)

Shri T. T. Krishnamachari: There is a simple amendment No. 88 by Shri Pant, which I accept.

Mr. Deputy-Speaker: Amendment No. 89 is out of scope and is ruled out.

Amendment made:

Page 21, line 14, for "Company Law Board", substitute—

"Central Government". (88)

(*Shri K. C. Pant*)

Mr. Deputy-Speaker: The question is:

"That clause 44, as amended, stand part of the Bill."

The motion was adopted.

Clause 44, as amended, was added to the Bill.

Clauses 45 to 49 were added to the Bill.

Clause 50—(Insertion of new section 396A)

Shri N. Dandeker: I beg to move:

(i) Page 23, line 27, after "disposed of", insert—

"before the expiry of the period specified in sub-section (4A) of Section 209." (25)

(ii) Page 23, after line 35, insert—

"Provided that the person so appointed shall submit his report within six months from the date of his appointment and the expenses of such examination shall be borne wholly by the Central Government." (26)

[Shri N. Dandeker]

This clause is concerned with the circumstances in which the books of accounts of a company that is being amalgamated with another company cannot be disposed of without the prior permission of the Central Government. I think that is quite right and proper. What I am stating, however, is that this prohibition against the disposal of the books of accounts of a company that has been amalgamated with another company should be limited in the matter of time to the same period of time for which that other company would have had to keep its books. In other words, the amalgamated company that has disappeared as a result of amalgamation should not be required to keep those books longer than it would otherwise have to keep under the law. That is the purpose of amendment 25.

Mr. Deputy-Speaker: The House will have to sit for another 10 minutes and finish this Bill. Even the extended time is over.

Shri N. Dandeker: The second purpose of this clause is to empower the government to make an inspection of the books of the company that has been amalgamated with another company. Again, I regard it as quite proper, subject to the amendment No. 26 I have moved, namely,

"Provided that the person so appointed shall submit his report within six months from the date of his appointment and the expenses of such examination shall be borne wholly by the Central Government."

I hope the Finance Minister will have no objection to accepting these amendments.

Shri T. T. Krishnamachari: I have been advised not to accept them.

Mr. Deputy-Speaker: Is he pressing them?

Shri N. Dandeker: No, Sir; we will save time and carry on.

Mr. Deputy-Speaker: Has he the leave of the House to withdraw his amendments 25 and 26?

Some hon. Members: Yes.

Amendments Nos. 25 and 26 were, by leave, withdrawn.

Mr. Deputy-Speaker: The question is:

"That clause 50 stand part of the Bill."

The motion was adopted.

Clause 50 was added to the Bill.

Clause 51— (Amendment of Chapter VII of Part VI)

Shri N. Dandeker: I am opposing this clause. I would merely remind the House of what I said during the course of the general discussion.

17 hrs.

Sir, I have objected to this clause for the simple reason that sections 410, 411, 412, 413, 414 and 415 of the principal Act which are concerned with the Company Law Advisory Commission, its powers and the matters in respect of which it shall be consulted, are sought to be deleted by this clause and it is proposed to be substituted by a stooge of the Central Government, called the Advisory Committee. What happens as a result of the abolition of the Advisory Commission is this. It is said here:

"For the purpose of advising the Central Government and the Company Law Board on such matters arising out of the administration of this Act as may be referred to it by that Government or Board, the Central Government may constitute an Advisory Committee consisting of not more than five persons with suitable qualifications."

The whole thing is objectionable. There is a very important institution today in the administration of the Companies Act, namely, the Company Law Advisory Commission. No good

reasons have been given in the objects clause nor were they given before the Joint Committee why the Advisory Commission should be abolished. I, therefore, oppose it.

Shri T. T. Krishnamachari: It was thrashed out, Sir, in the Joint Committee and it was represented there that the change would be for the better. In fact, so far as the powers of appointment by the Government are concerned, they remain in both the cases and, therefore, if one is a stooge the other is a stooge as well.

Mr. Deputy-Speaker: I shall put clauses 51 to 55. The question is:

"That clauses 51 to 55 stand part of the Bill."

The motion was adopted.

Clauses 51 to 55 were added to the Bill.

Clause 56— (Substitution of new sections for section 635A)

Mr. Deputy-Speaker: We now take up clause 55.

Shri N. Dandekar: Sir, I beg to move:

(i) Page 26, lines 17 and 18,—
omit "or any other person". (27)

(ii) Page 26,—
omit lines 23 to 32. (28)

Sir, my objection is to giving immunity to persons other than officers. I am agreeable fully to the immunities intended for officers for acts done in good faith. But I have been thinking over and over again and I could see no good reason for giving immunity to blackmailers and informers even to the extent of refusing to disclosing their names to a tribunal or court. Therefore, I press my amendments 27 and 28.

Shri T. T. Krishnamachari: I do not accept them.

Mr. Deputy-Speaker: I shall put amendments Nos. 27 and 28 to the House.

Amendments Nos. 27 and 28 were put and negatived.

Mr. Deputy-Speaker: The question is:

"That clause 56 stand part of the Bill."

The motion was adopted.

Clause 56 was added to the Bill.

Clauses 57 to 60 were added to the Bill.

The Schedule, Clause 1, the Enacting Formula and the Title were added to the Bill.

Shri T. T. Krishnamachari: Sir, I beg to move:

"That the Bill, as amended, be passed."

Shri Onkar Lal Berwa (Kotah):
साहब, मैं हाऊम कोरम नहीं हूँ।
—not even 40.

Mr. Deputy-Speaker: The Bell is being rung. There is quorum now. I shall put the motion to the vote of the House.

The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

17.06 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Friday, August 27, 1965/Bhadra 5, 1887 (Saka).