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11th February, 1948

THE
CONSTITUENT ASSEMBLY OF INDIA
(LEGISLATIVE) DEBATES

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of the
CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)
1948



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CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE)

Wednesday, 11th February, 1948

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

STARRED QUESTIONS AND ANSWERS

ORAL ANSWERS

REFUGEE GOVERNMENT EMPLOYEES IN VARIOUS DEPARTMENTS

222. *Mr. R. K. Sidhva: Will the Honourable Minister of Relief and Rehabilitation please state the number of refugees from provinces other than the employees of the Government of India, employed in various Departments of the Government of India together with their designations?

The Honourable Shri N. V. Gadgil: A statement is laid on the table.

Statement

Superintending Engineers	8
Executive Engineers	12
Assistant Executive Engineers	10
Assistant Engineers	15
Subdivisional Officers	12
Supervisors	59
Overseers	2
Sub-overseers	1
Subordinates	115
Technical Assistants	22
Head Draftsmen	2
Senior Draftsmen	7
Junior Draftsmen	18
Draftsmen A	2
Draftsmen Tracers	17
Estimators	19
Assistant Regional Commissioner	1
Magistrates	2
Deputy Superintendents	10
Inspectors	13
Wharfingers	2
Examiners	1
Information Officer	1
Assistant Information Officers	3
P. A. to I. G. P.	1
Dy. Superintendents of Police	1
Inspectors of Police	5
Sub Inspectors of Police	8
Police Officers	147
Head Constables	238

Constables	824
Public Prosecutors	1
Prosecution Inspector	1
Assistant Sub-Inspector	1
Assistant News Reporter	1
Programme Assistant	1
Programme Secretary	1
Process Server	2
Kanungo	2
Carpenters	2
Deputy Director Rehabilitation	1
Director of Evacuation	2
Senior Refugee Officers	3
Junior Refugee Officers	17
Welfare Officers	3
Registrar of Claims	1
Assistant Registrar of Claims	8
Budget Officer	1
Assistant Director (D. I. B.)	2
Supply Officer	1
Facts Finding Officer	1
District Facts Finding Officer	2
Deputy Facts Finding Officer	1
Assistant Facts Finding Officers	6
Inquiry Officers	14
Deputy Custodians	6
Assistant Custodians	13
Field Inspectors	55
Economic Investigators	3
Senior Research Officer	1
Office Supervisor	1
Medical Officers	80
M. O. Specialist	6
Chemical Assistant	1
Public Health Inspector	1
Health Visitors	3
Sanitary Inspectors	10
Compounders	25
Midwife	1
Malaria Assistants	2
Welfare Workers	7
Provincial Workers	8
Division Workers	4
Propaganda Workers	6
Chief Organiser	1
Organisers	2
Camp Workers	
Assistant Guide in Camp	
Supervision Staff in Refugee Camps	1
Traffic Manager	21
Officer-in-Charge Civilian Vehicles	1
Personal Assistants	1
	8

Assistant Education Advisor	1
District Inspector of School	1
Assistant District Inspectors of Schools	1
Education Officer	1
Officer on Special Duty (Education)	2
Assistant Education Officers	2
School Medical Inspectors	2
Demonstrators and Instructors	18
Head Masters	6
Junior Masters	2
Teachers	328
Lecturers	3
Investigators	2
Assistant Circle Rationing Officers	1
Rationing Officers	5
Rationing Inspectors	17
Rationing Sub-Inspectors	31
Godown Keepers	2
Assistant Godown Keepers	8
Research Officers	2
Research Assistants	46
Translators	5
Glass Blower	1
Officers on Defence	9
Airmen and recruits	69
Traffic Foremen	8
Foremen	2
Leader (Non-technical)	1
Metrological Assistant	1
Assistant Agriculture Production Advisor	1
Professors of Agriculture	4
Agronomists	2
Textologist	1
Genial Botanist	1
Senior Marketing Officer	1
Ecologists	1
Marketing Officer	1
Assistant Botanist	3
Assistant Economic Botanist	1
Assistant Agriculture Chemist	2
Assistant Marketing Officer	5
Inspector Sann Hemp grading	4
Assistant Research Officer	3
Estate Manager	1
Assistant Director (Storage and grains)	2
Technical Officer (Storage)	1
Officer on Special Duty (Food)	1
Assistant Plant Pathologist	1
Assistant Dairy Chemist	1
Assistant Dairy Bacteriologist	1
Assistant seasoning Officer	1
Documentation Officer	1
Assistant Wood Technologist	1

Rat House Supervisor	1
Bacteriological Assistant	1
Research Scholars	2
Form Superintendents	3
Junior Supervisor	1
Form Assistant	1
Research Attendant	1
Senior Scientific Assistant	11
Senior Scientific Assistant	18
Research Fellow	1
Junior Field Officer	1
Field Assistant	2
Assistant (Mycology Division)	2
Assistant Live Stock Advisor	1
Assistant Director of Inspection	1
Assistant Agronomist	1
Ganga Instructor	1
Junior Chemists	4
Junior Weaving Brooding Assistants	1
Photographer	1
First Grade Malhi	1
Turner	1
Statistical Assistant	1
Road Transport Advisor	1
Assistant Registrar Income-tax	1
Assistant Technical Inspector	2
Assistant Secretary (Technical)	1
Assistant Secretaries	2
Superintendents	19
Head Clerks	9
Accountants	9
Assistants	383
Upper Division Clerks	36
Second Division Clerks	18
Routine Clerks	2,438
Compilation Assistants	4
Reception Officer	1
Receptionists	16
Reception Clerk	1
Council Reporter	1
Stenographers	97
Store Clerks and Store Keepers	9
Cashier Clerk	1
Typists	11
Observer	1
Librarian	1
Assistant Librarian	2
Laboratory Assistants	10
Statistical Computer	1
Chemical Assistant	1
Labour Inspector	1
Information Assistant	1

Record Keeper	1
Warder	6
House-keepers	2
Packers	4
Daftries and Record Sorter	37
Telegraphists	3
Cypher Assistants	1
S. I. Storage	2
Analysar	2
Weighmen	1
Look Out	13
Control Operators	14
Airfield Supervisors	5
Signallors	7
Firemen	7
Storemen	2
Telephone Operators	151
Monitors	4
Junior Artists	1
Mechanics	8
Cleaners	4
Electricians	2
Painters	2
Darkroom Assistants	1
Workscar	1
Apprentice	1
Mistries	6
Proof Readers	2
Compositors	3
Counters	1
Drivers	3
Lino Operators	2
Attache	1
Camerman Cum Cinema Operator	1
Insect Collector	1
Jamadars	4
Peons	587
Chowkidars	17
Dais & Ayas	4
Cooks	2
Laboratory Attendants	8
Library Attendants	3

Mr. E. K. Sidhva: Can the Honourable Minister give us an idea of the number of refugees? I do not want names.

The Honourable Shri N. V. Gadgil: The total number is 6584 and there are innumerable categories and innumerable offices in which these refugees are employed.

Mr. E. K. Sidhva: What was the total number of applications received?

The Honourable Shri N. V. Gadgil: Obviously more than could be accommodated.

EUROPEAN REFUGEE FIRMS DEALING IN IMPORT AND EXPORT TRADE OF INDIA

223. ***Shri Deshbandhu Gupta:** (a) Will the Honourable Minister of Commerce be pleased to state how many European Refugee firms engaged in Export and Import trade are still operating in India?

(b) What is the value of Import and Export licences granted to such firms in the years 1945-46 and 1946-47?

(c) Are Government aware of the fact that these firms enjoy certain advantages over Indian-owned firms? If so, what steps do Government propose to take to remove the grievances of Indian firms in this matter?

The Honourable Mr. C. H. Bhabha: (a) and (b). Government have no information on the subject.

(c) No, Sir. The latter part of the question does not arise.

DEVELOPMENT OF FOREIGN MARKETS FOR INDIAN GOODS

224. ***Shri Deshbandhu Gupta:** (a) Will the Honourable Minister of Commerce be pleased to state what efforts are being made to step up exports of minerals and forest produces in order to secure foreign exchange?

(b) What are the prospects for the development of overseas markets for Indian finished goods?

(c) What action do Government propose to take to win the trust and goodwill of foreign buyers in the interests of India?

The Honourable Mr. C. H. Bhabha: (a) The question of the stepping up of the export of minerals with a view to the securing of the maximum amount of foreign exchange must be considered against the general background of the country's own industrial programme, her strategic requirements of these minerals and the need for paying heed to the conservation of these valuable wasting assets. In the circumstances it will no doubt be appreciated that a vigorous export policy of the kind advocated by the Honourable Member can scarcely be followed with regard to this class of commodity at this juncture.

In the case of forest produce, emphasis must be laid on the country's requirements and the need for judicious exploitation of the available timber resources. It has been found possible, however, to increase the quota of various types of timber to 72,000 tons in 1948 as against 26,800 tons in the previous year.

(b) The prospects for Indian goods in overseas market are certainly bright provided exporters in India conform strictly to standards and quality, and the closest attention is paid to the needs of these markets. It must be understood, however, that the availability of goods for export is not unlimited and that conditions of supply and the country's own requirements must to a large extent determine the quantum of the supplies available for overseas markets.

(c) The trust and goodwill of foreign buyers can only be won by the business community in India maintaining the high standard and quality of the goods they export from this country. Government on their part are alive to the need, for retaining and expanding their overseas markets, and the recent setting up of an Indian Standards Institution is a measure designed to improve the quality and standard of Indian goods. Government have also under consideration the question of the formation of exporters groups in respect of various commodities to which they propose to entrust the task of ensuring that the goods that are exported from this country are such as will readily command the confidence of overseas buyers. Our Trade Commissioners abroad have also been instructed to give the maximum assistance to the trade both here and abroad with a view to popularising Indian products and to bring to the notice of the Indian manufacturer such information as may be of use to him in retaining and expanding his trade overseas.

+Answer to this question laid on the table, the questioner being absent.

RE-EXPORT OF JUTE PRODUCTS TO SOUTH AFRICA BY CERTAIN MIDDLE EAST AND EUROPEAN COUNTRIES

†225. ***Shri Deahbandhu Gupta**: (a) Will the Honourable Minister of Commerce be pleased to state what are the quantities and values of jute products exported in the years 1945-46 and 1946-47, to North African, Middle East and South European countries, respectively?

(b) Are Government aware that the bulk of these jute products are being re-exported to South Africa constantly?

(c) If so, in view of Government's declared policy of applying economic sanctions against South Africa, do Government propose to control the export to such countries so as to stop re-export to South Africa?

The Honourable Mr. C. H. Bhabha: (a) A statement containing such information as is readily available is placed on the table of the House.

(b) and (c). Exports of jute and jute goods to all countries is strictly controlled and only such quantities are allowed to be exported as are considered adequate for meeting the minimum requirements of these countries and consistent with our supply position. It is true that there have been some leakages in the past, but it is hoped, with the co-operation of the Governments of the countries concerned which has been wholeheartedly promised, that such re-exports will not occur in future.

†Answer to this question laid on the table, the questioner being absent.

Statement showing exports of Jute Manufactures from India to North African, Middle East and South European countries during 1945-46 and 1946-47

(Value in Lakhs of rupees, Quantity in thousands of tons)

	North African Countries *		Middle East †		South European countries ‡					
	1945-46	1946-47 (Apr.—Dec. 1946)	1945-46	1946-47 (Apr.—Dec. 1946)	1945-46	1946-47 (Apr.—Dec. 1946)				
	Quantity	Value	Quantity	Value	Quantity	Value				
Gunny bags (No.)	17,086	1.42	8,943	86	9,194	65	4,889	37
Gunny cloth (Yds.)	14,711	40	10,353	31	102	0.3	300	1
Total	..	1.82	...	1.17	...	65.3	..	38

*North African countries include Egypt and Anglo Egyptian Sudan.

†Middle Eastern countries include Palestine, Turkey, Syria and Iraq.

‡South European countries have not been separately enumerated in the Monthly Sea-borne Trade Accounts, which means that export to these countries were not appreciable.

ISSUE OF EXPORT LICENCES DURING 1945-46 AND 1946-47

†226. ***Shri Deshbandhu Gupta**: (a) Will the Honourable Minister of Commerce be pleased to state the number and value of export licences that lapsed during the years 1945-46 and 1946-47 on account of the failure of licence-holders to utilise them?

(b) Is it a fact that fresh licences were issued to many such firms in spite of the lapsing of their previous licences?

(c) If so, in how many cases and on what considerations were they so issued?

The Honourable Mr. C. H. Bhabha: (a), (b) and (c). The information required is not readily available. As a large number of licences are issued annually, the time and labour involved in collecting the information will scarcely be commensurate with the results achieved. I may add, however, for the information of the Honourable Member that if it is found in an individual case that a licence holder is not capable of utilising his licence, no further licences are issued to him for export of that commodity.

INCLUSION BY U. N. O. OF IRRELEVANT ISSUES IN KASHMIR AND JAMMU QUESTION.

227. ***Shri Rohini Kumar Chaudhuri**: (a) Will the Honourable the Prime Minister be pleased to state what were the reasons for referring the Kashmir and Jammu issue to U.N.O. Security Council and who referred it so?

(b) In view of the subsequent decision of the U.N.O. to include in the Kashmir and Jammu question other irrelevant issues, have Government withdrawn their application from the Council or do they propose to do so?

The Honourable Pandit Jawaharlal Nehru: (a) The Jammu and Kashmir State issue was referred to the Security Council of the United Nations by the Government of India. The Government of India have, however, kept in close touch with the Government of Kashmir and consulted them whenever necessary or possible.

The reasons for the reference are fully set out in the memorandum presented to the Security Council, which has already been published in full, and a copy of which has been laid on the table of the House.

(b) Government of India have not withdrawn their application from the Council, nor has any question of withdrawal of India's complaint yet arisen. No final decisions have so far been taken by the Security Council, but it has been proposed to set up a Commission for the specific purpose of investigating facts and exercising mediatory influence. As soon as the present stage of negotiations is over, Government propose to make a statement before the House.

Sir, I may add to this answer that yesterday our delegation presented an application to the Security Council for adjournment. They stated in it that a stage had been reached when they had gone as far as they could in this matter, and they required to have consultations with their Government. I do not yet know what the result was, as it must have been presented only last evening. But in anticipation of the approval of the Security Council to this motion of adjournment they intended starting from New York today on their way back to India.

Dr. B. Pattabhi Sitaramayya: Is it an adjournment *sine die*?

The Honourable Pandit Jawaharlal Nehru: I cannot say because the thing has not been decided. They asked for an adjournment to a future unfixed date.

Dr. P. S. Deshmukh: What would be the position if this application is refused?

Mr. Speaker: That would be hypothetical at this stage.

†Answer to this question laid on the table, the questioner being absent.

‡Not printed in these debates. A copy has been placed in the Library of the House.—
Ed. of D.

IMPOSITION OF RESTRICTIONS ON SALE AND TRANSFER OF NON-MUSLIM
PROPERTY IN PAKISTAN

†228. ***Shri Damodar Swarup Seth:** Will the Honourable Minister of Relief and Rehabilitation be pleased to state:

(a) whether Government are aware that the Government of Pakistan have in their Dominion imposed severe restrictions on the sale or transfer of immovable property of those non-Muslims who desire to leave for India, while no such restrictions have been imposed on the Muslims of India who have left or are about to leave for Pakistan; and

(b) if the answer to part (a) above be in the affirmative, whether Government propose to take up the matter with the Government of Pakistan or impose the same restrictions on the sale or transfer of property of the Muslims leaving for Pakistan?

The Honourable Shri N. V. Gadgil: (a) The legal restrictions on the sale or transfer of immovable property in West Punjab are embodied in the West Punjab Ordinance No. VII of 1947. Apart from this, the various Provinces of Pakistan have administratively banned movement to outside the Pakistan Dominion of various articles, from time to time. Sale or transfer of immovable property in East Punjab are governed by a similar legislation, namely, the East Punjab Act XIV of 1947 as amended by the East Punjab Ordinance No. II of 1948.

This Act as thus amended has been extended to the Delhi Province and Ajmer and Merwara. Government have also recommended the adoption of this law by the other Provincial Governments and States in the Indian Union.

(b) Does not arise.

NEGOTIATIONS BETWEEN INDIA AND BURMA ON LINES OF ANGLO-BURMA
TREATY

†229. ***Shri Damodar Swarup Seth:** Will the Honourable the Prime Minister be pleased to state:

(a) what progress, if any, has so far been made in the direction of negotiating an Indo-Burma treaty on the lines of the treaty negotiated between the United Kingdom and Burma; and

(b) if the answer to part (a) above be in the negative, what the reasons for the delay are?

The Honourable Pandit Jawaharlal Nehru: (a) and (b). During the visit of the Prime Minister of Burma to Delhi last December, there was a preliminary and informal exchange of views regarding the settlement of certain questions outstanding between India and Burma. It was then decided that in the near future there would be an exchange of missions for the purpose of detailed discussions. We are in communication with our Ambassador in Burma regarding the visit of a Mission from Burma.

ESTABLISHMENT OF INDIAN COMMERCIAL CONCERNS IN FOREIGN COUNTRIES

230. ***Dr. P. S. Deshmukh:** (a) Will the Honourable Minister of Commerce be pleased to state whether any foreign country offers any facilities to Indians for the opening and establishment of commercial concerns? If so, what are the countries and what are the rules and regulations governing the starting of such concerns?

(b) If Government are not in possession of this information, do they propose to obtain it from our Embassies, Legations or Trade Commissioners at an early date?

† Answer to this question laid on the table, the questioner being absent.

(c) Are there any restrictions as regards the manning and staffing of such commercial concerns?

The Honourable Mr. C. H. Bhabha: (a), (b) and (c). Government have no information on the subject, but it is extremely unlikely under present conditions that any foreign countries will offer facilities to Indians for the opening and establishment of commercial concerns in their country. Information is however being collected from our Embassies and Trade Commissioners abroad regarding the restrictions, if any, which have been placed on Indian businessmen setting up business concerns abroad. This information will be placed on the table of the House in due course.

Dr. P. S. Deshmukh: Does the Honourable Minister possess any information at the present moment?

The Honourable Mr. C. H. Bhabha: I have said that Government have no information at the moment on the subject.

Shri M. Ananthasayanam Ayyangar: If after the receipt of information it is found that there are restrictions either absolutely prohibiting the opening of commercial concerns in foreign countries or allowing our nationals to be agents, etc., in those countries of Indian concerns, will reciprocal steps be taken in this country imposing restrictions on foreign businessmen here?

The Honourable Mr. C. H. Bhabha: Suitable action will be taken after the receipt of information.

Shri M. Ananthasayanam Ayyangar: Is the Honourable Minister aware that already in no country in the world are Indian nationals allowed to carry on business? Therefore will steps be taken to see that foreign nationals are not allowed to carry on their business here except through Indian nationals in this country?

The Honourable Mr. C. H. Bhabha: The first part of this question does not arise and it is not correct.

Dr. P. S. Deshmukh: Does the Honourable Minister know the present extent of investments in this country of foreign capital? Can he give us an idea?

The Honourable Mr. C. H. Bhabha: That, Sir, does not arise out of this question at all.

RULES *re* ESTABLISHMENT OF FOREIGN CONCERNS IN INDIA

231. ***Dr. P. S. Deshmukh:** Will the Honourable the Minister of Commerce be pleased to state:

(a) whether any rules and regulations have been framed for regulating the starting of business concerns by foreigners in India;

(b) if so, whether Government propose to lay a copy of the same on the table of the House;

(c) whether any provisions have been made so as to see that Indians are given all facilities of training in those concerns; and

(d) what model has been followed in framing the rules referred to in part (a) above?

The Honourable Mr. C. H. Bhabha: (a) No, Sir.

(b), (c) and (d). Does not arise.

Shri M. Ananthasayanam Ayyangar: May I know why the rules have not been framed hitherto and if they will be framed immediately?

The Honourable Mr. C. H. Bhabha: As I said, on receipt of information from other parts of the world we will consider them and see what suitable rules can be framed.

Shri M. Ananthasayanam Ayyangar: May I know when this information is expected, and whether it will be implemented immediately on receipt of information from a particular country?

The Honourable Mr. C. H. Bhabha: Yes, Sir, very early steps will be taken.

Dr. B. Pattabhi Sitaramayya: Apparently the Honourable Minister is in possession of certain information that certain countries at least do not permit our concerns to be started there. May it not be reasonable to start with the framing of rules in regard to those countries at the outset?

The Honourable Mr. C. H. Bhabha: As I said, full or detailed information on the subject is not available to Government, and in the absence of complete data Government are not in a position to lay down general rules.

Dr. P. S. Deshmukh: If there are no rules and regulations, is there anything else on which the Government of India's policy is based, so far as this matter is concerned?

The Honourable Mr. C. H. Bhabha: There is no definite policy on the subject at the moment.

Dr. B. Pattabhi Sitaramayya: Will it be right to say that it is a policy of drift?

Mr. Speaker: Order, order.

Dr. P. S. Deshmukh: When shall we be in a position to know that Government has at least some idea of dealing with this matter even if rules and regulations are not framed?

The Honourable Mr. C. H. Bhabha: As I said, we are awaiting the receipt of sufficient data and information. Honourable Members are aware that the whole of our company legislation is under review at the moment and suitable action will be taken to amend that Act in the Bill that will be presented to the legislature.

Dr. P. S. Deshmukh: Are we to suppose that foreign concerns are at present allowed to do what they like?

The Honourable Mr. C. H. Bhabha: That is so, because there is no distinction between Indian and foreign concerns under our present Companies Act.

Shri M. Ananthasayanam Ayyangar: If there is no policy as yet, may I know how the Companies Act is going to be amended? Have Government evolved any policy regarding foreigners opening business in this country?

The Honourable Mr. C. H. Bhabha: As I said, the matter is being considered by Government.

RULES re ENTRY OF FOREIGNERS INTO INDIA

232. ***Dr. P. S. Deshmukh:** (a) Will the Honourable the Prime Minister be pleased to state if any rules and regulations have been framed for controlling the entry of foreigners into India?

(b) Is there any restriction as regards the number of foreigners permitted to enter India?

(c) If so, what is the number for each country and if not, do Government intend to impose any restrictions?

(d) Do Government intend to frame rules for supervising the activities of foreigners in India?

(e) Do Government propose to make it obligatory for foreign firms to employ Indians?

The Honourable Pandit Jawaharlal Nehru: The question has been transferred to the Ministry of Home Affairs and will be answered by the Honourable Minister for Home Affairs on the 19th instant.

RULES *re* INVESTMENT OF FOREIGN CAPITAL IN INDIA

233. *Dr. P. S. Deshmukh: (a) Will the Honourable Minister of Commerce be pleased to state whether there are any rules governing the investment of foreign capital in India?

(b) Have any rules governing the employment of foreigners in business concerns in India been framed?

The Honourable Mr. C. H. Bhabha: (a) No, Sir.

(b) No, Sir.

Shri M. Ananthasayanam Ayyangar: May I ask the Honourable Minister whether in the recent conference of industrialists held by the Industry and Supply Minister, one of the resolutions that was passed was how far foreign capital should be allowed to be invested in this country. If that was so, may I know what steps have been taken in that regard?

The Honourable Mr. C. H. Bhabha: As on another occasion, I have mentioned that the recommendations of the industries conference are being considered and a suitable policy will be announced.

Diwan Chaman Lall: Are there any countries which discriminate against Indians in the matter of starting business in those countries?

The Honourable Mr. C. H. Bhabha: There may be such countries.

Diwan Chaman Lall: Why is not it possible for India to take reciprocal action against such foreign business men operating in India?

The Honourable Mr. C. H. Bhabha: In the absence of any definite information as stated by me in answer to a previous question, we are trying to get all available data before taking any action.

Diwan Chaman Lall: How long does my Honourable friend think it will take to collect the data and come to a decision?

The Honourable Mr. C. H. Bhabha: Very soon.

Shri H. V. Kamath: Shall we say, the 1st April?

The Honourable Mr. C. H. Bhabha: I am unable to give any specific date at the moment.

Dr. P. S. Deshmukh: Can the Honourable Minister give any idea now of the extent of invested foreign capital in India?

The Honourable Mr. C. H. Bhabha: There are various estimates. As the Honourable Members of this House are aware, the Reserve Bank is collecting the data which will be I think on a subsequent occasion announced to the House.

RULES *re* EMPLOYMENT OF FOREIGN LABOUR IN INDIA

234. *Dr. P. S. Deshmukh: (a) Will the Honourable the Prime Minister be pleased to state if there are any restrictions on the employment of foreign labour in India? If so, have any specific rules been framed?

(b) Do Government propose to lay a copy of such rules on the table of the House and if rules have not been framed, do Government propose to do so now?

The Honourable Pandit Jawaharlal Nehru: (a) The Government of India have not imposed any restriction on the employment of foreign labour in India. In fact foreign labour is hardly employed in India.

(b) No rules have been made yet nor is it considered necessary to make any.

DISCRIMINATION AGAINST INDIAN LABOUR IN OTHER COUNTRIES

235. *Dr. P. S. Deshmukh: (a) Will the Honourable the Prime Minister be pleased to state whether Government are aware that Indian labour is discriminated against in many countries?

(b) If so, what steps do Government propose to take to bring about amelioration of the conditions of Indian labour employed in other countries?

The Honourable Pandit Jawaharlal Nehru: (a) Yes, Sir, in some countries.

(b) The responsibility for ameliorating conditions of labour in countries outside India devolves on the foreign Governments concerned and all that the Government of India can do is to make suitable representations to those Governments. This they are making from time to time through their representatives. In two countries in particular, Ceylon and Malaya, there are Agents of the Government of India specifically to look after the interests of Indian labourers.

Shri M. Ananthasayanam Ayyangar: Will the Honourable Minister try to introduce legislation to the effect that in case our Indian labour is discriminated against in foreign countries reciprocal treatment may be meted out here. Though there is no European labour here yet so far as Ceylon and other countries are concerned, there may be similar employment. With respect to political matters, such legislation has already been introduced. In respect to labour conditions, is similar legislation under consideration, or will it be introduced at a short date?

The Honourable Pandit Jawaharlal Nehru: As the Honourable Member himself pointed out this would apply to countries like Ceylon, and may be Burma too. It does not apply really to western countries because there is no such labour here. In regard to Ceylon and Burma, there is hardly any Ceylonese or Burmese here. We may possibly pass some special legislation which does not effect anybody but which may be suitable to show our resentment. As a matter of fact, in regard to Ceylon and in regard to Burma, we are dealing with these Governments and negotiating with them all the time. It would hardly be proper for us to take any steps which would put an end to those negotiations.

Mr. R. K. Sidhva: Under the rules, can a member put more than five questions?

Mr. Speaker: The Honourable Member is perhaps referring to my allowing Dr. Deshmukh to put question No. 235. Is that so?

Mr. R. K. Sidhva: Yes.

Mr. Speaker: The reason was that one of his questions was not answered. The Honourable the Prime Minister stated that it is transferred to another list.

ANTI-INDIAN PROPAGANDA BY PAKISTAN IN MIDDLE EAST COUNTRIES

236. *Shri V. C. Kesava Rao: (a) Will the Honourable the Prime Minister be pleased to state whether Government are aware of the anti-Indian propaganda by Pakistan in the Middle East and if so, what steps are being taken to counteract the same?

(b) Which are the countries in the Middle East where the Government of India have established Embassies?

(c) In such of the countries where there are no embassies at present, what is the channel of diplomatic relations and what steps are being taken to give the true version of the incidents in India to the people of those countries?

The Honourable Pandit Jawaharlal Nehru: (a) The Government of India have from time to time seen reports of anti-Indian propaganda carried on in the Middle East countries. It is one of the duties of our representatives in these countries to counteract this kind of propanganda.

(b) An Indian Embassy has already been opened in Iran and it is hoped that our Ambassador-designate in Cairo will shortly present his credentials. The Government of India have also agreed to exchange Ambassadors with Turkey, and discussions for the establishment of diplomatic relations with Transjordan are in progress.

(c) The British representatives are for the present looking after our interests in the countries where we have no diplomatic missions. Publicity material relating to India is supplied to the British representatives in these countries, as well as to associations, newspapers and individuals who ask for them. A true account of events in India is also broadcast to these countries in the external services of All-India Radio.

Shri V. C. Kesava Rao: Is Government aware, after Firoz Khan Noon's visit to the Middle East, that anti-Indian propaganda has burst into violence and what steps are Government taking to counteract it?

The Honourable Pandit Jawaharlal Nehru: The Government is aware of that. I do not quite know what the Honourable Member wants me to say with regard to the steps we are taking. There are the normal steps to place the facts and the truth before the public there!

Shri H. V. Kamath: Apart from embassies, do Government propose to send goodwill and cultural missions to Middle East?

The Honourable Pandit Jawaharlal Nehru: No, there is no such proposal at present.

Shri H. V. Kamath: Will they consider this proposal?

The Honourable Pandit Jawaharlal Nehru: I do not quite understand this business of sending goodwill missions. I do not quite know what it means. These missions are normally sent where there are no embassies.

Shri H. V. Kamath: Where there is even a regular embassy, a mission like this may sometimes do some good.

The Honourable Pandit Jawaharlal Nehru: But these casual missions roaming about normally do not do good to anyone.

Shri V. C. Kesava Rao: For the better understanding of the Middle East countries, will the Government consider the question of publishing pamphlets in Turkish, Arabic and other languages?

Shri M. Ananthasayanam Ayyangar: In those countries!

The Honourable Pandit Jawaharlal Nehru: I suppose so. No doubt it is the business of our embassies there to issue pamphlets and such other publicity materials and if they do so they do so in the language of the particular country concerned.

Shri M. Ananthasayanam Ayyangar: May I ask the Honourable Premier if any steps are being taken in his department to have a separate secretariat to deal with various matters that come from the various provinces to give information, to study their culture, their language, their religion, etc., so as to enable our embassies to contact them and give them information as to what ought to be done to spread our culture and also to get ourselves in touch with them?

The Honourable Pandit Jawaharlal Nehru: I have not quite grasped the question. The Honourable Member asked me to get in touch with provinces, to study their.....

Shri M. Ananthasayanam Ayyangar: With different countries. There was a proposal that an independent organisation should be established.

Mr. Speaker: I am afraid all this discussion does not arise out of this particular question.

Shri M. Ananthasayanam Ayyangar: Arising out of the question that my friend put, as to whether pamphlets and periodicals.....

Mr. Speaker: Only for the purpose of propaganda and giving the correct news.

Shri M. Ananthasayanam Ayyangar: Is there any machinery in his department to study individual problems of each country where embassies have been sent, so that we may be in touch with them, and also what kind of propaganda has to be carried on?

The Honourable Pandit Jawaharlal Nehru: I am afraid there is no such real machinery. We get full reports from our ambassadors, ministers, etc., and we also issue some kind of pamphlets for more or less departmental use. It may be desirable to extend that and give it a wider field. But normally we send our resumes and pamphlets on world politics and international conditions to our diplomatic representatives. The Foreign Office does not, so far as I know usually deal with the public in terms of propaganda directly in its own country. That is the work of the Home Department or the Information Publicity Department.

Shri Rohini Kumar Chaudhuri: May I know whether the Government of India has any connection or control over the Indo-British Goodwill Mission which recently toured throughout India and whether that Mission could not be utilised to tour the Middle East countries?

The Honourable Pandit Jawaharlal Nehru: I have not heard of this Mission.

Shri Rohini Kumar Chaudhuri: This Mission went to Assam. In it there are Europeans, Englishmen as well as Indians and district officers were asked to receive the Mission and give them tea, lunch and dinner.

The Honourable Pandit Jawaharlal Nehru: Nevertheless the Government of India or any other Government has nothing to do with it.

Shri B. B. Diwakar: In addition to what the embassies are doing, may I know what is being done by the Department of Information in India?

The Honourable Pandit Jawaharlal Nehru: That is for the Information Department to say. I may say that there is at the present moment a certain amount of overlapping or call it hiatus if you like. Foreign propaganda can be done through the foreign office as also through our Information and Publicity Department and the matter has to be coordinated, I think, in order to achieve results.

Shri H. V. Kamath: Is it not possible for cultural missions to perform useful functions which an embassy cannot do? For instance a mission can establish intimate contacts with the people and popular institutions of the country.

Mr. Speaker: I am afraid questions of that type would involve discussions and suggestions for action.

Shri H. V. Kamath: Is it not possible for cultural missions to serve a useful purpose.....

Mr. Speaker: That is a matter of opinion.

Shri H. V. Kamath: Is there any arrangement for sending missions to perform useful tasks which embassies cannot perform?

Mr. Speaker: That question has already been answered.

ARRANGEMENTS FOR EVACUATION OF HINDUS AND SIKHS FROM SIND

237. ***Giani Gurmukh Singh Musafar:** (a) Will the Honourable the Prime Minister be pleased to state whether the Government of India have decided to evacuate all the Hindu and Sikh population of Sind?

(b) If so, what arrangements have been taken to meet the decision?

(c) If total evacuation of Hindus and Sikhs has been decided upon, within what period do they propose to complete it?

(d) What extra transport arrangements are the Government of India providing for their speedy evacuation?

(e) Are the Government of Pakistan prepared to provide the same transport facilities for the evacuation of non-Muslims from Sind, as they did for the evacuation of non-Muslims from West Punjab and N.W.F.P.?

The Honourable Pandit Jawaharlal Nehru: (a), (b) and (d). The policy of the Government of India has been not to encourage the evacuation of non-Muslims from Sind, but at the same time to provide all facilities for transport to India for such non-Muslims as desire to leave Sind. In furtherance of this policy, facilities have been provided by us as far as lie in our power for non-Muslims to leave Sind by sea or railway train. This process however was delayed from time to time owing to the policy of the Sind Government and certain restrictions imposed by it. Recent events have made it clear that it is exceedingly difficult for non-Muslims to live in Sind owing to lack of protection and opportunity for leading a normal life and carrying on any profession. The Government of India thereupon impressed upon the Pakistan Government to withdraw all restrictions and to give every facility for removing non-Muslims from Sind to India. Special steamers have been arranged for carrying evacuees from Karachi to Bombay and Kathiawar ports and arrangements have also been made for the running of a special train from Mirpurkhas in Sind and the question of running one more special train is at present under consideration.

(c) It is difficult to fix any precise period as the total time required will depend on the facilities available. But at the present rate of evacuation, assuming that most of the non-Muslims want to leave Sind, evacuation to be completed may take six months.

(e) The Government of India are in communication with the Pakistan Government in this matter.

Shri Jainarain Vyas: Are the Government aware that refugees coming from Sind are detained at Marwar junction and Palia for want of specific plans to rehabilitate them?

The Honourable Pandit Jawaharlal Nehru: That is largely true, because a very large number of refugees suddenly descended upon Marwar junction. The Honourable Member is aware that a special board, called the Rehabilitation and Development Board, has been created to consider this very problem.

Shri Jainarain Vyas: Is the Government aware that some Harijans who had come down to Marwar Junction had to return back to Sind for want of specific rehabilitation plans?

The Honourable Pandit Jawaharlal Nehru: I have no personal information. Probably my Honourable colleague of the Relief and Rehabilitation Ministry may know.

Pandit Hirday Nath Kunzru: Are Government aware that the non-Muslims in Sind do not enjoy adequate protection from the Sind Government and if so, why is it the policy of the Government not to encourage non-Muslims to leave that province?

The Honourable Pandit Jawaharlal Nehru: Perhaps the Honourable Member did not follow my reply. What I said was that originally that was our policy but we had to change it because of these facts coming to our notice.

Shri T. T. Krishnamachari: Is it a fact that ships that are sent to Karachi to evacuate non-Muslim refugees are refused permission to enter the harbour, if they contained Muslim passengers from Bombay or other ports in India?

The Honourable Pandit Jawaharlal Nehru: There is some truth in that. Difficulties have been placed in the way of ships carrying Muslim passengers

to Karachi and we have been told that if such ships are sent, they would not be afforded facilities, that is to say, the Pakistan Government does not welcome any Muslims coming over to Karachi from the Bombay or Kathiawar side.

DECISION *re* NEOGY COMMITTEE'S REPORT OF ADVISORY PLANNING BOARD

238. *Shri B. Das: (a) Will the Honourable the Prime Minister be pleased to state what actions, if any, have so far been taken on the Neogy Committee's report of the Advisory Planning Board?

(b) Have Government come to any decision on any of its recommendations so far?

(c) Have any steps been taken to implement the machinery of planning by creating (i) a Planning Commission; and (ii) a Central Statistical Office?

The Honourable Pandit Jawaharlal Nehru: (a) and (b). A statement of the action taken or decision reached so far on the main recommendations of the Advisory Planning Board is placed on the table of the House. If the Honourable Member desires any further information it will be collected from the Ministry concerned and supplied.

(c) No final decisions have yet been taken on the recommendations of the Board regarding the establishment of a Central Planning Commission and of a Central Statistical Office. The recent appointment of the Rehabilitation and Development Board is, however, a step in the direction of Central Planning.

Action taken in regard to the main recommendations of the Advisory Planning Board.

*Paragraph 94 (1) and (2).—*No final decision has been reached on these recommendations.

*Paragraph 94 (3).—*The question is still under consideration.

*Paragraph 94 (4).—*It has been decided that the question of converting the existing Tariff Board into a permanent statutory body should be held over until the future constitutional position became clearer.

*Paragraph 94 (5) and (6).—*Action on these was to be taken by Provincial Governments.

*Paragraph 94 (7).—*A circular letter together with a note was sent to all Provincial Governments and Chief Commissioners most of whom have included concentrated area development schemes in their development plans.

*Paragraph 94 (8).—*This recommendation has been endorsed by the recent Industries Conference. The question is under consideration in the Ministry of Industry and Supply.

*Paragraph 94 (9), (10) and (16).—*The Scientific Manpower Committee is taking necessary action regarding these recommendations.

*Paragraph 94 (11).—*This is being acted upon.

*Paragraph 94 (12) to (15).—*These are under consideration.

*Paragraph 94 (17).—*Government are taking action to implement this recommendation.

*Paragraph 94 (18) and (19).—*Decision on both of these has been announced in the Ministry of Works, Mines and Power Resolutions No. D.W. XVI-1 (1) and E.I.-I-201 (1), dated the 16th January 1948.

*Paragraph 94 (20).—*All Panels have reported.

*Paragraph 94 (21) to (27).—*These are under consideration.

Shri B. Das: May I know which is the Ministry referred to?

The Honourable Pandit Jawaharlal Nehru: It refers to various ministries connected with this work.

HINDUS AND SIKHS IN PAKISTAN AND MUSLIMS IN INDIA BEFORE AND AFTER PARTITION

239. *Shri Ramnarayan Singh: Will the Honourable the Prime Minister be pleased to state:

(a) the approximate number of Hindus and Sikhs who were living in the area now called Pakistan and the number of Muslims who were living within the present boundaries of India before the 15th August, 1947;

(b) the number of Hindus and Sikhs killed, wounded and abducted in Pakistan and number of Muslims killed, wounded and abducted in India during the period from the 15th August, 1947 to the 15th January, 1948;

(c) the number of Hindus and Sikhs who evacuated from Pakistan into India and the number of Muslims who evacuated from India to Pakistan;

(d) the number of Hindus and Sikhs still left in the West Punjab, Sind and East Bengal and the number of Muslims still living in India?

(e) the cash and property lost or left behind in Pakistan by Hindus and Sikhs and those by Muslims in India; and

(f) the way in which the property of Muslims in India is being disposed of and the steps which are being taken to recover the property of Hindus and Sikhs from Pakistan.

The Honourable Pandit Jawaharlal Nehru: (a) It is estimated that before the 15th August, 1947, there were 13 million Hindus and 1.6 million Sikhs in the Provinces and States which are now included in Pakistan and about 42 million Muslims in the Provinces included in India and the States which have acceded to India;

(b) No reliable figures are available;

(c) No reliable estimates are available of the numbers evacuated from one Dominion to the other before the Military Evacuation Organisation was set up in the first week of September. On a rough estimate, it is believed, that some 5 lakhs of non-Muslims had crossed the border into India before the 15th August and some 7 to 8 lakhs from the 15th August upto the first week of September. The Military Evacuation Organisation has evacuated 28 lakhs of Hindus and Sikhs from Pakistan to India and 29½ lakhs of Muslims from India to Pakistan upto the end of January, 1948.

(d) The number of non-Muslims left in Sind is about 9 lakhs and in West Punjab about ½ lakh. There is no reliable estimate of the number left in East Bengal. The number of Muslims left in India is of the order of 37-38 millions.

(e) Claims aggregating to about 16 crores of rupees were filed by non-Muslim refugees before the Registrar of Claims, New Delhi upto 28th January, 1948. Similar claims filed before the Registrar at Ajmer amount to about Rs. 6 crores. No information is available about the value of the claims filed in East Punjab and other Provinces in India. No information is also available in regard to the claims filed in Pakistan by Muslim evacuees from India and it is not possible to say how much property was left by them in India.

(f) For the present, Custodians of Evacuees' Property who have been appointed in India and Pakistan have taken charge of the properties left behind by the Evacuees from the respective countries. In Delhi, residential buildings in predominantly Muslim localities have been kept under lock and key against the return of Muslim evacuees. Residential buildings in other areas as well as agricultural lands have been let out to evacuees from Pakistan while caretakers have been appointed for industrial property and business premises. No precise information is available of the procedure that has been adopted by the Custodian in Pakistan. The question of uniform treatment of the properties left behind by Hindus and Sikhs in Pakistan and Muslims in India was discussed at a conference which was held in December 1947, and details are now being examined by a Sub-Committee appointed by the conference.

Shri M. Ananthaswamy Ayyangar: Is it a fact that all the houses which have been vacated by non-Muslim refugees from Pakistan have been allowed to be occupied in Pakistan by the people of Pakistan?

The Honourable Pandit Jawaharlal Nehru: I cannot answer that question about all the houses vacated by non-Muslims in Pakistan but I think a very large number of them have certainly been occupied.

Shri M. Ananthasayanam Ayyangar: As in the case of agricultural land cannot the houses vacated by Muslims in India be allowed to be occupied by the non-Muslim refugees from Pakistan?

The Honourable Pandit Jawaharlal Nehru: They have been so allowed except in very selected areas of Delhi city.

Shri M. Ananthasayanam Ayyangar: What is the object in excluding entry into those areas? Is it on account of the fear that there may be some trouble?

The Honourable Pandit Jawaharlal Nehru: That is due to a certain policy which the Government has adopted. If the House desires to go into that question, the answer would be rather lengthy. After very careful consideration it was decided that in the predominantly Muslim mohallas (mohallas which are now predominantly Muslim in Delhi) all houses left in between other Muslim houses should be allowed to remain vacant, partly in order to allow the owners of the houses to return and secondly, because if they were occupied by Hindu or Sikh refugees, there was a tendency on the part of the Muslim residents of the other houses next door to leave their houses, because they felt that they were being pushed out. There was a tendency to push out the Muslim residents of the neighbouring houses. In order to prevent that tendency taking effect we decided in those particular areas to reserve those houses.

Even now there are a number of Muslim residents of Delhi in one or two camps near about, who, we hope, will return to their houses in the city.

Dr. B. Pattabhi Sitaramayya: Who pushes them out, Sir?

The Honourable Pandit Jawaharlal Nehru: Normally the Hindu and Sikh refugees who have come here.

Dr. B. Pattabhi Sitaramayya: Can it not be controlled by the authorities responsible for law and order?

The Honourable Pandit Jawaharlal Nehru: Yes, to a considerable extent it has been controlled.

Shri Ramnarayan Singh: Sir, what are the steps that Government are taking to recover property belonging to Hindus and Sikhs who have migrated from Pakistan?

The Honourable Pandit Jawaharlal Nehru: Does the Honourable Member refer to movable property or immovable property?

Shri Ramnarayan Singh: All kinds of property, Sir.

The Honourable Pandit Jawaharlal Nehru: This question of property has been considered repeatedly in conferences between the two Dominions and various resolutions—of course very good on paper—have been passed; but in effect nothing very much has been done. Both the Governments have agreed that property left behind by refugees belongs to their owners and would continue to belong to them. Certain custodians hold them in trust for their owners. The question of occupying immovable property has not at present arisen because the owners are not there to occupy them. The question of movable property has arisen on several occasions and some attempts have been made to transfer them, but not with much success.

Pandit Hirday Nath Kunzru: How long do Government propose to allow vacant houses in predominantly Muslim localities to remain unoccupied?

The Honourable Pandit Jawaharlal Nehru: I am afraid I cannot fix any definite date.

Pandit Hirday Nath Kuzru: Are Government clear in their mind that these houses should not be allowed to remain unoccupied indefinitely?

The Honourable Pandit Jawaharlal Nehru: But obviously no house can be allowed to remain unoccupied indefinitely.

Shri M. Ananthasayanam Ayyangar: Wherever agricultural land has been let out to tenant farmers have there been any applications from owners who have gone away to Pakistan for sending them the rent due to them on the land?

The Honourable Pandit Jawaharlal Nehru: I do not know, Sir.

ACTIVITIES OF WELFARE DEPARTMENT AT JHARIA *re* COAL MINE LABOURERS

240. *Shri Ramnarayan Singh: Will the Honourable Minister of Labour be pleased to state the present activities of the Welfare Department at Jharia, in connection with the coal mine labourers?

The Honourable Shri Jagjivan Ram: A statement giving an account of the welfare activities carried out by or on behalf of the Coal Mines Labour Welfare Fund was laid on the table of the House in reply to part (b) of starred question No. 724, put by the Honourable Member on the 9th December, 1947. A statement giving a brief account of the further progress in regard to welfare activities is placed on the table of the House.

A printed Memorandum showing the activities of the Fund in greater detail has been circulated to all members of the House at the beginning of this session.

Brief account of the activities of the Coal Mines Labour Welfare Fund during December 1947 and January 1948.

Housing.—The main pre-occupation of the Fund during this period was the scheme for the construction of 50,000 houses for coal miners at an estimated cost of Rs. 3,500 per house. Because of the difficulty in getting suitable plots of coal free land for building townships, it is proposed to construct about 21,000 houses on land now owned by collieries, on condition that the houses after construction are transferred to the Housing Board, which is being set up under the Coal Mines Labour Welfare Fund Act. 5,300 of these houses are expected to be on railway collieries.

Steps are being taken to construct a township of 9,000 houses in Mohuda and about 2,500 houses in Bhuli. For solving the transport problem in Mohuda, Ministry of Railways are arranging for a detailed engineering survey. The Central Waterways Irrigation and Navigation Commission have already examined the question of water supply and their report is expected shortly.

In Bhuli, where a few experimental houses have already been built, tenders have been accepted and works orders issued for the construction of the first 750 houses.

The Bengal Coalfields Sub-Committee of the Coal Mines Labour Welfare Fund Advisory Committee have been able to select 15 sites in the Raniganj coalfield for small group of about 500 miners' houses each. Steps are being taken to get the sites examined by experts and to acquire such of those as are suitable.

Direct responsibility for the execution of the housing scheme, as well as all construction works of the Fund in Bengal and Bihar, has been transferred from Central Public Works Department to the Fund itself. A Superintending Engineer with necessary staff has been appointed for this purpose.

Medical Facilities.—Regional hospitals and Maternity and Child Welfare Centres at Tiarra, Katras, Chora and Searsole have been constructed and are being equipped. Some of the medical equipments are being obtained through the Directorate General of Disposals. Advertisements for staff have been issued and selection will be made shortly. Arrangements for water supply, electricity etc., are being made.

Anti-malaria operations are being continued as before and the incidence of malaria in the coalfields has been considerably reduced. On the preventive side, intensive larvicidal measures directed against aquatic stages of mosquitoes are reinforced by their spray killing with D. D. T. The new anti-malaria drug Paludrine is used on the curative side. With effect from the 1st March 1948, the Malaria Institute of India will take over the malaria control operation in the Koroa coalfields also under their direct control.

With a view to tackle the problem of tuberculosis, it is proposed to construct during 1948-49 three static clinics at places to be selected by the Coal Mines Labour Welfare Fund.

Advisory Committee. The clinics are expected to cost about Rs. 6,00,000 non-recurring and Rs. 1,29,000 recurring. The possibility of reserving ten beds for T. B. patients in each of the two Central Hospitals under construction in the Jharia and Raniganj coalfields is also being considered.

A grant of Rs. 25,000 has been made for the purchase, from the Coal Mines Labour Welfare Fund, of an 'X' Ray Unit for the benefit of colliery workers in the Central Provinces coalfields.

Another grant of Rs. 14,000 has been made to the Bengal Coalfields Sub-Committee of the Coal Mines Labour Welfare Fund Advisory Committee for organising and conducting a second refresher course of training for the medical officers in collieries.

Women's Welfare.—Fourteen demonstration centres, where visual and craft education is provided to women and children in the coalfields, have so far started functioning. The section also runs shops where consumer goods are made available to miners at appreciably less than market rates—economy being effected by bulk wholesale purchase—and operates a mobile cinema displaying educative films.

Miscellaneous.—During the quarter ending December 1947, the mobile shops visited 52 collieries and sold consumer goods such as aluminium utensils, ready-made garments, woollen goods etc., worth Rs. 28,000.

The mobile cinema van continued to provide recreation to the mining folk. On an average, 20 shows per month were put up.

The mobile canteen is very popular and is running without loss.

A grant of Rs. 1,200 was recently sanctioned in favour of the Girdih Railway Collieries for holding a Labour Welfare Exhibition.

IMPLEMENTATION OF KOSI DEVELOPMENT SCHEME

241. *Shri Ramnarayan Singh: Will the Honourable Minister of Works, Mines and Power be pleased to state the steps which are being taken to implement the Kosi Development Scheme?

The Honourable Shri N. V. Gadgil: The Central Water Power Irrigation and Navigation Commission, who have been dealing with the Kosi Scheme, are still engaged on preliminary investigations and surveys. They have submitted to the Government of India a preliminary report† on the Kosi Project, copies of which are laid on the table. As soon as the investigations are completed, the Commission will submit a detailed Project report when further action will be considered in consultation with the Governments of Bihar and Nepal.

Shri Ramnarayan Singh: By what time does the Honourable Minister expect the investigations to be completed?

The Honourable Shri N. V. Gadgil: In about eighteen months' time, Sir.

Shri M. Ananthasayanam Ayyangar: May I know from the Honourable Minister if in the group of men who are investigating into this scheme there are any persons who were at any time connected with the building of dams in any part of India?

The Honourable Shri N. V. Gadgil: The persons engaged in the preliminary investigations are experienced engineers and are recruited from all the provinces of this country.

Shri M. Ananthasayanam Ayyangar: May I know if any of them had any practical experience in the construction of dams, e.g., the Mettur dam in Madras and other dams in the Bombay Presidency.

The Honourable Shri N. V. Gadgil: I require notice of that question.

Shri Ramnarayan Singh: Sir, what are the matters for investigation?

†Not printed in these Debates. A copy has been placed in the Library of the House.—
*Sd. of D.

The Honourable Shri N. V. Gadgil: All matters which are relevant to the construction of this project are the matters which are to be investigated.

Shri Rammarayan Singh: May I know what portion of the investigation has been completed by now?

The Honourable Shri N. V. Gadgil: I have laid a copy of the preliminary report on the table which contains about 2 dozen maps dealing with the various aspects of the scheme and if the Honourable Member is so interested and inclined he can go through them at leisure.

Shri M. Ananthasayanam Ayyangar: May I ask the Honourable Minister if there is any proposal to send any of these gentlemen to foreign countries to get experience before they undertake the work.

The Honourable Shri N. V. Gadgil: Some of them have already been and are working not only on this scheme, but also on others.

Shri M. Ananthasayanam Ayyangar: May I ask the Honourable Minister if before finalising the scheme, it will be placed before other persons who are experienced in the construction of dams?

The Honourable Shri N. V. Gadgil: That is usually done and I may point out for the information of my Honourable friend that so far as the Mahanadi project is concerned, we have appointed a committee of experts in which there are two American experts whom we have invited for a period of two months.

INDIAN OFFICERS IN SECRETARIATS OF VARIOUS EMBASSIES.

242. ***Shri Rohini Kumar Chaudhuri:** (a) Will the Honourable the Prime Minister be pleased to state how many Indian Officers have been taken in the Secretariats of the different Embassies?

(b) How many of them were recruited through the Federal Public Service Commission?

(c) How many of them were directly recruited?

(d) How many of these directly recruited persons had previous experience of Secretariat work in Provincial or Central Government?

(e) To what provinces do the officers mentioned in part (a) above belong?

The Honourable Pandit Jawaharlal Nehru: (a) to (e). A statement containing the required information is placed on the table of the House.

Statement

S.No.	Name of Embassy	How many Indian officers have been taken in the Sects. of the different Embassies?	How many of them were recruited through the F. P. S. C. ?	How many of them were directly recruited?	How many of these persons had previous experience of Sects. work in Provincial or Central Govts.	To what Provinces mentioned in part (a) belong?	Remarks
1	2	(a)	(b)	(c)	(d)	(e)	8
1.	Indian Embassy at Nanking.	First Secy. 1 Third Secy 3	1 (IGS) 1 (IFB) 2	1	6	7	Punjab. Madras.
2.	Indian Embassy at Moscow.	First Secy. 1 First Secy. 1 (Cultural Relations)	1 (IGS) - 1	1 - 1	1 - 1	1	United Provinces. Bengal.
3.	Indian Embassy at Washington.	Counsellor. 1 Financial Adviser 1 First Secy. 1 Second Secy. 1 Third Secy. 1	1 (IGS) - 1 (IA & SA) 1 (IFS) 1 (Gen. Admn. Reserve) 1 (I.F.S.)	1 - 1 1 1	1 - 1 1 1	1	United Provinces. Madras. Punjab. Madras. United Provinces.
4.	Indian Embassy at Tehran.	First Secy. 1	1 (IGS)	1	1	1	United Provinces.

5. Indian Embassy at Charge d, Paris.	1	1 (ICS)	Madras.
6. Indian Embassy at Charge d, Brussels.	1	1 (ICS)	Bombay.
7. Indian Embassy at Rangoon.	1 (ICS) 1 (Indian Postal Service.)	2	United Provinces, Punjab.
8. Indian Embassy at Kathemandou.	1 (IA & AS)	1	United Provinces.
Total:	15	14	U.P. 6, Madras 4, Bengal 1, Punjab 3, Bombay 1.

I.C.S. means Indian Civil Service.

I. A. & A. S. means Indian Audit and Accounts Service.

I.F.S means Indian Foreign Service.

I.P.S means Indian Political Service.

ENTERTAINMENT OF APPEALS TO PRIVY COUNCIL BY FEDERAL COURT OF INDIA

243. *Shri Rohini Kumar Chaudhuri: Will the Honourable the Prime Minister be pleased to state if appeals which lie to the Privy Council from different High Courts and Chief Courts under the present law, are being now entertained by the Federal Court of India and if so, has the number of judges in the Federal Court been increased to cope with the additional work?

The Honourable Pandit Jawaharlal Nehru: I invite the Honourable Member's attention to sections 3, 5 and 7 of the Federal Court (Enlargement of Jurisdiction) Act, 1947. The question of increase in the number of Judges will be considered as and when necessary. No such necessity has thus far arisen.

RELIEF AND REHABILITATION OF REFUGEES FROM SIND

244. *Giani Gurmukh Singh Musafar: (a) Will the Honourable Minister of Relief and Rehabilitation be pleased to state what arrangements have been made for the relief and rehabilitation of refugees from Sind?

(b) Have Government prepared any plan to accommodate those refugees in particular regions, district-wise, as has been done in the East Punjab in the case of refugees from West Punjab and N.W.F.P.?

(c) If so, do Government propose to lay a statement showing the details of the said scheme on the table of the House?

(d) How many of the agriculturist Sindhi refugees have been allotted agricultural land and how many of the non-agriculturist Sindhi refugees have been granted loans to start business?

The Honourable Shri N. V. Gadgil: (a) A Directorate General has been set up to look after the immediate problems of reception and relief of refugees from Sind. Directors have been appointed at Bombay, Rajkot in Kathiawar, Marwar and Nagpur in Central Provinces. Adequate quantities of food supplies, clothing, blankets and medicines are being made available at the camps which have been and will be set up for the reception of these refugees near Bombay, in Kathiawar, in Rajputana and in the Central Provinces. The rehabilitation of Sind refugees will also be part of the duties of the Rehabilitation and Development Board.

(b) and (c). No district-wise allotment has been worked out; but it is expected that refugees from Sind will be accommodated mostly in Rajputana, Ajmer, Bombay, Central Provinces and Kathiawar. The primary need at present is to make adequate arrangements for evacuation and immediate relief and this is being done.

(d) It is known that some of the Sindhi agriculturists are being settled on land in Udaipur State. Others are returning to the places where they have ties. No separate statistics relating to relief and re-settlement of Sindhi refugees have been kept so far.

Shri Jainarain Vyas: Does the Government know that the refugees who have settled down in the States of Rajputana are not given the facilities which the *bona-fide* residents of the place enjoy in the matter of service, in the matter of carrying on professions, and therefore they have to leave for other places in order to eke out their livelihood?

The Honourable Shri N. V. Gadgil: It is not possible to give information on this particular point immediately, but I will call for information.

Shri Jainarain Vyas: Will the Government see that the Sindhi refugees settled down in Jodhpur are given the facilities accorded to the *bona-fide* residents of the place?

The Honourable Shri N. V. Gadgil: I do not understand what kind of facilities are given to Sindhi refugees as against facilities accorded to the *bona-fide* residents of the Jodhpur State. I think it is a matter of experience for the Honourable Member himself.

Shri Jainarain Vyas: In the case of the *bona-fide* residents....

Mr. Speaker: Does the Honourable Member propose to argue the matter?

Shri Jainarain Vyas: No, Sir. I am just putting a question. In my first question I said that in the matter of employment and in the matter of service the *bona-fide* residents of the place get certain facilities which the refugees do not. Will the Honourable Minister write to the States concerned to see that these facilities are given to the Sindhi and other refugees who have settled down there?

The Honourable Shri N. V. Gadgil: I shall consider this.

DIAMOND MINES IN HIRAKUD IN SAMBALPUR DISTRICT ORISSA

245. *Shri Lakshminarayan Sahu: Will the Honourable Minister of Works, Mines and Power be pleased to state:

(a) whether Government have any information that diamond mines existed in the past in Hirakud in the district of Sambalpur in Orissa; and

(b) if so, whether Government propose to take steps to prospect diamond in Hirakud?

The Honourable Shri N. V. Gadgil: (a) Government have no information that diamond mines existed in the past in Hirakud in Sambalpur district. It is said that diamonds were occasionally picked up in the past in the river near Hirakud. Dr. V. Ball of the Geological Survey of India visited the area in 1875-76 and made a thorough investigation; but no diamonds were discovered. Subsequent Geological investigations confirm the view that there are no diamond mines at Hirakud.

(b) Does not arise.

Shri H. V. Kamath: Where have all the diamonds of ancient India disappeared?

Mr. Speaker: Order, order. Next question.

REPRESENTATION TO PORTUGAL FOR INDEPENDENCE OF DAMAN, DIU AND GOA

246. *Shri V. C. Kesava Rao: (a) Will the Honourable the Prime Minister be pleased to state whether representations have been made to Portugal in the matter of granting complete independence to the inhabitants of Damam, Diu and Goa?

(b) Have Government any direct diplomatic facility at Lisbon, and if not, through what channel have these representations been made?

(c) If the answer to part (a) above be in the negative, do Government propose to consider the question of making an early representation in this matter?

The Honourable Pandit Jawaharlal Nehru: (a) No formal representation has been made to the Portuguese authorities but some informal conversations have taken place.

(b) There is no Indian diplomatic representative in Lisbon; the informal conversations have taken place in London between our High Commissioner and the Portuguese Ambassador.

(c) The Government of India are at present considering the question of exchanging diplomatic representatives with Portugal. Pending such exchange, the future of Portuguese possessions in India must remain the subject of informal discussion, as and when opportunity occurs.

Shri V. C. Kesava Rao: May I know the number of the Goans belonging to the Portuguese Settlements staying in India?

The Honourable Pandit Jawaharlal Nehru: There are a very large number of them.

LOSS OF INDIA'S FINANCES DUE TO FOREIGN INSURANCE COMPANIES

247. *Shri V. C. Kesava Rao: Will the Honourable Minister of Commerce be pleased to state:

(a) the number of foreign Insurance Companies working in India—nation-wise in life, fire, marine and accident insurances;

(b) the amount going out of India to various countries from this source?

(c) the amount that Indian Insurance companies pay to foreign countries for re-insurance of risks; and

(d) whether in view of the financial drain to the country due to the operation of these insurance companies, Government propose to consider the question of bringing in legislation to control this drain?

The Honourable Mr. C. H. Bhabha: (a) I am placing on the table of the House a statement containing the requisite information.

(b) and (c). The information is not readily available.

(d) Government will consider this question.

Statement

Showing the number of foreign Insurance Companies working in India in life, fire, marine and accident insurances.

Country in which constituted	Life	Fire	Marine	Misc.
United Kingdom*	11	47	35	45
Australia	...	6	5	5
Canada	2	3	1	2
Hongkong		5	4	1
Straits Settlements		2	1	1
Africa	1	1
U. S. A.	...	8	5	
Switzerland	1	2	...	
Java		1	1	...

*Including 5 insurers holding standing contracts with Lloyds.

TRAINING OF INDIAN OFFICERS IN MARINE BIOLOGY AND CAPACITY OF TRAINING SHIP *DUFFERIN*

248. *Shri V. C. Kesava Rao: Will the Honourable Minister of Commerce be pleased to state:

(a) what is the capacity of the training ship *Dufferin* for training executive, and engineering cadets;

(b) whether, in view of the contemplated expansion of the shipping industry, Government propose to consider the question of increasing the training capacity of *Dufferin* or having one or two similar establishments for training cadets;

(c) whether Government are aware that for fishing fleets, specially trained men have to be brought from England, as our officers are not trained in Marine Biology; and

(d) whether Government propose to consider the question of instituting a combined course for officers to merchant ships as well as deep sea fishing fleets?

The Honourable Mr. C. H. Bhabha: (a) The present annual intake of the training ship is fifty cadets, twenty-five for the executive branch and twenty-five for the engineering branch.

(b) Yes, Sir. Government have already set up a special Committee to examine the question of the expansion of training facilities for merchant navy officers and their final recommendations are awaited.

(c) and (d). The Special Committee has been asked to investigate the possibility of providing coaching facilities and of holding examinations for certificates of competency for Officers of merchant ships as well as fishing vessels.

ANDHRAS IN INDIAN SCHOOL OF MINES AND QUOTA FOR EACH PROVINCE

249. *Shri V. C. Kesava Rao: Will the Honourable Minister of Works, Mines, and Power be pleased to state:

(a) the total annual intake of students in the Indian School of Mines and their number province-wise;

(b) whether Government have fixed a quota for each province;

(c) the number of Andhras undergoing training in the Indian School of Mines; and

(d) whether in view of the fact that some of the largest mica mines are in the Andhra districts, Government propose to fix an equitable quota for Andhras in this school?

The Honourable Shri N. V. Gadgil: (a) and (b). The existing annual intake of students, in the Indian School of Mines, Dhanbad, is twenty-four and their number province and state-wise, during the current year 1947-48, is as follows:

Madras	2
Bengal	2
Bihar	2
Orissa	1
Bombay	1
U. P.	1
Punjab	1
C. P.	1
Assam	1
N. W. F. P.	1
Baluchistan	1

Sind	1
Delhi Ajmer-Merwara	
Coorg	1
Hyderabad	1
Mysore	1
Minority Communities and War Service Candidates	6

 24

(c) There are no students from the Andhra Districts now undergoing training in the School.

(d) Government have already fixed an equitable quota for the Madras Province in which the Andhra Districts are situated. They do not propose to fix quotas district wise.

Shri M. Ananthasayanam Ayyangar: May I know the number of applications received and how many have to be turned out for want of accommodation?

The Honourable Shri N. V. Gadgil: A large number. Only recently the Standing Finance Committee has sanctioned an expansion scheme and from next year the total number will be about sixty.

Shri V. C. Kesava Rao: May I know the post-war plans for the expansion of the School of Mines?

The Honourable Shri N. V. Gadgil: The Committee that was appointed has made a Report and some of the recommendations of that Committee have been recently implemented with the sanction of the Standing Finance Committee, and one of the recommendations is to increase the number of students which will become about sixty.

Shri Rohini Kumar Chaudhuri: May I know on what basis quotas of students are allotted to the different Provinces?

The Honourable Shri N. V. Gadgil: On all relevant considerations, including population, size of the territory and the capacity of the people of the Province.

Dr. P. S. Deshmukh: Will the Honourable Minister consider the proposal to open any other Schools?

The Honourable Shri N. V. Gadgil: Not yet.

Shri H. V. Kamath: By 'capacity' does the Honourable Minister mean intellectual or physical capacity?

The Honourable Shri N. V. Gadgil: Intellectual.

Shri Rohini Kumar Chaudhuri: In a Province like Assam mining has not been developed much though there are great resources. Will the position of such undeveloped Provinces be taken into consideration in allotting the number of seats?

The Honourable Shri N. V. Gadgil: I think that is also taken into consideration.

Shri H. V. Kamath: Has the Honourable Minister got any tests for gauging the intellectual capacity of the candidates?

The Honourable Shri N. V. Gadgil: The Honourable questioner knows very well that such things are usually practised in all the selection committees.

CRITERION FOR ALLOTMENT OF GOVERNMENT QUARTERS TO NON-GAZETTED STAFF FROM PAKISTAN.

250 *Shri H. J. Khandekar: (a) Will the Honourable Minister of Works, Mines and Power be pleased to state what was the criterion for allotment of Government quarters to non-gazetted staff repatriated from Pakistan?

(b) Is it a fact that claims of a number of such men holding permanent appointments were ignored, whereas temporary staff with shorter service was provided with accommodation?

(c) Do Government propose to consider the desirability of counting the service rendered by such staff in Pakistan as the sole factor for determining the eligibility for allotment of quarters as is done in the case of similar staff employed in New Delhi?

The Honourable Shri N. V. Gadgil: (a) The sole criterion for making allotments to the staff repatriated from Pakistan is total length of service, including service rendered in Pakistan prior to repatriation.

(b) No

(c) Does not arise in view of the answer to part (a) above.

COASTAL TRANSPORT DONE BY COUNTRY-CRAFT AGAINST POWER-DRIVEN SHIPS

251. *Shri E. E. Diwakar: (a) Will the Honourable Minister of Commerce be pleased to state separately the total coastal tonnage of cargo carried by country-craft and that by power-driven ships?

(b) What steps are being taken to encourage country-craft which is handling a good portion of coastal transport?

(c) In view of the shortage of the coastal shipping, do Government intend giving some protection to country-craft against competition by power-driven coasters?

The Honourable Mr. G. H. Bhabha: (a) The tonnages of coastal cargo carried by country-craft and power-driven ships per year are approximately 1 and 2.5 millions respectively. The figures include traffic to and from the port of Karachi.

(b) and (c). Government have at present under consideration the question of the steps to be taken for the development of the sailing vessel traffic and for securing co-ordination of shipping and sailing vessel services.

PRINTING AND CIRCULATION OF STATEMENTS LAID ON THE TABLE
IN ANSWER TO QUESTIONS AND DELAY IN PRINTING THE
ASSEMBLY DEBATES.

Dr. B. Pattabhi Sitaramayya (Madras: General): May I request you, Sir, to direct that the statement furnished in answer to question No. 242 today regarding recruitment to Foreign Embassies, be immediately circulated to us? You were good enough to state some time ago when the question was first raised that very important statements should be immediately furnished to us. This is a very important statement. Along with that, Sir, I would like to couple the contract relating to the Andamans in answer to a question dated the 6th February.

Your attention has already been invited to the fact, Sir, that we have not got the proceedings of even the first meeting of this session and this is rather unusual in view of the fact that in former sessions they used to be furnished much more quickly.

Mr. Speaker: As regards the latter request, I am sorry that the matter does not rest in the hands of the Assembly Department. Our difficulties chiefly are with the press, and I may inform Honourable Members that there has been a proposal, adopted long long ago, that the Assembly should have a separate press of its own. But at present difficulties are being experienced over obtaining the necessary machinery and necessary materials for building, etc. So that question has to be shelved over; and the position in the press, I may also invite the attention of the Honourable Minister, has considerably deteriorated. Not only are there delays in getting printing work done, but the work turned out is so inefficient that even the correction of proofs a number of times leaves a number of mistakes. I had referred to this point once, when I explained as to why Bills or Select Committee Reports could not be placed before the House as early as one would wish. So, that disposes of the latter part of the question. I might make a suggestion, as to whether it is not possible to set apart a section of the press only for the work of the Assembly during the period of the sessions, but it is for the Honourable Minister to consider as to how far it is possible.

As regards the two statements that the Honourable Member wishes to have circulated, I will look into them and then decide.

Dr. B. Pattabhi Sitaramayya: Thank you, Sir. I did not want to mention this as a complaint.

Mr. Speaker: I do not take it in that light.

Shri Rohini Kumar Chaudhuri (Assam: General): When a statement is laid on the table in reply to a question, is it possible to supply a copy?

Mr. Speaker: It has been stated by me before that, all the statements that are submitted are placed immediately on the table, and from lunch hour, they are transferred to the Library table. So, if any Honourable Member is desirous of having it immediately there and then, he can have a look at it.

Dr. B. Pattabhi Sitaramayya: But that cuts off all chances of supplementary questions unless you take them after the lunch hour.

Mr. Speaker: That is not possible. The point is that we must now, with the change in the set up, also appreciate the necessity of a change in the manner of putting questions and in the type of information that one calls for. I find many questions ask for information which cannot be supplied in a short reply. It does necessitate a statement. If, therefore, starred questions are restricted only for the purpose of obtaining information there and then and Honourable Members put in unstarred questions for information of a lengthy character, it will be more convenient.

Dr. B. Pattabhi Sitaramayya: When will that information be given?

Mr. Speaker: The same day. Later on, it will be printed, but on the same day it will be laid on the table as answers to starred questions.

Shri B. Das (Orissa: General): Unfortunately departments do not appear to help.

Mr. Speaker: That is a matter for argument. It will be for Honourable Members to help in that direction. If they begin, others will follow.

Shri B. Das: How can we help bureaucratic departments?

Mr. Speaker: We will discuss that in my chamber.

Haji Abdus Sattar Haji Ishaq Sait (Madras: Muslim): May I be permitted to add that invariably extra copies of statements and written replies are always available with the Secretary? As a matter of fact, just now I asked for answer to a question and I got it.

Mr. Speaker: These have been always given to the Honourable Members I have stated that before also.

Mr. R. K. Sidhva (C.P. and Berar: General): May I be permitted to add some remarks about the proceedings, which Dr. Pattabhi mentioned in the House? We are.....

Mr. Speaker: I am not permitting any debate.

Mr. R. K. Sidhva: I only wanted to draw your attention to the fact that we do not get the proceedings of this House very promptly and therefore we are considerably handicapped. I understand that previously the proceedings were available within a fortnight. In the Parliament of England proceedings are available within a week, and I understand our own press is working very expeditiously for the printing of the constitution and within a week that will be available. Until the Department has its own press, members should be enabled to have the proceedings at least within a fortnight. I would therefore request you, Sir, to tell the Government to expedite the printing of the proceedings as we really are considerably handicapped for purposes of reference.

Mr. Speaker: If the Honourable Member had followed me, I have already conveyed the suggestion to the Honourable Minister that a part of the press should be specially set apart for Assembly work only during the sessions and that will lead to expediting the work.

WORKMEN'S STATE INSURANCE BILL

PRESENTATION OF THE REPORT OF THE SELECT COMMITTEE

The Honourable Shri Jagjwan Ram (Minister for Labour): Sir, I present the report of the Select Committee on the Bill to provide for certain benefits to workmen employed in or in connection with work of factories in case of sickness, maternity and accident, and to make provision for certain other matters in relation thereto.

CHILD MARRIAGE RESTRAINT (AMENDMENT) BILL

(Amendment of Sections 3, 4, 5, etc.)

Mr. Speaker: The House will now proceed with the legislative business.

پنڈت تھاکر داس بہارگو : (ایسٹ پنجاب جنرل) جناب سپیکر صاحب - مجھے مضامین ذریعہ سے پتہ لگا ہے کہ گورنمنٹ خود ہی ایک ایسا بل (جو بچوں کی شادی کے روکنے کے متعلق بل لی ترمیم کوینا) ہاؤس میں لانا چاہتی ہے - اس وجہ سے یہ امید کرتے ہوئے کہ وہ اس سیشن میں پیش کیا جائیگا - میں اپنے بل کے متعلق Select committee کی موشن فی الحال پیش نہیں کرتا -

Pandit Thakur Das Bhargava (East Punjab: General): Mr. Speaker, I understand from a reliable source that the Government itself is placing before the House a Bill to amend the "Child Marriage Restraint Act". In the hope, therefore, that it will come up for consideration during this Session, I am not at present, moving the motion for Select Committee regarding my own Bill.

Mr. Speaker: Is the Honourable Member not moving the motion?

Pandit Thakur Das Bhargava: I am not moving my motion.

INSURANCE (AMENDMENT) BILL

Shri T. A. Ramalingam Chettiar (Madras: General): Sir, I beg to move:

"That the Bill further to amend the Indian Insurance Act, 1938, be taken into consideration."

Co-operative Insurance Societies, Sir, have been formed for the purpose of helping the poorer section of the people both in the rural parts and in towns. They have got their agents in the villages and through the Village Co-operative Societies they insure people of small means up to Rs. 1,000 or Rs. 2,000. That is the general purpose for which these societies were formed. In view of that fact, in the Act of 1938 these societies were allowed to issue policies for all sums even below Rs. 500, which was the minimum fixed for insurance societies at the time. Later on, Sir, an amendment was proposed for the Insurance Act, one of the terms of which was that two other categories of societies, namely the Mutual Insurance Societies and Provident Societies, which were also allowed to issue policies below Rs. 500, should be taken away from this exemption as they were dealing generally with larger amounts and there was no need to allow them to continue the issue of these smaller policies and in

12 NOON view of the fact that the Government thought that certain other restrictions ought to be placed on those Societies. But the Government intended that the exemption should continue to apply to the Co-operative Insurance Societies. So, in the Bill that was brought before this House by the Government the exemption was maintained so far as the Co-operative Insurance Societies were concerned and that exemption was taken away from the other categories of Societies. Unfortunately this position was not understood in this House and by an amendment which was moved on the spur of the moment the exemption was taken away from the Co-operative Societies also. It was quite unintentional and the Government never meant, Sir, that it ought to be done. When this was represented to the Government they brought forward an amendment in their own Second Amendment Bill to restore the exemption that was granted to these Insurance Societies. Well, Sir, the Select Committee also which sat on that amending Bill, in their Report which was placed before this House only a short while ago, recommended that the exemption should be restored to the Co-operative Insurance Societies. Sir, I have brought forward

this Bill only to grant that exemption which unfortunately was taken away by a misconception on the spur of the moment by a member that moved the amendment when the first amending Bill was brought in this House, and which was admitted by the Government to have been taken away by an error and approved by the Select Committee which sat on the Second Insurance Amending Bill.

I have brought this forward separately for the simple reason that I feared that the Second Insurance Amending Bill which the Government brought forward may not be got through in this Session, and as I found the Government have withdrawn that Bill and are going to bring forward another Bill later on. So it has become very necessary that this Bill should go through now. I may say, Sir, that in the last two years the Co-operative Insurance Societies have suffered much because this exemption was taken away; and the poor people in both the rural and urban areas who were insuring for smaller amounts than Rs. 1,000 have also suffered because they could not be served by the other institutions which are in existence. So I move, Sir, that this Bill be taken into consideration.

Mr. Speaker: Motion moved:

"That the Bill further to amend the Indian Insurance Act, 1938, be taken into consideration."

The Honourable Mr. C. H. Bhabha (Minister for Commerce): Sir, as has been stated by the Honourable Member Mr. Chettiar, it was by inadvertence that the special concession or recognition that was given to Co-operative Insurance Societies was withdrawn by the Amendment Act of 1946. Government's attention was drawn to this and they themselves intended to rectify this error. As a matter of fact, after the Select Committee stage in the new Bill which was withdrawn with the permission of the House a few days ago, this mistake was sought to be rectified. Government feel that this is very necessary and that is why they are accepting this Amendment subject to a few technical changes; notice of such technical amendments has already been given to the House. So Government is accepting this Bill.

Mr. Speaker: The question is:

"That the Bill further to amend the Indian Insurance Act, 1938, be taken into consideration."

The motion was adopted.

The Honourable Mr. C. H. Bhabha: Sir, I move an amendment to Clause 2 as follows:

"That in clause 2 of the Bill, after the figure '4' the words and figures 'of the Insurance Act, 1938' be inserted."

Well, the notice that has been given by the Honourable Member is defective and the Legislative Department feels that to clarify the whole issue, as it has got a bearing on the Insurance Act of 1938, the words "of the Insurance Act, 1938" should be inserted.

Mr. Speaker: I feel a difficulty—only a verbal one. I believe the figure referred to is the Roman figure IV. Then what about the words "of this Act"?

The Honourable Mr. C. H. Bhabha: To make it more specific, instead of "of this Act", I have proposed "of the Insurance Act, 1938".

Mr. Speaker: That means the words "of this Act" must be deleted.

The Honourable Mr. C. H. Bhabha: Yes, Sir.

Mr. Speaker: Then I shall put it in the amended form.

Amendment moved:

"That in clause 2 of the Bill, after the figure 'IV' the words and figures 'of the Insurance Act, 1938' be inserted, and the words 'of this Act' be omitted."

Shri T. A. Ramalingam Chettiar: Sir, I accept the amendment.

Mr. Speaker: The question is:

"That in clause 2 of the Bill, after the figure 'IV' the words and figures 'of the Insurance Act, 1938' be inserted, and the words 'of this Act' be omitted."

The motion was adopted.

Mr. Speaker: The question is:

"That clause 2 as amended stand part of the Bill."

The motion was adopted.

Clause 2, as amended, was added to the Bill.

The Honourable Mr. C. H. Bhabha: Sir, I move:

"That for clause 1 of the Bill, the following be substituted:

'1. This Act may be called the Insurance (Amendment) Act, 1948.'"

In my amendment I have suggested that instead of the word "shall" the word "may" be inserted, and instead of "1947", "1948" be inserted.

Mr. Speaker: The question is:

"That for clause 1 of the Bill, the following be substituted:

'1. This Act may be called the Insurance (Amendment) Act, 1948.'"

The motion was adopted.

Mr. Speaker: The question is:

"That clause 1, as amended, stand part of the Bill."

The motion was adopted.

Clause 1, as amended, was added to the Bill.

The Honourable Mr. C. H. Bhabha: Sir, I move:

"That in the long title of the Bill, the word 'Indian' be omitted."

Sir, the reason for this Amendment is that the title of the original Act as it stands is "Insurance Act, 1938" only.

Mr. Speaker: The question is:

"That in the long title of the Bill, the word 'Indian' be omitted."

The motion was adopted.

Mr. Speaker: The question is:

"That the Title, as amended, and the Preamble, stand part of the Bill."

The motion was adopted.

The Title, as amended, and the Preamble were added to the Bill.

Shri T. A. Ramalingam Chettiar: Sir, I move:

"That the Bill, as amended, be passed."

Mr. Speaker: Motion moved:

"That the Bill, as amended, be passed."

Shri M. Ananthasayanam Ayyangar (Madras: General): Sir, I would like to say a few words. The point is that last time we had this amending Bill,—and it has been there for a very long time—we did not know under what circumstances the Honourable Minister in charge withdrew the Bill putting forward the same grounds that have been advanced now.

The Honourable Mr. C. H. Bhabha: No, there were other grounds mentioned by me.

Shri M. Ananthasayanam Ayyangar: This amendment in favour of the co-operative societies is a very wholesome one for the reason that insurance is essentially a co-operative institution, where a number of people join together and in case of accident provide help by their contributions. Therefore, the

tendency must be in favour of converting all proprietary concerns into other mutual concerns or co-operative concerns. I expected that when the Honourable Minister withdrew the Bill he would bring it after making suitable amendments, so that proprietary concerns may change over easily into other co-operative concerns as early as possible. I now again expect the Honourable Minister will introduce such a Bill at least in the next session.

Mr. Speaker: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

HINDU INTER-CASTE MARRIAGE REGULATING AND VALIDATING BILL

Shri Mohan Lal Saksena (U. P.: General): Sir, since the Law Minister has informed me that he proposes to make a motion for reference of the Hindu Code to a Select Committee during the present session, I do not want to move this motion.

Mr. Speaker: Do I understand that the Honourable Member does not want to make a motion now, but he wishes to keep it alive?

Shri Mohan Lal Saksena: Yes, Sir. In case the Law Minister does not bring in his motion, I may have to move mine.

1. INDIAN COMPANIES (AMENDMENT) BILL (Amendment of Sections 25, 31, 33. etc.)

2. INDIAN COMPANIES (AMENDMENT) BILL (Amendment of Section 86F)

Dr. P. S. Deshmukh (C. P. and Berar: General): Sir, I understand that the Honourable Minister is going to make a statement on these two motions. In view of that, perhaps, it may not be necessary for me to make any motion.

Mr. Speaker: Does the Honourable Minister propose to make a statement on both these motions?

The Honourable Mr. C. H. Bhabha (Minister for Commerce): Yes, Sir. With your permission, I wish to make a statement on these two items. These two Bills seek to amend certain sections of the Indian Companies Act, namely, with a view to affording greater protection to the shareholders than exists at present. Many Honourable Members are aware that two identical Bills were introduced in the late Legislative Assembly by Dr. G. V. Deshmukh. They were circulated for opinion, one as a result of a motion adopted by the House on 14th February 1947 and the other by executive instructions. The opinions so received were naturally not uniform. A large section of commercial interests was opposed to such piece-meal amendments of an important piece of legislation like the Indian Companies Act, 1913 and wanted Government to bring forward a comprehensive Bill at an early date and have it circulated for the criticism of commercial and other interests concerned. Independently of these two Bills of Dr. Deshmukh, Government themselves have felt the necessity of revising the Indian Companies law with a view to meeting the present day requirements. An eminent lawyer of Bombay was appointed in this connection to consider and suggest necessary amendments to the Act. His report is awaited, and he will doubtless be considering the amendments now proposed by the Honourable Member. Government feel that none of the individual amendments suggested by the Honourable Member now is so urgent as to require consideration in advance of the comprehensive legislation that is under

[Mr. C. H. Bhabha]

contemplation. In these circumstances, I would prefer that the present Bills should be held up till Government introduce their comprehensive Bill and I would appeal to the Honourable Member to withdraw them. If, however, the House feels it otherwise, I am prepared to re-circulate both these, but as I have just said, both these amendments were circulated previously, one by an executive order and another by a motion made by this House.

Dr. P. S. Deshmukh: Sir, in view of the statement made by the Honourable Minister, I have no desire to make any motion at this stage, but I would not like the Bills to be killed; I would like them to be kept alive.

Shri M. Ananthasayanam Ayyangar (Madras: General): May I know how long ago the Government appointed this lawyer who is examining the amendments to the Indian Companies Act? My information is that it is more than three years.

The Honourable Mr. C. H. Bhabha: No, Sir. That is not correct. It is almost two years, but I have taken up this matter personally with the man who was appointed, and he has promised to send his report within the next week or so.

Shri M. Ananthasayanam Ayyangar: That is very good.

INDIAN BAR COUNCILS AND THE LEGAL PRACTITIONERS (AMENDMENT) BILL

Shri T. A. Ramalingam Othettiar (Madras: General): Sir, in view of the fact that the Government have tabled a similar Bill for reference to the Select Committee, I do not wish to move this motion now.

CODE OF CRIMINAL PROCEDURE (AMENDMENT) BILL (Amendment of Sections 161 and 162)

Shri M. Ananthasayanam Ayyangar (Madras: General): Sir, I do not propose to make the motion now, but at a later stage. I would like to keep it alive.

PROVINCIAL INSOLVENCY (AMENDMENT) BILL

Shrimati G. Durgabai (Madras: General): Sir, I do not propose to make the motion now. I would like to keep it alive and move it at a later stage if I consider it necessary.

CRIMINAL TRIBES (REPEAL) BILL

Shri M. Ananthasayanam Ayyangar (Madras: General): Sir, there is another Bill brought by the Government. So I do not move it and would like to keep it alive.

INDIAN BAR COUNCILS AND THE LEGAL PRACTITIONERS (AMENDMENT) BILL

Shri M. Ananthasayanam Ayyangar (Madras: General): Sir, as there is a Bill brought by the Government, I would like to see how far they are prepared to go, and then move it if necessary. Therefore this may stand over.

BOMBAY PORT TRUST (AMENDMENT) BILL

Mr. R. K. Sidhva (C. P. and Berar: General): Sir, I move for leave to introduce a Bill further to amend the Bombay Port Trust Act, 1879.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill further to amend the Bombay Port Trust Act, 1879."

The motion was adopted.

Mr. R. K. Sidhva: Sir, I introduce the Bill.

WORKERS' PROVIDENT FUND BILL

Mr. R. K. Sidhva (C. P. and Berar: General): Sir, I move for leave to introduce a Bill to provide for the establishment and grant of Provident Fund to certain classes of workers by their employers.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to provide for the establishment and grant of Provident Fund to certain classes of workers by their employers."

The motion was adopted.

Mr. R. K. Sidhva: Sir, I introduce the Bill.

CHILD MARRIAGE RESTRAINT (AMENDMENT) BILL (Amendment of Sections 2 and 4)

Pandit Thakur Das Bhargava (East Punjab: General): Sir, I beg to move for leave to introduce a Bill further to amend the Child Marriage Restraint Act, 1929 (Amendment of Sections 2 and 4).

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill further to amend the Child Marriage Restraint Act, 1929 (Amendment of Sections 2 and 4)."

The motion was adopted.

Pandit Thakur Das Bhargava: Sir, I introduce the Bill.

CALCUTTA PORT (AMENDMENT) BILL

Mr. R. K. Sidhva (C. P. and Berar: General): Sir, I beg to move for leave to introduce a Bill further to amend the Calcutta Port Act, 1890.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill further to amend the Calcutta Port Act, 1890."

The motion was adopted.

Mr. R. K. Sidhva: Sir, I introduce the Bill.

DELEGATION OF AUTHORITY IN RESPECT OF INTRODUCTION OF BILLS

Pandit Thakur Das Bhargava (East Punjab: General): Sir, I beg to seek permission to be allowed to move for leave for introduction of the three Bills standing in the name of Dr. Sir Hari Singh Gour. I have been requested by him to do so.

Mr. Speaker: In the first place, has he got any authority?

Pandit Thakur Das Bhargava: Yes, Sir.

Mr. Speaker: Then the question is whether Members can be permitted to delegate authority, in respect of Bills, to introduce them on their behalf. I understand that the practice has all along been not to grant such leave.

Shri M. Ananthasayanam Ayyangar (Madras: General): Except in the case of Government Bills.

Mr. Speaker: In the case of Government Bills, the definition of a "Member in charge" includes a person to whom a delegation is made.

Pandit Thakurdas Bhargava: According to rule 20A if a Member introduces a Bill, then he becomes a Member in charge of the Bill and in regard to the further stages of the Bill, the rule is as you have been pleased to observe. In regard to introduction of Bills there is no such provision.

Mr. Speaker: The Honourable Member refers to rule 20A. I understand the point is that under rule 20A restrictions as regards the person who makes a motion are imposed in respect of motions for taking the Bills into consideration or for motions for passing the Bill, but so far as leave to introduce is concerned, that rule does not apply.

Pandit Thakur Das Bhargava: There is no restriction to get leave for introducing a Bill, but the restriction is if once a Member introduces a Bill, then in regard to the further stages of the Bill, he is regarded as the Member in charge and he alone can make a motion.

Mr. Speaker: There is room for that line of argument, but I think, looking to the practice both in the House of Commons and here—a continuous long practice so far as Bills are concerned—the delegation of authority is not recognised. I am afraid, I should not deviate from this practice just at this moment. I will, however, keep the point open for consideration. I will look into the point and decide it finally, but at present without creating a precedent, I am not inclined to give leave for departing from this long standing practice.

CHILD MARRIAGE RESTRAINT (AMENDMENT) BILL

(Amendment of Sections 10, 11 and 13)

Pandit Thakur Das Bhargava (East Punjab: General): Sir, I beg to move for leave to introduce a Bill further to amend the Child Marriage Restraint Act, 1929 (amendment of Sections 10, 11 and 13).

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill further to amend the Child Marriage Restraint Act, 1929 (Amendment of Sections 10, 11 and 13)."

The motion was adopted.

Pandit Thakur Das Bhargava: Sir, I introduce the Bill.

SPECIAL MARRIAGE (AMENDMENT) BILL

(Insertion of new Sections 2A, 4A, etc.)

Dr. P. S. Deshmukh (C. P. and Berar: General): Sir, I beg to move for leave to introduce a Bill further to amend the Special Marriage Act, 1872, for certain purposes. (Insertion of new Sections 2A, 4A, etc.).

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill further to amend the Special Marriage Act, 1872, for certain purposes. (Insertion of new Sections 2A, 4A, etc.)."

The motion was adopted.

Dr. P. S. Deshmukh: Sir, I introduce the Bill.

Mr. Speaker: The House will now proceed with further Legislative Business, namely, the further consideration of the Bill to establish the Industrial Finance Corporation of India, as reported by the Select Committee.

مولانا حسرت موہانی : جناب والا ! میں مسٹر شاہ نے جو ترمیم پیش کی ہے اس کی تہ دل سے تائید کرتا ہوں جناب ! میری تو خوشی یہ تھی اس بل کے متعلق جیسا قاضی کریم الدین صاحب نے کہا تھا کہ اس میں کپٹالیسٹ (Capitalist) کو حصہ نہ دینا چاہئے وہ منظور کیا جاتا یا پھر اس کے بعد جیسا کہ میرے دوست مسٹر گوتم نے کہا تھا کہ آپ اس کو کم سے کم کچھ دن کھائے ملتوی کر دیتے تاکہ غور کرنے کے بعد پھر یہ کیا جاتا لیکن افسوس یہ ہے کہ ہمارا جو ہاؤس ہے اور اسکے جتنے ممبر ہیں وہ جب قریب سب نیشنلسٹ مائینڈڈ (Nationalist minded) ہیں پھر ہمارے آنریبل مسٹر بہابا اور مسٹر چینی جو کپٹالیسٹ Capitalist کے بڑے مددگار ہیں انکی موجودگی میں کیا ہو سکتا ہے ہم لوگوں کی کوئی بات نہیں مانی جائیگی اب اگر اسکا کوئی فیصلہ ہو سکتا ہے تو وہ یہی ہو سکتا ہے کہ پروفیسر شاہ کی جو ترمیم ہے ہم اسکی تہ دل سے تائید کریں اسکے معنی یہ ہیں جیسا کہ انہوں نے اپنی ترمیم پیش کرتے ہوئے کہا تھا کہ ہم کو اگر سرمایہ کی ضرورت ہے تو ہم اسکو دوسرے ذریعہ سے حاصل کر سکتے ہیں جس میں نیشنلسٹ کپٹالیسٹ (Nationalist Capitalist) کی ضرورت نہیں ہے تو جب ہم دوسرے طریقہ سے اسکو حاصل کر سکتے ہیں تو پھر کیا ضرورت ہے کہ ہم انکو پہلے شامل کریں اور پھر ان پر نگرانی رکھیں ہمارے آنریبل چٹھار نے کہا ہے کہ آپ لوگ گھبراتے کیوں ہیں ہم کپٹالیسٹ (Capitalist) کو شریک تو کر لیں گے لیکن ان پر ہمارا قابو رہے گا میں عرض کرتا ہوں کہ جب ان کا کوئی قابو نہیں رہے گا تو پھر انکو رکھنے کی کوئی ضرورت نہیں انکو ہرگز شریک نہ کیا جائے۔ ایک کامن سنس (Common sense) کی بات ہے جو میں آنریبل وزیر صاحب سے پوچھنا چاہتا ہوں اور یہی مسٹر شاہ کی ترمیم کا مطلب بھی ہے کہ جب کپٹالیسٹ (Capitalist) کا قابو پریکٹیکل (Practically) نہوگا تو کامن سنس (Common sense) کا تقاضا یہی ہے کہ ہم مسٹر شاہ کی ترمیم کو قبول کریں جس میں انکو گلچائیں نہ رہے۔ کپٹالیسٹ (Capitalist) کو شریک بھی کر لیں گے اور انکا پریکٹیکل (Practically) قابو بھی اپ نہ ہونے دینگے۔ میں کہتا ہوں کہ اس طرح ناک کھما پھیرا کے پکڑنے کی ضرورت ہی کیا ہے۔ میں مسٹر صاحب سے اپیل کرتا کہ وہ اپنے فیصلہ پر نظر ثانی فرمائیں اور پروفیسر شاہ کی ترمیم کو بطوری منظور کریں تاکہ یہ فیصلہ پہلے ہی سے ختم ہو جائے۔ میرا تو عقیدہ یہ ہے کہ جب آپ نیشنلسٹ (Nationalise) کر رہے ہیں تو پھر وہ شریک کہوں نہ ہوں۔

[مولانا حسرت موہانی]

میں ان مختصر الفاظ کے ساتھ پروفیسر شاہ کی ترمیم کی تائید کرتا ہوں اور
منسٹر صاحب سے درخواست کرتا ہوں کہ وہ ضد کو چھوڑ دیں اور اسکو خوشی کے
ساتھ قبول کریں۔

(English translation of the above speech.)

Maulana Hasrat Mohani (U. P.: Muslim): Mr. Speaker, I heartily support the amendment moved by Mr. Shah. I should have liked, if the view of Qazi Karim Uddin that the capitalist should have no share in it, or else just as my friend Mr. Gautam suggested afterwards that you should postpone it for at least a few days, so that after due consideration it could be done had been accepted. But it is regrettable that almost all the members in our House are nationalist minded. And then nothing can be done in the presence of Honourable Mr. Bhabha and Honourable Mr. Chetty who are great sympathisers of capitalists. Nobody will accept our suggestion. Now the only way out for us is to support in strong words the amendment moved by Professor Shah. It means, as he said while introducing the amendment, that if we are in need of capital it can be raised from other sources wherein there is no need of Nationalist capitalist. If we can raise capital by other means there is no need of including the Nationalist capitalist in the first instance and then controlling them. Honourable Mr. Chetty has told us not to worry. We may include the capitalists but they will be under our control. I submit that if they will have no control then there is no need of including them. They may not be included at all. It is a matter of commonsense which I want to enquire from the Honourable Minister, and this is the purpose of Mr. Shah's amendment as well, that of the capitalist will have no control, commonsense demands that we should accept Mr. Shah's amendment which leaves no room for him: I submit where lies the need of resorting to such round about measures that we include the capitalist but will not allow them to have any practical control at the same time. I appeal to the Honourable Minister to kindly review his decision and accept Mr. Shah's amendment with pleasure so that this matter may end at its very inception. It is my conviction that when you are nationalising then why should they be included.

In these few words I support Prof. Shah's amendment and request the Honourable Minister not to be obstinate and to accept it gladly.

Mr. Naziruddin Ahmad (West Bengal: Muslim): Mr. Speaker, Sir, I cannot emulate the learning and the perspicuity of language of Prof. K. T. Shah and I shall try to attempt it. There were two speakers yesterday, Dr. Pattabhi Sitaramayya and Prof. Shah who had a clash over this small matter and brilliant scintillating eloquence on each side was the result. I shall, however, approach the question purely from a practical point of view, but before that I must state that there is no difference between the Members of the House with regard to the principle of nationalisation so far at least as this Bill is concerned. The only question is one of timing and approach. If we must have nationalisation of this institution, the question is whether we should do it all at once or do it by stages. I submit, Sir, that it is quite in order for us to accept the principle and proceed to our goal through appropriate stages. My Honourable friend Prof. Shah has severely criticised Dr. Pattabhi Sitaramayya for using the word 'expediency'. He seems to think that expediency is something immoral or at least something unethical. Sir, I submit that the whole of civilised mankind proceeds on expediency at every step. This Bill, like other Bills, commences with the words "Whereas it is expedient...". If an Honourable Member would like to be the Speaker of this House he must first of all get elected and then serve a period of apprenticeship. His ideal remains the

same but at the same time he has got to qualify for it. If an applicant for a Government post wants to occupy a high position he must serve a period of apprenticeship. In a large-scale business like this it is necessary to proceed cautiously, and there is therefore every reason to support the principle of State control preparatory to nationalisation. The question will be whether Government has or can have the experience and the necessary staff to manage all at once a gigantic concern like this. We have had very bitter experience of the State management of the Civil Supplies Department. I do not suggest that anything like it or on that scale will happen in a concern like this but that is a warning which should be remembered. I think the Honourable Minister has made it absolutely clear that the object or ideal of Government is to nationalise this institution later on, but he proceeds cautiously through successive stages. Sir, with these words I regretfully but most respectfully differ from Prof. Shah in his amendment.

Dr. B. Pattabhi Sitaramayya (Madras: General): Sir, it is perhaps but fitting that I should say a few words in reply to the criticism delivered by my Honourable friend Prof. Shah. I was feeling very proud to have been the cause of a magnificent speech delivered by him which for elegance of diction and for dignity and decorum of language may not be easily excelled. But I have no intention of making this forum of the national legislature into the arena of a gladiatorial show; and therefore I will confine myself to making a few pertinent remarks directly germane to the subject. I must, however, confess that I have been greatly improved by the bastinadoing and belabouring that I have received at his hands, the lathi charge that he administered and the shrapnel that he showered upon me. I would have improved much more and would almost have been converted to his view had he paid a little attention to the two items of criticism that came forth from two young friends on the other side of the House.

This amendment of his does not alter the scope of the Bill; it only wants to alter the structure of the Bill. I submit that the scope of the Bill is the main question before us and the structure of the Bill is always adjusted to the scope of the Bill. And so long as you allow the scope of the Bill to remain what it is, the structure of the Bill cannot be altered. Now what is the position that has been created by us? Yesterday my Honourable friend must have heard Mr. Santhanam say that it is not our purpose to make a lavish endowment of money to private industries because the object of this is to assist private industries. Is it the suggestion of my Honourable friend Prof. Shah that we should gather up all the money in the world through the Government and then utilise it, divert and canalise it along the channels of private industry? That is wrong. Therefore if he wants to lay the axe at the root of the disease he must lay it at the root of the tree and not at the top branches.

That is the first point. The second point is this. I refer to the very fine speech made by my young friend Mr. Subrahmanyam. He clinched the issue when he said that this question is really a dispute between private industry and State industry. The object of the Bill is to assist private industry, and then you must attack the disease at its root. You must choke off private industry betimes if you want to nationalise this Bank. It will not do to nationalise the bank and its functions while you do not nationalise the industries. There is an inconsistency between the two positions. Therefore unless my Honourable friend addresses himself to these two points and remedies them at the root he cannot improve the structure of this Bill at all.

Only these two points I wish to invite his attention to. I have great regard for him and I enjoyed his criticisms very much; but I was all the while expecting him to answer these two points. But his amendment is strictly limited.

[Dr. B. Pattabhi Sitaramayya]

It is meant to give more capital, secure it from the centre and provinces; and the operative portion of the amendment is in cl. 3(a) which reads thus:

"The initial capital of the Corporation shall be provided by or through the Central and Provincial Governments or by the Government of any Indian States in such amounts or proportions as the Central Government in consultation with the Reserve Bank of India may consider appropriate."

I only say this. You want a lot of milk; it is good that you should get sterilised milk and all the cows and buffaloes should be sent to the dairy to be milked in the proper scientific manner and that the milk be tinned and sealed and brought to your door. But it is not available immediately; for various reasons it is not practicable to expect all the people of Delhi to be served with such milk. Can't I get milk from the udder of the cow in my backyard, and then try to get as much milk as possible, try to boil it well and thereby kill all the pathogenic germs there? Here you kill all the evils of capitalism by the controls that you assume, and therefore I say that this is a temporary measure.

As for capitalism I do not know who is a capitalist and who is not. I am not talking in a cynical or pessimistic mood. I want to know exactly what is the golden calf of the capitalist. There are very few in the world and they are objects of our criticism. We are capitalists too. I own about 25 acres of land which I do not cultivate; am I a capitalist in land? Again we produce books by the score and we draw heavy royalties for them.

Prof. K. T. Shah (Bihar: General): Sir, on a point of information, no heavy royalties are available to us here.

Dr. B. Pattabhi Sitaramayya: Nor are capitalists available in India in the sense in which Fords or Morgans or Montagues are capitalists. Each country has to judge by its own available material as each husband must admire his own wife. We cannot have cinema stars for our wives; we must be content with our lot. And as to the royalties we are having, is not intellect given to serve mankind? Why do we draw royalties of Rs. 30,000 or Rs. 40,000 a year and yet speak disparagingly of capitalists? The whole structure of society has to be altered. There is no doubt about it and I want to know who is amongst us who can rise and say "I am not a capitalist".

Shri Mohan Lal Gautam (U. P.: General): I stand here!

Dr. B. Pattabhi Sitaramayya: But you are using your intellect to draw Rs. 45 a day! Therefore, let us not make a prudery of this. This society is bad society. It has not been constructed by us. Later on there is a resolution on "Caste" coming up and I hope I shall have some occasion to say how the structure of society has been fashioned in our country: how capital was sought to be divided and controlled and how the balance was to be made between poverty and riches. I wish I could revive that state of society. But we have for no fault of ours and for the sins we had committed in our past birth, been subjected to the domination of a country alien in structure, convention, ideal and outlook and in every blessed matter, and we are inheritors of that system. We have to outlive that system. But we cannot throw it out as we can throw off our soiled shirts overnight. In other words, we are passing through a transition stage and as businessmen, as politicians, we must take note of that fact. What did we say after all? We said that it is not the time for us to nationalise wholly and Mr. M. Gautam was about to read a material point but certainly did not think it wise and subsequently was compelled to read it and there he read, all your programme, even if it has the stamp of finality, must be suited to the times and circumstances. Do you know what happened last year when we floated the loan? I do not pretend to know it but I want you to examine things carefully. Go to the market, to the Finance Department, &

the Reserve Bank and the Imperial Bank and go to those who had subscribed for the loan, and bear in mind what happened and we dare not risk such things happening once again.

After all, this Government is a young Government. It is on its trial and it is exposed to criticism from friends and foes. I am myself criticising it. But we should not make the attack so severe as to kill it, as to make it ineffectual altogether and "non-est". Who else is there to run the government of the country except the party that is running it. If other parties want to do it, let them do it by constitutional means. But taking facts as they are, are we not convinced that we have to take note of the realities? And finance is a terrible reality which we cannot ignore by running into flights of imagination or fancy.

I am putting my thoughts rather vehemently, but it does not mean that I do not appreciate the standpoint of our opponents. They are our friends as much as we are theirs. We are as much for nationalisation as anyone else, but only let us have first things first. We are providing for the amendment of this Act in three or four years and perhaps there is an amendment to that effect which has been tabled and which is likely to be moved. Therefore, let us avoid criticising our own cautious, business-like and matter of fact procedure in the light of radiant ideals and effulgent theories!

The Honourable Shri R. K. Shanmukham Chetty (Minister for Finance): I must oppose the amendment moved by Prof. Shah. The subject matter of the amendment has been discussed so threadbare in this House that it is not really necessary for me to detain the House any longer.

Sir, I oppose the amendment.

Mr. Speaker: The question is:

"That for clause 4 of the Bill, the following be substituted :

'4. (1) (a) The initial capital of the Corporation shall consist of such shares, or stock, not exceeding twenty crores of rupees to start with, as may be deemed necessary by the Central Government in consultation with the Reserve Bank of India.

(b) The Central Government may, after five years from the establishment of the Corporation, increase this capital from time to time as and when deemed necessary, in consultation with the Reserve Bank of India.

(c) Whenever the Central Government decides to increase the initial capital of the Corporation, the additional capital increased in pursuance of that decision, shall be distributed as between the Central, Provincial and State Governments in the same proportions in which each Government holds the shares or stock on the date of the additional issue :

Provided that if any portion of the additional capital issued is not taken up by any Provincial Government or by the Government of any Indian State that portion shall be taken up by the Central Government.

(2) In addition to the initial capital, and during the period of five years from the establishment of the Corporation, the initial capital of the Corporation may be increased by such Bonds or Debentures, not exceeding, in their aggregate, twice the amount of the initial capital on its own security. Such Bonds and Debentures may be declared by the Central Government to be negotiable instruments under the law relating to such Instruments in force for the time being in India.

(3) (a) The initial capital of the Corporation shall be provided by or through the Central and Provincial Government or by the Government of any Indian State in such amounts or proportions, as the Central Government, in consultation with the Reserve Bank of India, may consider appropriate :

Provided that the Central Government shall at any time have not less than 51 per cent. of the total initial capital of the Corporation :

Provided further that no State or Provincial Government shall be entitled to own more than 10 per cent. of the initial capital of the Corporation.

(b) The shares or stock, constituting the Capital of the Corporation, shall not be transferable."

The motion was negatived.

Shri T. T. Krishnamachari (Madras: General): Sir, I move:

"That in sub-clause (1) of clause 4 of the Bill, before the words 'five crores', the words 'the total value of' be inserted."

This is a verbal amendment. It is not material but it makes clearer the idea. I hope the Honourable Minister will accept it.

The Honourable Shri E. K. Shanmukham Chetty: I accept the amendment.

Mr. Speaker: The question is:

"That in sub-clause (1) of clause 4 of the Bill, before the words 'five crores', the words 'the total value of' be inserted."

The motion was adopted.

Mr. Naziruddin Ahmad: Sir, I move:

"That in sub-clause (1) of clause 4 of the Bill, after the words 'first instance' a comma be inserted."

The Honourable Shri E. K. Shanmukham Chetty: I accept the amendment.

Mr. Speaker: The question is:

"That in sub-clause (1) of clause 4 of the Bill, after the words 'first instance' a comma be inserted."

The motion was adopted.

Mr. Naziruddin Ahmad: Sir, I move:

"That in sub-clause (1) of clause 4 of the Bill, the words 'with the sanction of the Central Government' be omitted."

I think these words are unnecessary.

Mr. Speaker: Amendment moved:

"That in sub-clause (1) of clause 4 of the Bill, the words 'with the sanction of the Central Government' be omitted."

The Honourable Shri R. K. Shanmukham Chetty: I cannot accept the amendment because the expression of opinion regarding the extent of Government control in this Corporation is that the Government must keep as much control as possible, and I do not want that the Corporation should expand this share capital without the previous consent of the Central Government.

Mr. Naziruddin Ahmad: Sir, I wish to withdraw the amendment.

Mr. Speaker: Has the Honourable Member leave of the House to withdraw the amendment?

The amendment was, by leave of the Assembly, withdrawn.

Mr. Naziruddin Ahmad: Sir, I move:

"That in sub-clause (1) of clause 4 of the Bill, after the words 'from time to time' the following words be inserted:

'with the sanction of the Central Government.'"

Mr. Speaker: I think this is a consequential amendment. So it goes.

Mr. Naziruddin Ahmad: Yes.

Sir, I move:

"That in sub-clause (2) of clause 4 of the Bill, the words 'of the Corporation' be omitted."

The Honourable Shri E. K. Shanmukham Chetty: I accept the amendment.

Mr. Speaker: The question is:

"That in sub-clause (2) of clause 4 of the Bill, the words 'of the Corporation' be omitted."

The motion was adopted.

Mr. Naziruddin Ahmad: Sir, I move:

"That for sub-clause (3) of clause 4 of the Bill, the following be substituted:

(3) The Central Government shall by notification in the official Gazette call for applications, together with full remittance of share monies for shares applied for by a date specified in the notification, for shares of the Corporation from scheduled banks, insurance companies,

investment trusts and other similar financial institutions, and from co-operative banks; and the Board shall allot not more than—

- (i) two thousand five hundred shares to scheduled banks,
- (ii) two thousand five hundred shares to insurance companies, investment trusts and other similar financial institutions, and
- (iii) one thousand shares to co-operative banks from among the applicants who have applied for shares within the time specified in the notification."

This is not merely a drafting amendment but there are one or two new things. In fact when shares are floated there is the procedure of inviting applications. It may be that the whole amount is to be paid along with the application or a part. In this case I have made it clear that the whole amount has got to be paid along with the application and then the shares should be allotted. Sub-clause (3) says that these parties should 'subscribe'. There is no mention of 'allotment'. Sub-clause (3) proceeds on the assumption that the number of shares available will be the number actually applied for but the applications may exceed the share capital issued. In these circumstances a little change in the phraseology would be necessary. I do not wish to press this amendment to its logical conclusion but I only desire that the points raised by the amendment be considered by the Honourable the Finance Minister and if he accepts any of the principles of the amended sub-clause a suitable amendment may be substituted for it. I have merely attempted to raise a few points which struck me on a study of the Bill.

Mr. Speaker: Amendment moved:

"That for sub-clause (3) of clause 4 of the Bill, the following be substituted:

(3) The Central Government shall by notification in the official Gazette call for applications, together with full remittance of share monies for shares applied for by a date specified in the notification, for shares of the Corporation from scheduled banks, insurance companies, investment trusts and other similar financial institutions, and from co-operative banks; and the Board shall allot not more than—

- (i) two thousand five hundred shares to scheduled banks,
- (ii) two thousand five hundred shares to insurance companies, investment trusts and other similar financial institutions, and
- (iii) one thousand shares to co-operative banks from among the applicants who have applied for shares within the time specified in the notification."

The Honourable Shri R. K. Shanmukham Chetty: Sir, apart from the change in drafting the one new idea incorporated in this amendment of my Honourable friend is that these institutions must along with their applications remit the full amount of the shares for which they apply. I am sure my Honourable friend will agree with me that it is unwise to put such a rigid provision in the statute itself. The whole of the five crores may not be required immediately or even during the whole of the first year and there is no point in asking these institutions and even the Government to lock up its funds unnecessarily. In the regulations provision will be made as to the manner of payment of the application money and the allotment money and actually when the applications are called for the Corporation will specify how much of the share money should be sent as application money and how much they will have to pay as allotment money later on. I think it is best to leave it for the regulations and for actual notification at the time of the issue of shares. If my Honourable friend agrees with me on this point I would submit to him that so far as the drafting is concerned, sub-clause (3) as it stands is good enough and it is not necessary to change it.

Mr. Nasiruddin Ahmad: I have only one difficulty. I fully accept my Honourable friend's explanation and I do not want to press the motion. There is one difficulty as to the expression "other like financial institutions" that is institutions like investment trusts. I fail to see what are the 'other like'

[Mr. Naziruddin Ahmad]

financial institutions. When you are restricting share capital only to certain classes it is better to clearly specify the other classes. Investment trusts are well known but 'other like financial institutions' are not by any means clear. This leaves a little obscurity. Will the Honourable Minister kindly consider this and explain the point?

Shri M. Ananthasayanam Ayyangar (Madras: General): The Honourable the Mover himself has used the word "similar" in his amendment.

Mr. Naziruddin Ahmad: That was because I tried to stick to the Bill. I want clarification of the point I have raised.

The Honourable Shri E. K. Shanmukham Chetty: It is the intention to give these shares in that class to financial institutions and investment trusts. It is quite possible that some of the institutions may have some other name but the intention is perfectly clear and I do not think there is room for the apprehension in my Honourable friend's mind that institutions outside this category will be allotted these shares. It is not possible at the present moment for me to say exactly what is the kind of institutions that may not be covered by these two words.

Mr. Naziruddin Ahmad: In view of the clarification made by the Honourable Minister I beg leave of the House to withdraw my amendment.

Mr. Speaker: Has the Honourable Member leave of the House to withdraw the amendment?

The amendment was by leave of the Assembly withdrawn.

Mr. Speaker: I may invite the attention of the Honourable Minister, only for drafting purposes, to have the idea cleared. The wording here is "may subscribe for". There is a difference between "subscribing for" shares and shares being "allotted". What he really intends may be the allotment of 2,500 shares.

The Honourable Shri E. K. Shanmukham Chetty: I will keep that in mind and if necessary move an amendment in the third reading.

Mr. Naziruddin Ahmad: That was also one of my difficulties.

Mr. Speaker: And then a further amendment is also necessary later on in another place. I hope this is acceptable to the Honourable Member.

The Honourable Shri E. K. Shanmukham Chetty: Thank you, Sir.

Shri T. T. Krishnamachari: There are two amendments to this sub-clause (b), one stands in my name and that of my friend Mr. Santhanam and the other in the name of my friend alone. I do not know whether the Chair will agree to my moving the amendment in Mr. Santhanam's name. I would like to restrict the shares to companies registered under the Indian Companies Act of 1913. Therefore with your permission, Sir, I shall move amendment No. 5 in place of mine No. 4. Sir, I move:

"That in sub-clause (3) of clause 4 of the Bill, after the words 'financial institutions', the words 'registered under the Indian Companies Act of 1913' be inserted."

The Honourable Shri E. K. Shanmukham Chetty: I have no objection to accept the idea. I think it would be wise to make it clear that only institutions registered in India should be allowed to be shareholders of this Corporation but I am not sure whether it will be appropriate to say "registered under the Indian Companies Act of 1913".

Shri T. T. Krishnamachari: That is why I did not move the previous amendment. An insurance company has to obtain Indian registration. The requirement of registration of such companies as joint stock companies has more or less restricted the scope to Indian insurance companies. This was found necessary as even foreign insurance companies have to register themselves under the Insurance Act. But if the Honourable Member feels that he can cover this point by means of rules I shall not press the amendment.

The Honourable Shri R. K. Shanmukham Chetty: It is best to leave it for the Government to incorporate this idea either in the rules or in the directives on questions of policy to be issued to the Corporation. I will make a note of it, that we should tell the Corporation that the shares should be issued only to such companies as are registered in India, that is really Indian companies. That is the best way to deal with this matter.

Mr. Speaker: So that disposes of amendments No. 4 and 5 as not having been moved. Is it not a fact at present that foreign companies are also registered in India?

Shri T. T. Krishnamarhari: That will not be under the Indian Companies Act. They may have foreign capital but no foreign insurance company is registered under the Indian Companies Act. They are registered only so far as the requirements of the insurance are concerned.

Mr. Speaker: I am not sure about insurance companies in particular. Take the case of the Remington Typewriter Co. India Limited.

Shri T. T. Krishnamachari: They are all registered under the Indian Companies Act. They will be entitled to rights just like any other company for which capital has been floated in this country, to come under this clause. Shares may be held by foreign people or by Indians; we cannot make a distinction at all. All such (India) Limited companies will be treated as Indian companies.

Mr. Speaker: My idea was to have the whole thing clarified.

Shri T. T. Krishnamachari: Sir, I move:

"That to sub-clause (3) of clause 4 of the Bill, the following Proviso be added:

'Provided that no institution shall be allotted more than ten per cent. of the shares reserved for the class of institutions to which it belongs'."

Sir, I crave permission of the Chair to change 'five' into 'ten'.

Mr. Speaker: Amendment moved:

"That to sub-clause (3) of clause 4 of the Bill, the following Proviso be added:

'Provided that no institution shall be allotted more than ten per cent. of the shares reserved for the class of institutions to which it belongs'."

The Honourable Shri R. K. Shanmukham Chetty: Sir, I accept the amendment.

Mr. Speaker: The question is:

"That to sub-clause (3) of clause 4 of the Bill, the following Proviso be added:

'Provided that no institution shall be allotted more than ten per cent. of the shares reserved for the class of institutions to which it belongs'."

The motion was adopted.

Mr. Naziruddin Ahmad: Sir, I move:

"That for sub-clause (4) of clause 4 of the Bill, the following be substituted:

'(4) The Board shall make the allotment under sub-section (3) in accordance with the regulations made in this behalf'."

I have attempted to simplify the language.

The Honourable Shri R. K. Shanmukham Chetty: Sir, I do not think this amendment is necessary because the regulations will contain the manner in which the allotments have to be made, and even the prospectus calling for the applications will give some details about it.

Mr. Naziruddin Ahmad: In that case I will not press my amendment.

I beg to move:-

"That in sub-clause (5) of clause 4 of the Bill, for the words, brackets, and figure 'If any shares referred to in sub-section (3) remain unallotted, they shall be subscribed for by', the following be substituted:

'If any shares applied for are not allotted, the application money for shares not allotted to the applicants, and if shares allotted are less than the number of shares reserved for any class of applicants under sub-section (3), they shall be subscribed by, and allotted to.'

The effect of the amendment would be like this. The Bill does not provide for a case where there are more applications than there are shares. In that case some shares applied for will not be allotted. It may be that in a certain class the shares reserved for a particular class are not fully subscribed. These are the two classes of cases which have got to be considered. I do not expect that any under subscription will follow, but from a drafting point of view this thing should be kept in mind. These are the two points which I have attempted to embody in this amendment.

Mr. Speaker: Is this not practically disposed of by what was stated at the time of the amendment to clause 3?

Mr. Naziruddin Ahmad: No doubt they overlap. The Honourable Minister has promised that the whole thing would be reconsidered and a fresh draft would be submitted by him. If this is kept in view by him I have no need to push this amendment further.

The Honourable Shri R. K. Shanmukham Chetty: Sir, I have not been able to follow my Honourable friend as to what he has in his mind. This sub-clause, as it stands, seems to be perfectly simple and plain and it contains no ambiguity. The unallotted shares will be taken up by the Government of India and the Reserve Bank. I would rather prefer this simple language of the draft as it is. I cannot accept the language of his draft the implications of which I am not really able to follow.

Mr. Speaker: Does the Honourable Member want to press his amendment?

Mr. Naziruddin Ahmad: No, Sir. If the Honourable Minister cannot follow it, others will not be able also to follow it. I do not wish to press it.

I move:

"That in the Proviso to sub-clause (5) of clause 4 of the Bill, for the words 'subscribed for by', the words 'allotted to' be substituted."

This again refers to that drafting difficulty.

The Honourable Shri R. K. Shanmukham Chetty: I have no objection to accept it.

Mr. Speaker: Will the Honourable Minister keep this in mind that sub-clause (3) speaks of 'subscribing for'?

The Honourable Shri R. K. Shanmukham Chetty: Sir, it is purely a drafting matter. The whole of this clause—clause 4—can be examined by the draftsman, and if so advised I will move the necessary amendments at the Third Reading.

Mr. Speaker: So this may be considered later on. If considered necessary, the Honourable Minister will move an amendment at the next stage.

Mr. Naziruddin Ahmad: Sir, I beg to move:

"That in the Proviso to sub-clause (5) of clause 4 of the Bill, for the word 'transferred', the word 'allotted' be substituted."

It seems to me that this was a clerical error. The real thing is allotment.

Shri T. T. Krishnamachari: Sir, if I may interrupt at this stage, I do not think that the view of my honourable friend is quite correct. Clause 5 refers to share *unallotted* and they are taken up by the Central Government. There is therefore nothing wrong in saying that the shares that remain unallotted should be transferred to somebody else. It is intended for some particular class of people, and "transferred" seems to be more appropriate than "allotted".

The Honourable Shri R. K. Shanmukham Chetty: I do not find the need for this amendment of my Honourable friend at all.

Mr. Naziruddin Ahmad: Sir, in that case I do not press it.

I beg to move:

"That for sub-clause (6) of clause 4 of the Bill, the following be substituted:

'(6) If and when the remaining shares or any part thereof are issued, the procedure laid down in sub-sections (3), (4) and (5) shall apply'."

The Honourable Shri R. K. Shanmukham Chetty: Sir, in some of these amendments my difficulty is I cannot see how they are different from the language of the draft, as it is. The same idea can be put in three different ways by three different people. Unless there is something radically wrong in the way we have drafted I think it is not really necessary to attempt this kind of redrafting in the House.

Mr. Naziruddin Ahmad: If it is not acceptable I am not going to press it.

The Honourable Shri R. K. Shanmukham Chetty: I am not able to follow the object. The idea conveyed by the Honourable Member is the same as is contained in the draft.

Mr. Speaker: All that may be done is to invite the attention of the Honourable Minister and he can examine it for what it is worth. In so far as the amendments are absolutely verbal I shall permit them in the Third Reading.

The Honourable Shri R. K. Shanmukham Chetty: To save the time of the House, I shall give an undertaking to my Honourable friend Mr. Naziruddin Ahmad that with regard to purely drafting amendments, I shall have the improvements that he has suggested very carefully examined before the Third Reading, and if found necessary I shall myself move some of these amendments. Unless there is any amendment of substance, I would suggest to my Honourable friend that we really are not doing anything useful on the floor of the House by considering these drafting amendments.

Mr. Speaker: Then I might follow that suggestion with the further suggestion that he might hand over a list of these amendments to the Honourable Minister so that the time of the House may be saved.

Mr. Naziruddin Ahmad: The amendments have been printed and circulated to Honourable Members, including the Honourable Minister and presumably to his expert advisers. The simpler course would be for them to consider them and let me know whether they will be acceptable, and then I shall be quite glad to move those amendments which are acceptable.

Mr. Speaker: It is possible that some amendments which appear *prima facie* to be verbal may be amendments of substance from the point of view of the Honourable Member. It is better that he himself should clarify as to which are, according to him, absolutely verbal amendments and which are not. If he clarifies as to which are verbal, then of course, the Draftsman will apply his mind from that point of view. Otherwise whenever any amendment is moved, one is naturally apt to look into what is the different idea which the

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Member is expressing in this kind or that kind of amendment. That is why I made the suggestion. However it is up to the Honourable Member to act up to it or not.

Dr. B. Pattabhi Sitaramayya: He may be put in touch with the Draftsman so that they may put their heads together.

Shri Mohan Lal Saksena (U.P.: General): May I make the suggestion that during the interval, my friend Mr. Naziruddin Ahmad may sit down with the draftsman and go through his amendments?

Mr. Speaker: It is rather hard on the Draftsman. Let the Honourable Member himself say which he thinks to be amendments which are of a verbal nature to improve the language and the form. He can say it more easily, or he may leave it to the opinion of the Draftsman. In that case, of course, matters would stand differently.

Mr. Naziruddin Ahmad: It is difficult for me to make a choice in view of the high pressure and speed with which we have to work. We have had to work under high pressure throughout the last several days. In these circumstances it is very difficult for a single member to attend to all the amendments on the floor of the House. The different departments are far better situated than a humble member who has no clerk, no draftsman, no typist, and who has to do everything himself, even carry amendments to the appropriate departments. In these circumstances I beg to suggest that the far better thing would be for the Draftsman to tell me in advance as to what amendments he would be prepared straightaway to accept. In fact it is not very proper for the department to say "we have not considered the amendments and therefore we cannot say". If they accept some of the amendments, that would be satisfactory to me; but if I consider one or two more amendments should be placed before the House, then I shall do it. It puts us to great disadvantage. There are obvious slips and errors in the Bill, and it is difficult for me without considering them just now on the floor of the House to tell in advance as to what amendments are merely drafting amendments or are necessary from my point of view. The only reason is want of time. We have had to work very hard, even late at night and early in the morning. In these circumstances the onus should be shifted to various departments who have different heads in each department as opposed to one single poor head in my humble self.

Mr. Speaker: I do not want to carry on this controversy, but I am afraid there is some misapprehension. The point I want to make is when a Member reads a Bill and suggests amendments, he himself drafts them, he has certainly some ideas as to whether the amendments which he suggests are amendments only of a verbal character or of a substantial character. For the Draftsman, it will require a longer time to examine all the amendments and then come to conclusions as to whether a particular amendment is a purely drafting amendment or amendment of substance; and as the Honourable Member himself is the author of these amendments, he must have surely applied his mind and, therefore, he knows much more quickly as to which are purely drafting amendments, and if he can give those amendments to the Draftsman, he will be helping the Draftsman in saving his time and the Honourable Members' time also. However I am prepared to take in the House all the amendments. It was a suggestion that came from the Honourable the Finance Minister to save the time of the House. Therefore I suggested that, if he makes a list of the verbal amendments and hands it over to the Draftsman, it will be better. As a matter of fact, as he knows, copies of all amendments are sent to the Draftsman also through the Departments concerned, and the Honourable Minister is acting on the instructions of the Draftsman, so far

As the amendments are concerned. So he is the mouthpiece of the Draftsman that way. There is no extra burden, in what I am saying, thrown on the Honourable Member because he has taken the trouble to put in a large number of amendments.

The Honourable Shri R. K. Shanmukham Chetty: I may put it this way. The Honourable Member may find it difficult to give a list of what he considers to be merely drafting verbal amendments. Then I suggest an alternative course. Let him move here only those amendments which he considers to be amendments of substance. Then we will examine the verbal amendments and see whether they can be adopted.

Mr. Speaker: It is coming to the same thing put in a different form.

(The Assembly then adjourned for Lunch till Half-Past Two of the Clock.)

[The Assembly re-assembled after Lunch at Half-Past Two of the Clock,

Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.]

Mr. Speaker: When the House adjourned we were discussing Amendment No. 26 in List No. 1, of Mr. Naziruddin Ahmad.

The Honourable Shri R. K. Shanmukham Chetty: That is only a verbal amendment, Sir.

Mr. Speaker: Yes.

Mr. Naziruddin Ahmad: Sir, I must know my position with regard to the amendment—it may be a verbal amendment.

The Honourable Shri R. K. Shanmukham Chetty: What I say is this, with regard to the verbal amendments. Some of the amendments of my Honourable friend may be accepted as improving the language; but with regard to others the draftsmen might take the view that it is not necessary to make the change at all. Therefore what I promise is that all these verbal amendments should be examined by the draftsmen and any of those which are considered necessary will be accepted. How can I give an undertaking that all the verbal amendments will be accepted?

Mr. Naziruddin Ahmad: No, no. I only ask that they first be considered on the floor of the House. Some of them may be accepted at once. I do not appreciate the procedure of considering them later on; they should not be thrown upon the House at the Third Reading—this is the proper time. I am not pressing anything which the Honourable Minister will not be able to accept on the floor of the House on hearing me.

Mr. Speaker: Well, as I understand it, the position is that, in case an amendment is a verbal one and the Honourable Minister says so, he will examine it as to whether that particular amendment fits in with the clause or not. It is just possible that in accepting even the verbal amendment as it stands, it might not carry out the purpose which the Honourable Member has in view or it might not fit in with the other parts of the clause. Therefore, the understanding is that the moment the Minister says that it is a verbal amendment, we will take it for granted that he will have it examined and see how far it fits in. If it does, then of course he will move it later on in the same form, or he might then say that it does not fit in and that it is not necessary and no amendment will then be moved. The position will be examined care-

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fully and the Third Reading amendments will come in if necessary. I will allow them.

So, all amendments to clause 4 are exhausted.

The question is :

"That Clause 4, as amended, stand part of the Bill."

The motion was adopted.

Clause 4 as amended, was added to the Bill.

Mr. Speaker: We now come to clause 5 of the Bill. There is Prof. K. T. Shah's amendment that the clause be omitted. I believe he can oppose the clause—that is how the amendment will come in. But let us dispose of first the other amendments and then we will take this up as the last one.

Haji Abdul Sattar Haji Ishaq Sait (Madras: Muslim): Sir, the procedure is that if there is an amendment for omitting a clause that amendment will get the first precedence.

Mr. Speaker: Technically speaking, the amendment is out of order. The point is that it is a negation of the original proposition and the Honourable Member can vote against the clause.

Shri T. T. Krishnamachari: Sir, I move :

"That in clause 5, of the Bill, for the words 'of the principal' the following be substituted :
'at their par value in the event of the liquidation of the Corporation'."

Sir, I have moved this amendment with a view to clarification and linking up this clause with the liquidation clause that comes in later on—clause 36. The idea is that repayment could only be made at the time of the liquidation. There is no other provision here so far as repayment is concerned. I thought it better be made clear and the principle is that it shall be the face or par value of the share and nothing more. Sir, I move.

Mr. Speaker: Amendment moved :

"That in clause 5, of the Bill, for the words 'of the principal' the following be substituted :
'at their par value in the event of the liquidation of the Corporation'."

The Honourable Shri E. K. Shanmukham Chetty: Sir, it is not necessary to have this amendment because the guarantee by the Government is that if there is any loss on the par value of the shares then the Government will make good the loss. "Repayment of the principal" means the whole amount of the principal and when liquidation takes place, naturally if it is found that the assets of the Corporation are not sufficient to pay the par value, then the Government will make good the loss. But if my Honourable friend thinks that his amendment ought to be made, as I said, it is not necessary, but still I have no objection to accepting it.

Shri T. T. Krishnamachari: I feel it is necessary.

The Honourable Shri E. K. Shanmukham Chetty: Then I shall accept the amendment.

Mr. Speaker: I was wondering whether the expressions "par value" and "principal" are identical?

The Honourable Shri E. K. Shanmukham Chetty: They are identical.

Dr. B. Pattabhi Sitaramayya: On a point of explanation, Sir, may I know whether the acceptance of the words "par value" will mean that at any time of liquidation the shareholder will be entitled only to the par value—

The Honourable Shri E. K. Shanmukham Chetty: No.

Dr. B. Pattabhi Sitaramayya: I understand that Government will guarantee at par value, that is to say, up to that value. Afterwards, should there be a liquidation, it might be at the market rate.

Shri T. T. Krishnamachari: If you will permit me, Sir, since I have moved the amendment, I will explain the position. This is governed by Section 36 which invests the entire power in the matter of liquidation in the Central Government. It can do whatever it likes. Even the question of liquidation is vested in the Government.

Dr. B. Pattabhi Sitaramayya: Therefore, it means that under any circumstances, whatever may be the market value of the share, if the Government should decide upon liquidation or if the concern goes into voluntary liquidation, whatever may happen, no shareholder can hope to get one single pie more than what he has paid for the purchase of the shares. Am I right?

Shri T. T. Krishnamachari: Unless there is some express clause in the Bill, which I am informed is coming later on. As it stands at present, it means that he would not get anything more.

The Honourable Shri R. K. Shanmukham Chetty: No, Sir. I am afraid there has been a little confusion.

Mr. Speaker: That is why I wanted to know the distinction between "par value" and "principal".

The Honourable Shri R. K. Shanmukham Chetty: On reconsideration, especially in view of what Dr. Pattabhi has said, I would suggest to my Honourable friend that his amendment is not appropriate. Suppose a liquidation takes place. There is no question of the market value. The affairs of the Company are wound up and suppose the assets disclosed that for Rs. 5 crores of paid-up capital after paying all liabilities there is Rs. 5½ crores, then the whole of the Rs. 5½ crores will be distributed among the shareholders. The shareholders are entitled to get the net assets remaining at the time of liquidation. That is the proper thing also. But if my Honourable friend's amendment is accepted, if there is a surplus, they will be entitled to get only at the par value, which I think Sir is not correct.

Shri M. Ananthasayanam Ayyangar: My own feeling, Sir, is this. In Clause 5, Government is undertaking the liability to guarantee. Now what does that guarantee mean? It means simply this that in case the assets of the Corporation go below the par value, the Government will bring it up to the par value. Therefore, this amendment merely seeks to clarify the position. It does not militate against the Honourable the Finance Minister's statement that it is open to pay to the shareholders what is left above the par value. This does not cover that matter at all. If Mr. T. T. Krishnamachari's amendment is accepted, it does not affect the position at all.

The Honourable Shri R. K. Shanmukham Chetty: It does affect.

Shri M. Ananthasayanam Ayyangar: No, Sir. Let us read Clause 5. It says:

"The shares of the Corporation shall be guaranteed by the Central Government as to the repayment of the principal and the payment of the annual dividend etc."

Now, here "guaranteeing" the repayment of the principal does not mean that only the amount of the principal shall be paid. It only guarantees that Government will pay the amount of the principal if the assets of the Company which is liquidated fall short; not if it goes above. Clause 36 says:

"No provision of the law.....shall apply to the Corporation, and the Corporation shall not be placed in liquidation save by order of the Central Government and in such manner as if may direct."

"In such manner it may direct." This is there. Therefore, this is only a clarification. You know too well, Sir, that with respect to any limited company—and this is a limited company—shares cannot be redeemed by the

[Shri M. Ananthasayanam Ayyangar]

Company itself. It is opposed to all principles. The shares must be transferred from one hand to another. The question of repayment contemplated in Clause 5 arises only in case of liquidation. In cases where Central Government by executive orders give some directions, there is no liquidation. I am not able to contemplate in that case whether repayment arises at all. In that case, the Government only guarantee the principal.

Mr. Speaker: Even then, there is one point which strikes me and it is this: will it be correct to use the expression "par value" and not "face value"?

Shri M. Ananthasayanam Ayyangar: "Paid-up value" will be the proper expression, because it is said here in clause 4 that it is a fully paid up share. There is no question of any par value or face value.

The Honourable Shri E. K. Shanmukham Chetty: Supposing at the time of liquidation, it is not fully paid up, then what happens? Supposing only four thousand out of five thousand have been paid? Are we bound to pay five thousand rupees?

Shri M. Ananthasayanam Ayyangar: Therefore, par value is wrong. Paid-up value is correct.

The Honourable Shri E. K. Shanmukham Chetty: Again the Honourable Member is confusing himself.

Dr. B. Pattabhi Sitaramayya: Sir, may I just interrupt for a minute? When the Government "guarantees the principal", the words are absolutely complete as to what it guarantees. What does it guarantee? Does it guarantee the principal at half its value? Does it guarantee the principal at zero value? Does it guarantee it at 1 per cent. value? There is no sense in that argument: "Guaranteeing the principal" means guaranteeing the principal paid up. Therefore, the words are complete in themselves and there cannot be any amendments, which I submit will mar the value.

Mr. Speaker: I think the matter requires consideration. Let us not rush into any kind of amendments just at present.

Shri T. T. Krishnamachari: Then, Sir, I wish to state that if the Honourable Minister is not willing to accept my amendment, then I will not press it now. I will take it up later. It may be left over.

Mr. Speaker: If the Honourable Member does not press it now, it is understood that it is left over. Anyhow, so far as the House is concerned, it is disposed of.

Then there is another amendment standing in the name of Mr. Naziruddin Ahmad. Does he move it?

Mr. Naziruddin Ahmad: Yes, Sir. I move:

"That in clause 5, of the Bill, for the word 'principal', the words 'capital in the case of' or 'capital' or 'the par value of shares' be substituted."

Here, Sir, let me say I have suggested three alternatives.

Mr. Speaker: This point has been thoroughly discussed.

Mr. Naziruddin Ahmad: But, Sir, my point is different. The thing which I had in mind when drafting it is this. I do not see how the word "principal" is applicable here. There is the question of principal and interest in case of a loan transaction. In this case, however, there is only the share capital—whether you call it "paid-up" or "par value" or "face value". The question of principal does not arise at all here. That is why I have suggested three alternatives. Whether the capital is paid up, or it is par value, or paid-up value, I do not quarrel about that, but I submit that the word "principal" is inappropriate.

Mr. Speaker: This may also be considered. We have now come to an arrangement that all these suggestions will be considered. I was treating them as verbal amendments, but, if at all, the Honourable Minister wants to move any during the last stage of the Bill, he may do so.

Prof. K. T. Shah: Sir, I would suggest that it is certainly unnecessary to provide any guarantee of the type which is suggested in this Clause and I will soon give you my reasons for that view. I was, however, somewhat amused, if I may say so, by the exhibition that took place of the capitalist mentality in trying to squeeze out.....

The Honourable Shri B. K. Shanmukham Chetty: It might probably shorten the discussion if I explain the object of "guarantee". We were not anxious to guarantee at all the capital, but the point is that a number of these financial institutions have got trust funds and they cannot invest them except in trustee securities and for a trustee security the capital and interest must be guaranteed by the Government. It is for that purpose that the guarantee is provided.

Prof. K. T. Shah: I am obliged to the Honourable the Finance Minister for this correction. But I confess I still remain unconvinced of the necessity of this provision being added. If the law governing the Trustee Securities may not permit Trust Fund investment or a very small part of the total Trust Funds available for investment in the shares of such a Corporation as this, then, I am afraid that legislation itself would require amending. I cannot see any reason why, in a Corporation in which the State itself is interested to the extent of 40 per cent. invested by itself and through the Reserve Bank in the proprietorship its security should not be for any other individual or corporate investor as sufficient guarantee by itself to safeguard perfectly the principal and interest. This is a typical case of the capitalist mentality, inasmuch as even a Corporation like this, partially financed if not wholly by the State, is suspected, feared, apprehended to come to a pass some day when it may not be able to repay to them their full or part of the face or principal value and also the interest due at the time. I confess, Sir, that I feel amazed at that exhibition. That you should suggest even that a Corporation of this kind could ever come into a situation, which will make it parallel to the position of an ordinary concern going into liquidation, is to me past imagination. It can only come into a stage like that if the entire country goes to bankruptcy. Even though we do not nominally guarantee the shares, even though we do not nominally guarantee the interest, I see no reason why there should be the slightest apprehension in the minds of the individuals investing in this Corporation, or of bodies investing in this concern, that their principal or their interest will at any time be in doubt.

I put it further on this ground, that after all we are not going in this connection to the individual investor. According to the provisions of the Bill they are all to be corporate investors,—scheduled banks and insurance companies. And these surely are not people who, according to an amendment accepted this morning, investing each not more than 10 per cent. of their shares of the total investment, would feel such investment too much lacking up of their resources. What will it come to? And for that would they have justification for the kind of apprehension against which this provision is supposed to provide? A suggestion was made this morning, about the fate of a recent loan, that our approach to the money market for loan had befallen. I am afraid this is somewhat misplaced. A loan is asked to be subscribed by private individuals also. These are corporate bodies, with immense resources seeking investment. I am not suggesting for a moment that they are not entitled to seek as much safety

[Prof. K. T. Shah]

as they want for their own investments. After all we recognize they are capitalists, and as such to them property is much more important than any interest of the country. I recognize that to them the income they derive from it and the principal they have invested is far more important than the welfare of the people or the progress of the country. And as such I realize that for the individual, at any rate, there may be some ground for fear. But for corporate bodies, whose very success, whose very existence, if I may say so, depends upon the solvency of the State, for them even to suggest and for us to respond to a suggestion like that, that there may be a conceivable possibility in which the Government, entire State, the entire public life of this country would be insolvent, would be bankrupt, would be in a stage parallel to liquidation, is to my mind, may I say it in all humility, an insult to the country, a mis-conception of the strength, resources and credit of this country. This is not a matter which is a question of either expediency or practicability. This is a matter, Sir, wherein the very life, the very soul, if I may say so, of the country's honour is being challenged by implication; and as such I think not only is this provision superfluous, not only is this provision needless to guard particular interests or the particular sections of those interests, but it is I suggest, Sir,—again I say it in all humility—opposed to the merest sense of propriety with which this measure should be looked upon.

If this Corporation is to succeed—and it will succeed—its success will be part of the successful development of this country; and if this country does not succeed, if we are not able to carry out our programmes of development, if we are not left in peace to develop our economic resources as we would like to, may I say it is not right for any individual Corporation or interest to demand, even at the point when the country is in danger of its very existence, its principal and interest should be made good to it. I do not think that was the point of view that has been properly envisaged by the authors or supporters of such a measure. Sir, if this particular point of view is looked at from the angle from which I look at it, I am perfectly convinced that those who have the best interests not only of this Corporation, not only of its investors but of the country as a whole at heart, they will hesitate before pressing such a clause as this.

It may be that I am suffering from a somewhat diseased mentality; it may be that I am too far gone in my fever of idealism to be quite free from a touch of *delirium tremens*; I hope it is not so. I hope what I am suggesting is the whole, earnest and absolute truth in the matter of the country's credit, in the matter of the country's future. Are we in the first year of our independence legislating for a corporation which would flourish on the success of this country, beginning in the very first measure of the kind that we are proposing in which the country as a whole is partially interested, beginning to doubt our future? Why fear that it may possibly become insolvent at some particular time hereafter. If you doubt your own potentiality, I say how can you expect outsiders, others, our critics to have faith in us, to believe in us, and to extend to us such co-operation as you may expect to obtain from them. I most therefore earnestly and most humbly appeal to the sponsors of this measure, I appeal to the good sense, may I say to the patriotism of this House to see this point from the angle from which I see it. If they are not convinced of the reasonableness and the modesty of my proposal at least I request the sponsors of the Bill to give some thought to this matter. I realize, Sir, that as on the race course so here also, it is not only the merits of the horse that is running which decide the race. It is also the pedigree, the weight, the jockey and so many other things that decide the race, or at least induce the betters to bet. And in this case too the pedigree, or the sincerity of the sponsor of the amendment will, I am perfectly aware be a very material factor in influencing this House to come

to a final decision. I am fully aware of a spirit of disagreement that has been generated by the view I have had the honour to put before the House. That is why I am making an appeal as I am doing about the reasonableness of my clause. A suggestion was made as to what is capital when definitions were put forward about capitalists. I do not think this is the stage at which

8 P.M. I should answer those suggestions or question definitions. Nor am I anxious to take the time of the House by verbal pyrotechnics or gladiatorial displays, as my Honourable friend described this kind of speeches. Far be it from me to take the time of the House in mere gladiatorial displays or dialectical efforts. I say this that we are not helping to solve the fundamental problems of the country by drawing red herrings or using clichés in matters like this. I hasten to add that I myself might not be free from this sin of introducing into the argument a just cliché, a label that might side-track completely the main argument brought to bear upon the issue. I hope any time that I feel conscious of it, or if at any time anybody draws my attention to it, I would immediately apologise, and try to keep the argument as much as lies in my power within the merits and merits alone of the issue. The light-hearted asides that occasionally creep up in the amenities of debate should, of course, not vitiate the argument as such. And that is why I had ventured to put forward the amendment.

You, Sir, have rightly pointed out that that amendment in substance amounts to a negation of the main principles, and as such I am quite content that it should not be treated as an amendment. But in that case there is no alternative for me but to plead to this House to reject this clause, and let us have not even a suspicion or a trace of doubt in a measure of this kind by which an unkind critic may suggest that Indians themselves are not quite sure about the success of their Government, that they are putting forward guarantees even for a Corporation in which their whole State is interested as part proprietor and sole controller. And because there is a hope and chance of our utilising this Corporation not only for the enrichment of the proprietors and those who hold high offices in it, but also for the more intensive development in an organic form, in the form of creative and productive resources, that I suggest that such a suspicion or even a trace of suspicion ought to be avoided by us.

We are passing through very critical times; we, as time and again we have been reminded, are in the very beginning of our existence as an independent sovereign nation. We have much to think of in the matter of constructive programmes, which, when our Government is free from pre-occupations with other more urgent matters we shall surely take up. At such a time, when we need all the resources of our country, at such a time when we need all the co-operation that we can command in the international market, I repeat that it is inopportune and improper for us by our own act and legislation even to suggest or imply that we shall be lacking in any degree of confidence in the success, the solvency and the permanence of this State.

Sir, I beg the House to consider this matter earnestly; and if they are able to see my point of view to negative this clause.

Mr. Speaker: The question is:

“That clause 5, stand part of the Bill.”

The motion was adopted.

Clause 5 was added to the Bill

Mr. Naziruddin Ahmad: Sir, I move:

"That in sub-clause (1) of clause 6 of the Bill, for the words 'a Board of Directors' the word 'Board' be substituted."

We have defined "Board" to mean "Board of Directors". So the word "Board" is enough.

Mr. Speaker: Amendment moved:

"That in sub-clause (1) of clause 6 of the Bill, for the words 'a Board of Directors' the word 'Board' be substituted."

The Honourable Shri R. K. Shanmukham Chetty: Sir, I do not accept the amendment.

Mr. Naziruddin Ahmad: Sir, I beg leave of the House to withdraw the amendment.

Mr. Speaker: Has the Honourable Member leave of the House to withdraw the amendment?

The amendment was, by leave of the Assembly, withdrawn.

Mr. Naziruddin Ahmad: Sir, I move:

"That in sub-clause (4) of clause 6 of the Bill, the words 'under this sub-section' be omitted."

This sub-clause refers to disputes and a dispute between the Central Government and the Board can only arise under this clause. So the words "under this sub-section" are unnecessary.

The Honourable Shri R. K. Shanmukham Chetty: Sir, I accept this amendment.

Mr. Speaker: The question is:

"That in sub-clause (4) of clause 6 of the Bill, the words 'under this sub-section' be omitted."

The motion was adopted.

Mr. Naziruddin Ahmad: Sir, I move:

"That in sub-clause (5) of clause 6 of the Bill, for the word 'principles' the words 'instructions on the question' be substituted."

We have already provided for instructions on a question of policy in sub-clause (3). This is what is referred to in the sub-clause under dispute. In sub-clause (4) it says "carry out the principles of policy". In fact there is a slight divergence in the wording, but probably the same thing is meant.

The Honourable Shri R. K. Shanmukham Chetty: I accept the amendment.

Mr. Speaker: The question is:

"That in sub-clause (5) of clause 6 of the Bill, for the word 'principles' the words 'instructions on the question' be substituted."

The motion was adopted.

Mr. Speaker: The question is:

"That Clause 6, as amended, stand part of the Bill."

The motion was adopted.

Cause 6, as amended, was added to the Bill.

Mr. Naziruddin Ahmad: Sir, I move:

(i) That clause 7 of the Bill be renumbered as sub-clause (1) and for the colon after the word 'Board' a full stop be substituted, and

(ii) That in the Proviso to clause 7 of the Bill, for the words 'Provided that the', the word 'The' be substituted and the Proviso as so amended be renumbered as sub-clause (2) of Clause 7."

Without the proviso the sentence is complete. A proviso always begins with a new sentence. So there should be a full stop after the main part of the clause. Then with regard to renumbering it as (1) and that containing the

proviso into a separate sub-clause, the reason is this. The first part refers to certain directions being given by the Board to the Executive. The Proviso says that minutes of the Executive Committee be laid before the Board. They are absolutely independent subjects. The Proviso should be elevated to an independent sub-clause.

The Honourable Shri R. K. Shanmukham Ohetty: I accept the amendments.

Mr. Speaker: With regard to the second amendment it should be:

"That the proviso be renumbered as sub-clause (2) deleting the words 'Provided that.'"

The point is that it does not stand as a proviso. It will be an independent sub-clause.

The question is:

"(i) That clause 7 of the Bill be renumbered as sub-clause (1), and for the colon after the word 'Board' a full stop be substituted"; and

"(ii) That the proviso be renumbered as sub-clause (2) deleting the words 'Provided that.'"

The motion was adopted.

Mr. Speaker: The question is:

"That clause 7, as amended, stand part of the Bill."

The motion was adopted.

Clause 7, as amended, was added to the Bill.

Shri T. T. Krishnamachari: Sir, I move:

"That in clause 8 of the Bill, for the words 'securing the efficient discharge of the functions of the Corporation', the words 'assisting the Corporation in the efficient discharge of its functions', be substituted."

I think the word 'securing' puts an emphasis which is unnecessary.

The Honourable Shri R. K. Shanmukham Ohetty: I accept the amendment.

Mr. Speaker: Amendment moved:

"That in clause 8 of the Bill, for the words 'securing the efficient discharge of the functions of the Corporation', the words 'assisting the Corporation in the efficient discharge of its functions', be substituted."

Shri M. Ananthasayanam Ayyangar: I want the Honourable Minister to consider this. There is a difference between 'securing' and 'assisting'. 'Securing' is getting it down from the other Committee, which is an advisory body. So 'securing' is different from 'assisting'. 'Assisting' implies a portion of the agency. 'Securing' means that he gives advice.

Shri T. T. Krishnamachari: There is an obligation involved in the word 'securing' which is different to what is conveyed by the word 'assisting'.

Shri M. Ananthasayanam Ayyangar: It may devise ways and means to do so.

The Honourable Shri R. K. Shanmukham Ohetty: I think it is all right. I accept it.

Mr. Speaker: The question is:

"That in clause 8 of the Bill, for the words 'securing the efficient discharge of the functions of the Corporation', the words 'assisting the Corporation in the efficient discharge of its functions', be substituted."

The motion was adopted.

Mr. R. K. Sidhva (C. P. and Berar: General): Before I move, I would like to know whether he would make it clear whether it is for some other purpose or for making loans.

The Honourable Shri R. K. Shanmukham Ohetty: The Advisory Committee contemplated in this section is not the Advisory Committee which is generally associated with the local management of a bank. What is contemplated are *ad hoc* advisory committees, more of a technical nature, so that if any loan is asked for the actual soundness of the concern from the technical and various other aspects may be examined by this Committee.

Mr. R. K. Sidhva: Would it not be desirable to have those Committees in each Branch?

The Honourable Shri B. K. Shanmukham Chetty: My Honourable friend knows by experience, the work of these advisory committees and very often it is a clog in the wheel of the bank, and more often than not it is merely for pressing personal recommendations.

Mr. R. K. Sidhva: I do not know.

Shri C. Subrahmanyam (Madras: General): Sir, I move:

"That in clause 8 of the Bill, after the word 'circumstances' the words 'and conditions prevailing in' be inserted."

Mr. Alagesan feels that 'circumstances' is not a very happy word in the context as it appears. Hence it is suggested that 'circumstances and conditions prevailing in and requirements of particular areas' may be inserted.

The Honourable Shri B. K. Shanmukham Chetty: I accept the amendment

Mr. Speaker: Is the word "and" necessary?

Shri C. Subrahmanyam (Madras: General): No. It may be omitted.

Mr. Speaker: That would be better. The question is:

"That in clause 8 of the Bill, after the word 'circumstances' the words 'conditions prevailing in' be inserted."

The motion was adopted.

Mr. Speaker: The question is:

"That clause 8, as amended, stand part of the Bill."

The motion was adopted.

Clause 8, as amended, was added to the Bill.

Prof. K. T. Shah: Sir, I move:

"That in clause 9 of the Bill, after the word 'Director', the words 'shall be appointed by the Central Government, and', be added."

I am aware that later on there is a provision which empowers the Central Government to appoint a Managing Director in accordance with the procedure laid down. I suggest that that is utterly unnecessary. The Managing Director should be plainly and undoubtedly a nominee or a servant of the Central Government. I do not mean a servant in the sense of an official necessarily, but he must be appointed, nominated and given charge of the post by authority of the Central Government. In this may I cite the analogy of a common custom in our country, whereby much of the joint stock enterprise is still in the hands of the Managing Agents, who constitute themselves *defacto* managers, appoint Managing Directors, and who have therefore practically the entire control and conduct of the business in their hands. The Board may or may not be consulted. If it is, it is generally *pro forma*. The Board in such cases is a sort of Mutual Administration Society in which the directors of one concern appoint the managers, Managing Directors and so on in another, in consideration of the other also returning the favour at an opportune moment. I suggest that however objectionable the practice or the institution of the Managing Agent may be in regard to the organisation and working of joint stock concerns, here is an instance in which the State, which is part proprietor to the extent of 40 per cent. in the Corporation, must claim the right that the chief managing authority, the chief personage entitled to conduct the day to day administration of the Corporation, should be a nominee and a person appointed by the Central Government. I should like to leave no room in this matter of any consultation with any other authority. I should suggest that all other consultations may quite possibly be actuated by reasons other than the collective interests of the country as a whole. As such it is undesirable on principle, in my opinion that the Managing Director should be anyone else but the person nominated by the Central Government. Even in a scheme that I had in mind when I moved an earlier amendment for provincial governments being associated instead of private corporations which are now sought to be

associated in the proprietorship of this Corporation, I had definitely in view that the authority of the Central Government should be supreme and unchallenged; and that it should have the supreme control, supervision and the day to day administration also through its nominee the Managing Director.

Mr. Speaker: May I point out to the Honourable Member that clause 9 merely deals with the duties of the Managing Director and the emoluments that he is going to get. It is clause 10 which deals with the manner in which he should be appointed, and probably the observations which the Honourable Member is making now, will be more appropriate if he moves an amendment to clause (f) of clause 10, which deals with the manner in which the appointment of the Managing Director is to be made. The proper place for advancing his arguments would be clause 10. I would allow the Honourable Member to make suitable changes in his amendments, if he likes.

Prof. K. T. Shah: I accept what you say, Sir, and will make the necessary changes afterwards.

Mr. Naziruddin Ahmad: Sir, I move:

"That in clause 9, of the Bill, after the words 'Managing Director' the word 'shall' be inserted; and in parts (a), (b), (c) and (d) of the clause the word 'shall' be omitted."

The Honourable Shri R. K. Shanmukham Chetty: Sir, I accept the amendment.

Mr. Speaker: The question is:

"That in clause 9, of the Bill, after the words 'Managing Director' the word 'shall' be inserted; and in parts (a), (b), (c) and (d) of the clause the word 'shall' be omitted."

The motion was adopted.

Mr. Naziruddin Ahmad: Sir, I move:

"That for sub-clause (a) of clause 9 of the Bill, the following be substituted:

'(a) be a whole time officer of the Corporation.'"

It is difficult for a Managing Director to devote his whole time to the affairs of the Corporation. It would be impracticable for the Honourable Minister to devote the whole of his time to the affairs of the State. He may sleep or visit a cinema.

The Honourable Shri R. K. Shanmukham Chetty: Sir, I accept the amendment.

Mr. Speaker: The question is:

"That for sub-clause (a) of clause 9 of the Bill, the following be substituted:

'(a) be a whole time officer of the Corporation.'"

The motion was adopted.

Mr. Speaker: The question is:

"That clause 9, as amended, stand part of the Bill."

The motion was adopted.

Clause 9, as amended, was added to the Bill.

Prof. K. T. Shah: Sir, may I move with your permission all the three amendments (Nos. 11 to 13 on list 2). They are part of the same scheme.

I move:

"(i) That in part (a) of clause 10 of the Bill, for the word 'three', the word 'four' be substituted, and the words 'in addition to the Managing Director', be added at the end.

(ii) That for part (b) of clause 10, of the Bill, the following be substituted:

"Three elected by the Provincial Governments holding any part of the capital of the Corporation'."

And the last amendment is.

The Honourable Shri E. K. Shanmukham Chetty: Sir, the whole scheme of his regarding the capital structure has been rejected by the House and therefore these amendments do not arise.

Mr. Speaker: I was also considering this point. So far as the first part which he has moved is concerned, may I know how it is affected? I am afraid the Honourable Member's amendment No. 12 will be barred by the rejection of his previous amendment; No. 13 also will be similarly barred. Does the Honourable Member agree?

Prof. K. T. Shah: I am not able to follow you, Sir. It is true that as a result of the rejection of my previous amendment some of these wordings naturally become out of order. But if you could possibly permit me to bring out the sense of the point that the Managing Director at least shall be appointed without the formality of consulting anybody, the purpose I have in view will be served.

Mr. Speaker: So far as the appointment of the Managing Director by the Central Government is concerned, the Honourable Member may move any amendment he likes and I shall allow him to move it in a changed form.

The Honourable Shri E. K. Shanmukham Chetty: Sir, if I have understood the Learned Professor correctly, he wants to bring about by an amendment that the entire Board of Directors must be nominated by the Government and for that purpose he wants a Board of five, including the Managing Director—four Directors and one Managing Director, all to be nominated by the Government. Is that correct? If that is what he wants, then the amendment that he should move is this:

In clause (a), he should substitute 'four' for 'three' before the word 'Directors';

(b), (c), (d) and (e) should be omitted;

Clause (f) should read "One Managing Director appointed by the Central Government". The rest of the clause and the proviso should be omitted.

That will clearly bring out his intention.

Prof. K. T. Shah: Sir, I beg to move:

"That in clause 10 of the Bill—

- (i) in sub-clause (a), for the word 'three' the word 'four', be substituted;
- (ii) sub-clauses (b), (c), (d) and (e), be omitted; and
- (iii) sub-clause (f), be renumbered as sub-clause (b) and in the sub-clause as so renumbered, the words beginning from 'after consideration', to the end, including the two provisos be omitted."

Mr. Speaker: Amendment moved:

"That in clause 10 of the Bill—

- (i) in sub-clause (a), for the word 'three' the word 'four', be substituted;
- (ii) sub-clauses (b), (c), (d) and (e), be omitted; and
- (iii) sub-clause (f), be renumbered as sub-clause (b) and in the sub-clause as so renumbered, the words beginning from 'after consideration', to the end, including the two provisos be omitted."

Prof. K. T. Shah: Sir, the idea that I hold is that whatever may be the manner in which the proprietary share in this corporation is brought about and the ownership provided for, the direct control and management of the corporation should at least remain with the Central Government. Now that some of the other suggestions that I have been making have been rejected by the House, I have to restrict the Board to only five men which in my opinion would be sufficient for the day to day administration, control and management of the institution; the more so, as we have by another section of the Bill provided for advisory committees which presumably will assist the Board in all technical

matters relating to the soundness of industrial financing proposals coming before them. The Corporation would also be guided, I take it, by a body of expert advisers, so that the number of Directors—whether they be four or five, or rather ten or twelve—does not really matter. In making this suggestion I am not overlooking the fact that under the prevailing convention the proprietor or part-proprietor has *pro rata* rights, so to say, to have a voice in the administration, direction and control of the Corporation. I suggest, however, for the consideration of the House that this is a Corporation which should be judged by standards different from those which apply to ordinary commercial joint stock concerns. There the interests of the proprietor, namely the share or stock holder is paramount. Here the interest to be considered is more of the country as a whole than individual proprietors. To the extent of forty per cent. the proprietorship vests in the government of the country—I include of course the Reserve Bank as part of the public financing authorities of this country. But even to the extent that some part does belong to the other shareholders in this Corporation I suggest that no harm would be done whatsoever if the entire control, management and day-to-day administration are vested in a Board of the kind that I am suggesting. These directors must realize that they owe their position to no other interest but to the government of the country and therefore to the responsible Ministry of this country. Because I wish this to be enforced I would suggest that no room should be left in the appointment of the Board and in supervision over the Board itself as regards the last voice, so to say, which should be with the Central Government. The qualification, or the right of entry if I may say so, of a member to the Board of Directors should not be determined by merely the proprietary interest that any group or section may have in the Corporation. That would judge mostly the suitability of a person suggested to be Director by the length or fatness of his cheque. I suggest, Sir, the size of the cheque is not necessarily a qualification for the administration in the public interest of a Corporation like this. After all, the individual who would come under the scheme of the Board of Directors as proposed in this Bill would be a nominee in part of some private Corporation, apart from those nominated by the Central Government directly. They naturally would have to think of the interests which they represent, and would be amenable presumably to those interests. I do not wish that such a situation should be permitted. The directors must feel their public responsibility as public servants; and that cannot be brought home to them, in my humble opinion, unless and until you make them whole-time public servants as suggested in another amendment. They should not really be free, if I may go to the logical conclusion of my argument, to have any other interests but the interests of this Corporation. Like, for instance, our Public Service Commission, like the Railway Board, like many other Corporations that have been created in this country or elsewhere, a Corporation of this kind should be managed, conducted, administered, controlled and supervised by servants of the country answerable to the public: they should have no other master or authority except the public which employs them.

Sir, I should be perfectly willing, were it necessary, to suggest that the emoluments of the Directors should not be fixed on a line that is commonly practised amongst the joint stock companies in India, which gives just a modicum of fee to the Directors, entitling them to be called Directors but hardly giving them sufficient incentive to pay their full attention to the actual conduct of affairs. More often than not the Directors, so far as my experience goes, are hardly present at the meeting of the Board more than the time required to record their presence. Whether their presence is for the full duration of the meeting or just for the time it takes to record their presence, they are entitled to their fee. That is an outlook which I suggest ought not to be allowed in a concern like this. Should it be necessary, I would advocate that the Directors might be paid as they are paid in other countries, commensurate with the time.

[Prof. K. T. Shah]

and labour they bestow, and we should expect of them their whole time, so that they be not in any way indifferent or have any other conflicting interests which might claim their time and attention, in preference to the public service which they are expected to carry out in this Corporation. The qualifications also in the selection of a Director would, in the hands of the public authority, be much more the intrinsic worth of the Director, the real suitability, the experience, knowledge and understanding he has of the business of such a Corporation, than only the majority of shares held or the influence the particular Director may be commanding in the various groups he or they may represent. It is of the utmost importance that we wake up to the necessity of having in some measure like this, the qualifications of the Directors. We are very particular about laying down the qualifications of the junior-most typist or clerk that we engage, and long lines of newspaper advertisements—I do not know at how many rupees per inch—are inserted everyday laying down qualifications for posts carrying Rs. 250 and 350 with duties of typing or such character. But as regards people who are to be called upon to manage the affairs of the entire development of this country not a word is said. If we are content only with giving them just a meeting attendance fee and if their interest in the matter is to be, as I hope it would be, whole-hearted attention to the business of the industrial development of this country, then I think it would be but fair that the labourer should be treated as being worthy of his hire even at the risk of making out of him a capitalist as was suggested. After all the labourer is worthy of the hire, and as such whether or not it becomes part of his capital I can assure you that it would be earned with the sweat of his brow so to say. It would be justified not only because of the personal qualification of the individual selected, but also because of the need to attend to the different regions of the country, to the different sectors of the industry which have to be assisted by this Corporation. In this matter too the eye of the Central Government would be much more impartial and would look to the claims, the needs and the interests of all parts of the country far more than is likely, in my opinion, if the choice of the Directors—or of any proportion of them—be left to private Corporations which take shares in this Corporation.

While the number five is not too small, the most important amendment that is suggested here is that the appointment of all of them should without exception be in the hands of the Central Government; for it is only that authority which is directly responsible to the people and, as such, may be expected to look to the interests of the country as a whole both immediately and in the long perspective. It is for this reason that notwithstanding the rejection of my earlier suggestion, I still venture to put forward to the House this. Even if you would not have the entire ownership of the Corporation in the hands of the Central Government, at least let us have its day-to-day administration, its control and supervision in the hands of the Central Government. I hope this would commend itself to the House.

The Honourable Shri R. K. Shanmukham Chetty: Sir, I am sorry I cannot accept this amendment.

Mr. Speaker: The question is:

“That in clause 10 of the Bill—

- (i) in sub-clause (a), for the word ‘three’ the word ‘four’, be substituted;
- (ii) sub-clauses (b), (c), (d) and (e), be omitted; and
- (iii) sub-clause (f), be renumbered as sub-clause (b) and in the sub-clause as so renumbered, the words beginning from ‘after consideration’, to the end, including the two provisos be omitted.”

The motion was negatived.

Mr. Naziruddin Ahmad: Sir, I beg to move:

"That in the first proviso to clause 10, of the Bill, for the words 'nominated under this proviso', the words 'so nominated' be substituted."

The clause specifically provides for nomination. It is not necessary to say that somebody is nominated 'under this proviso'. The words "so nominated" would be enough to refer to it and it would be complete in every way.

The Honourable Shri R. K. Shanmukham Chetty: I do not think this is necessary. Even for the sake of improvement in language I think we should take into consideration whether it is necessary to put the press to the work of recasting the whole of this Bill where it is absolutely not necessary. I think the wording is perfectly suitable and I do not think it requires any further amendment.

Mr. Naziruddin Ahmad: I do not wish to press it. It is not necessary for the Honourable Minister to give full reasons. It is quite enough for me that he merely opposes it.

Mr. Speaker: What is the reaction of the Honourable Minister to the next amendment?

The Honourable Shri R. K. Shanmukham Chetty: Not necessary.

Mr. Naziruddin Ahmad: It seems to me to be important. I beg to move:

"That in the first proviso to clause 10, of the Bill, the words 'for the purposes of this Act', be omitted."

The clause says "Directors nominated under this proviso shall be deemed to be elected". The words "for the purposes of this Act" are unnecessary because if they are deemed to be elected, they are certainly so for the purposes of this Act and for no other Act or purpose. For this reason the words are not necessary.

The Honourable Shri R. K. Shanmukham Chetty: I do not think the amendment is necessary.

Sir, I move:

"That in the second Proviso to clause 10, of the Bill, after the word 'constituted', the words 'other than the Managing Director', be inserted."

In clause 9 we have provided that the office of the Managing Director shall be four years. Now even in the case of the first Managing Director, I think to keep up continuity it would be best to keep that Director also for four years and not to terminate his appointment at the end of one year. My amendment is intended to bring out that idea.

Mr. Speaker: The question is:

"That in the second Proviso to clause 10, of the Bill, after the word 'constituted', the words 'other than the Managing Director', be inserted."

The motion was adopted.

Mr. Speaker: The question is:

"That clause 10, as amended, stand part of the Bill."

The motion was adopted.

Clause 10, as amended, was added to the Bill.

Prof. K. T. Shah: Sir, I beg to move:

"That for sub-clause (1) of clause 11 of the Bill, the following be substituted:

(1) Every Director, whenever appointed or elected, shall hold office for three years:

Provided that the Central Government may provide that all the Directors appointed or elected in the first instance shall hold office for such term as may be specified for each. After the first term of three years, one-third of the total number of Directors shall retire every year; but the Directors thus retiring by rotation shall be re-eligible for another full term of three years:

Provided further that no Director shall hold office for more than two consecutive full terms."

[Prof. K. T. Shah]

Sir, I recognize that this also is consequential upon the changes that I have earlier proposed. Nevertheless there is intrinsic ground, apart from the consequences of the earlier vote of this House, for this amendment to be considered on its own merits, namely that the total number of Directors should be such as to be divisible by three, that one-third should retire every year, and that no Director should hold office for more than two full terms consecutively. My object is that the Directors should not make a close preserve, so to say, of the office in one and the same person being elected time and again as seems to be the practice in ordinary joint stock concerns, where every notice usually mentions that so and so retires by rotation but they really offer themselves for election which is taken to be a matter of course. The Directors offer themselves for election even if they have never been present at any meeting of the joint stock shareholders. I consider that the reasons are obvious for taking the view that I wish to take and if the House comes to the same view, it might accept my amendment. In case acceptance of such amendment necessitates further changes, I should be perfectly willing to agree to the same.

Mr. Speaker: Amendment moved;

"That for sub-clause (1) of clause 11 of the Bill, the following be substituted:

(1) Every Director, whenever appointed or elected, shall hold office for three years:

Provided that the Central Government may provide that all the Directors appointed or elected in the first instance shall hold office for such term as may be specified for each. After the first term of three years, one-third of the total number of Directors shall retire every year; but the Directors thus retiring by rotation shall be re-eligible for another full term of three years:

Provided further that no Director shall hold office for more than two consecutive full terms."

Shri M. Ananthasayanam Ayyangar: Sir, evidently this amendment was tabled as part of the scheme, which fell through, whereby he wanted to avoid elected Directors of any kind being also shareholders of industrial concerns. Two Directors have been provided in each of the categories. In all there are six Directors. As regards the term, he wants once in three years those people to go. That is also provided for here. At the end of two years, they have to go. The term is four years, and at the end of every two years, two persons have to go. Thus one-third of the number is going by rotation. The only thing that remains is whether we should make four into three years. I do not see what great significance there is in modifying four into three. If there is justification for three, there is equal justification for four. Some people wanted five, some wanted three. The term of the President of America is also four years. Why not we have some such arrangement here? It is a new venture that we are starting. Three years appear to be a little short period.

Prof. K. T. Shah: Sir, I shall be willing, if the House permits, to withdraw my amendment.

Mr. Speaker: Has the Honourable Member leave of the House to withdraw his amendment?

The amendment was, by leave of the Assembly, withdrawn.

Mr. Naziruddin Ahmad: Sir, I beg to move:

"That in the first Proviso to sub-clause (1) of clause 11 of the Bill, for the words 'directors so to retire', the words 'the retiring directors', be substituted."

With regard to this I should like to amend it slightly. In the words proposed—"the retiring directors", the word "director" should begin with a capital letter. That is a typing mistake. So if you would kindly permit me to move it with this little amendment, I think it will be all right. Then the revised amendment will read:

"That in the first Proviso to sub-clause (1) of clause 11 of the Bill, for the words 'directors so to retire', the words 'the retiring directors', be substituted."

Sir, the Directors are elected for four years; on the expiration of that term they are to retire. So there is a reference to Directors so to retire after the expiration of the proper term. I have suggested in place of that the expression "the retiring Directors". This is the usual expression found in Company Reports etc. So, if this is acceptable to the Honourable Minister I shall press it otherwise.

The Honourable Shri R. K. Shanmukham Chetty: The wording as it is is a better one because the Directors are yet to retire and before they retire they have to be elected by law. Therefore the "directors so to retire" is the proper thing than "the retiring directors".

Mr. Nasiruddin Ahmad: All right, Sir.

Then I move the alternative amendment which is as follows:

"That in the first Proviso to sub-clause (1) of clause 11 of the Bill, for the words 'the directors', the words 'the Directors', be substituted."

The only alteration here is that instead of beginning it with a small letter, the word "Director" should begin with a capital letter.

An Honourable Member: He is a capitalist.

The Honourable Shri R. K. Shanmukham Chetty: Sir, I accept the amendment.

Mr. Speaker: The question is:

"That in the first Proviso to sub-clause (1) of clause 11 of the Bill, for the words 'the directors', the words 'the Directors', be substituted."

The motion was adopted.

[At this stage Mr. Speaker vacated the Chair, which was then occupied by Pandit Thakur Das Bhargava (one of the Panel of Chairmen)]

Shri T. T. Krishnamachari: Sir, I move:

"That in the second proviso of sub-clause (1) of clause 11 of the Bill; for the words 'in no case shall a Director be required to vacate his office', the words 'a Director shall continue in office', be substituted."

Apart from its being in the positive sense, I think it is probably more in tune with custom in regard to such provisions. Sir, I move.

Mr. Chairman: Amendment moved:

"That in the second proviso of sub-clause (1) of clause 11 of the Bill, for the words 'in no case shall a Director be required to vacate his office', the words 'a Director shall continue in office', be substituted."

The Honourable Shri R. K. Shanmukham Chetty: Sir, I accept the amendment.

Mr. Chairman: The question is:

"That in the second proviso of sub-clause (1) of clause 11 of the Bill, for the words 'in no case shall a Director be required to vacate his office', the words 'a Director shall continue in office', be substituted."

The motion was adopted.

Shri Basanta Kumar Das (West Bengal: General): Sir, I move:

"That for sub-clause (1) of clause 11 of the Bill, the following be substituted:

'(1) A director, either elected or nominated, shall hold office for four years.'

Sir, in the existing clause there is no mention as to whether a nominated director will hold office for four years or not. Therefore I move this amendment.

Mr. Chairman: Amendment moved:

"That for sub-clause (1) of clause 11 of the Bill, the following be substituted:

'(1) A director, either elected or nominated, shall hold office for four years.'

Shri M. Ananthasayanam Ayyangar: Sir, then the difficulty arises that no man shall be elected for more than two consecutive terms. The proviso says, "Provided further that a Director shall be eligible for re-election for not more

[Shri M. Ananthasayanam Ayyangar].

than two full consecutive terms after the rotation of Directors". That is for re-election. If he is only for four years he can be nominated any number of terms; he can go on for 12 years. What is the need for putting any restriction upon that? So long as there is no question of rotation in his case, so long as he has to be nominated, and the person who has nominated him has the right to withdraw him, I do not see any need to have any particular term for nominated directors.

Shri Upendra Nath Barman (West Bengal: General): Sir, I rise to support this amendment. The difficulty will arise in the interpretation of some clauses of this Bill. As regards sub-clause (2) it is stipulated there,

"A casual vacancy in the office of a Director shall be filled by election or nomination, as the case may be, and the Director elected or nominated to fill a casual vacancy shall hold office for the unexpired portion of the term of his predecessor."

So unless some term be fixed for a nominated Director, this question does not arise. Therefore this clause remains unintelligible unless some normal term is fixed for a nominated Director also. I support this amendment.

Shri C. Subrahmanyam: Sir, I think no period should be fixed for a nominated Director because some official may be nominated in his official capacity to act as the Director of this Corporation. Suppose he ceases to hold his office, does it mean that the Government cannot act and remove him and put another man in his place or ask him to resign? Suppose he does not resign? Therefore, as far as the nominated Directors are concerned, they should hold office during the pleasure of the Central Government.

Dr. B. Pattabhi Sitaramayya: In such circumstances usually a Government official resigns.

Shri C. Subrahmanyam: Supposing he does not?

Dr. B. Pattabhi Sitaramayya: He will be forced to resign.

Shri C. Subrahmanyam: After retiring from Government service, what is the hold the Government have on him?

The Honourable Shri R. K. Shanmukham Chetty: There is certainly a lacuna here. We had not fixed any term for a nominated Director but since the intention of nominating Directors is that the Central Government should exercise more direct control through those Directors, I think the suggestion made by my Honourable friend Mr. C. Subrahmanyam should be accepted, namely that a nominated Director should hold office during the pleasure of the Central Government. If that idea is accepted then I shall have a suitable amendment made in the Third Reading. A new sub-clause (1) should be inserted to read:

"(1) A nominated Director shall hold office during the pleasure of the Central Government."

The present sub-clause (1) will be re-numbered as sub-clause (2) and subsequent sub-clauses re-numbered similarly.

Shri M. Ananthasayanam Ayyangar: There is this difficulty in the suggestion. You will see that two Directors are nominated by the Central Board of the Reserve Bank; not all the Directors are nominated by the Central Government. Then does the Honourable Member feel that those Directors nominated by the Reserve Bank also should hold their office during the pleasure of the Central Government?

Shri T. T. Krishnamachari: As a matter of fact, in about six months or eight months, what the Honourable Minister says will apply to those Directors also. It does not matter very much therefore, if we say that they can be removed by the Central Government. There would be no anomaly in clubbing them together so far as their holding office is concerned.

Dr. B. Pattabhi Sitaramayya: But then, it does not look well that you give a certain power to nominate and then say that that nominated person can be dismissed by a third superior authority.

The Honourable Shri R. K. Shanmukham Chetty: I quite agree that as my Honourable friend Mr. T. T. Krishnamachari pointed out just now, after the end of this year there would not be any difference. But probably it would look awkward in a Statute to delegate a power to the Central Board or the Reserve Bank and then to take it away by another hand in that way. Thus, I shall incorporate an amendment somewhat on the following lines:

"A Director nominated by the Central Government will hold office during the pleasure of that Government and a Director nominated by the Central Board of Revenue and an elector Director shall hold office for four years."

Mr. Naziruddin Ahmad: May I suggest one thing which might obviate all this difficulty? There is Clause 16 of the General Clauses Act which says that if we use the word "appointed", the person or authority who appointed him can remove him. Therefore, if instead of the word "nominated" we use the word "appointed", that would dispense with all this reservation as to the pleasure of the Government, and all that sort of thing. "Pleasure" is something which is applicable to high personages like the King etc.

Shri M. Ananthasayanam Ayyangar: But the word "appointment" is used in sub-clause (f) whereas the word "nominated" is used in sub-clause (b). Where the Managing Director is paid the word "appoint" is used, and in the other case the word "nominated" is used.

The Honourable Shri R. K. Shanmukham Chetty: If the House has no objection, I suggest that Clause 11 be passed over and we shall take it up at the end. In the meanwhile, I shall look into all the amendments tabled on this Clause and the suggestions made by Honourable Members.

Some Honourable Members: Yes.

Mr. Chairman: Clause 11 is passed over. We shall now take up Clause 12.

Shri T. T. Krishnamachari: Sir, I have no desire to steal the thunder of my Honourable friend Mr. Naziruddin Ahmad, but I have a minor verbal amendment;

"That in clause 12 of the Bill, for the word 'will', the word 'shall', be substituted."

The Honourable Shri R. K. Shanmukham Chetty: Sir, I accept the amendment.

Mr. Chairman: The question is:

"That in clause 12 of the Bill, for the word 'will', the word 'shall', be substituted."

The motion was adopted.

Mr. Naziruddin Ahmad: Sir, I shall move amendment No. 11 standing in my name, in a slightly amended form in consequence of the amendment that has been made.

Sir, I beg to move:

"That in Clause 12 of the Bill, for the words 'No person shall be a Director who', the following be substituted:

'No person shall be eligible for nomination or election nor shall be entitled to remain a Director who'."

The text says "No one shall be a Director" if he has certain disqualifications. The better expression would be "No person shall be eligible for nomination nor shall be entitled to remain a Director" who has got those disqualifications.

The Honourable Shri R. K. Shanmukham Chetty: I think it is all right as it is. I do not accept the amendment.

Mr. Naziruddin Ahmad: Very well. I do not press it.

Mr. R. K. Sidhva: Sir, I beg to move:

"That in part (c) of clause 12 of the Bill, after the words 'unsound mind' the words 'or disabled' be inserted."

No disabled Director should be allowed to participate or allowed to remain a Director when he is not able to attend the meetings. This is a very healthy amendment that I have suggested and hope it will be accepted. Sir, I move.

Mr. Chairman: Amendment moved:

"That in part (c) of clause 12 of the Bill, after the words 'unsound mind' the words 'or disabled' be inserted."

The Honourable Shri R. K. Shanmukham Chetty: Sir, the word "disabled" has got a wide significance. Legally, a person, for example, who is lame may be called "disabled", but that lameness may not be of such a character as to prevent him from attending meetings of the Board. If it is the intention of my Honourable friend that persons who are not in a position to attend the meetings of the Board should not be allowed to continue, that object has been achieved by another Clause where it is provided that if a person absents himself from the Board meetings for three consecutive meetings without leave he ceases to be a Director. Naturally, if a person becomes so disabled as not to be able to attend Board meetings for three consecutive meetings, he will automatically not be allowed to remain.

Mr. R. K. Sidhva: I am thankful to the Honourable Minister for inviting my attention to this fact. I wish to withdraw my amendment.

Mr. Chairman: Has the Honourable Member leave of the house to withdraw his amendment?

The amendment was, by leave of the Assembly, withdrawn.

Mr. Chairman: The question is:

"That clause 12, as amended, stand part of the Bill."

The motion was adopted.

Clause 12, as amended, was added to the Bill.

Mr. Naziruddin Ahmad: Sir, I beg to move:

"That for clause 13 of the Bill, the following be substituted:

"13. Director's absence from three consecutive meetings. Any Director absenting himself from three consecutive meetings of the Board without leave of absence granted by the Board, shall be deemed to have vacated his seat."

Sir, I think the expression is more direct and to the point.

The Honourable Shri R. K. Shanmukham Chetty: Sir, I do not think it is necessary to change that clause at all.

Mr. Naziruddin Ahmad: Then I do not press it.

Mr. R. K. Sidhva: In view of that the Honourable the Finance Minister just now stated, I think the object will not be served unless some amendment is made here. A person shall cease to be a director if he absents himself from three consecutive meetings of the Board without leave of absence. If a director on account of paralysis is unable to attend the meeting, the Board must not grant him permission. I have seen such instances happen. It would be therefore desirable, if the Honourable the Finance Minister agrees with my view, he should be disqualified. Therefore, I feel some kind of amendment is necessary here.

Mr. Chairman: The question is:

"That clause 13, stand part of the Bill."

The motion was adopted.

Clause 13 was added to the Bill.

Clause 14 was added to the Bill.

Mr. Naziruddin Ahmad: Sir, I beg to move:

"That for clause 15, of the Bill, the following be substituted :

'15. Chairman of the Board.—(1) The Chairman of the Board shall be nominated in this behalf by the Central Government from amongst the Directors, not being the Managing Director, and only after considering the recommendations of the Board, except in the case of the nomination of the first Chairman :

Provided that no nomination of the Chairman, other than the first Chairman, can be made until the vacancies in the office of the Directors existing at the time due to efflux of time have been filled up by nomination or election as the case may be.

(2) The Chairman shall hold office for two years but shall continue in office thereafter until another nomination is made :

Provided that, subject to his being a Director, the Chairman, is eligible for renomination as a Chairman."

With regard to the original Bill clause there seems to be here some kind of confusion. In the first proviso in line 1, it is stated: "Provided that the nomination of the Chairman for any year..." The original idea seems to have been that a nomination would be for one year, but in sub-clause (2) of the Bill clause it is stated that "The Chairman shall hold office for two years. .". The words 'two years' have been substituted in the Select Committee but there is no consequential change in the first part of proviso to sub-clause (1) which speaks of 'any year' or one year. Then there has been a re-arrangement of the section taking into account all elements in the original clause. I think the clause as it is before us would answer all objections and be complete in itself.

The Honourable Shri R. K. Shanmukham Chetty: I do not find any need at all for changing the wordings there. My Honourable friend has simply changed the wording and the intention is absolutely clear in the draft as it is before us.

Mr. Naziruddin Ahmad: So far as proviso to sub-clause (1) goes it says that the Chairman's nomination for 'any year', which implies only that a Chairman should remain for one year, but later on it is stated that the Chairman shall hold office for 'two years'.

The Honourable Shri R. K. Shanmukham Chetty: In the proviso for the word 'year' wherever it occurs the word 'period' be substituted.

Mr. Naziruddin Ahmad: Sir, I move:

"That in the proviso to sub-clause (1) of clause 15, of the Bill, for the word 'year', wherever it occurs, the word 'period', be substituted."

Mr. Chairman: Amendment moved:

"That in the proviso to sub-clause (1) of clause 15, of the Bill, for the word 'year', wherever it occurs, the word 'period', be substituted."

The Honourable Shri R. K. Shanmukham Chetty: I accept the amendment.

Mr. Chairman: The question is:

"That in the proviso to sub-clause (1) of clause 15, of the Bill, for the word 'year', wherever it occurs, the word 'period', be substituted."

The motion was adopted.

Shri Basanta Kumar Das: Sir, I move:

"That the Proviso to sub-clause (1) of clause 15, of the Bill be omitted."

Mr. Chairman: Amendment moved:

"That the Proviso to sub-clause (1) of clause 15, of the Bill be omitted."

Shri Upendra Nath Barman: In support of this amendment, Sir, I like to point out that unnecessary difficulty has been put on the renomination of the Chairman. There might be cases where there would be a casual vacancy in the office of Chairman. Supposing that the normal period of four years of an elected Director has run out and his successor has not been elected. The old member still continues. If at such a time the Chairman dies or is disqualified for any other cause who shall elect the Chairman. For a casual vacancy there need not be this unnecessary difficulty in the Bill. The proviso to clause 11(1) says that until a successor is elected the old Director will continue. So there is no harm if that continuing member elects the new Chairman even in normal cases, because otherwise difficulty might arise in the case of a casual vacancy in the office of Chairman.

Shri T. T. Krishnamachari: Sir, provision for casual vacancies will be made by rules, and sub-clause (4) says that nothing will be vitiated because of a vacancy in or defect in the constitution of the Board. If there is a vacancy by death it must be provided for by rules. As it is, this particular amendment will not solve the difficulty for periods when casual vacancies exist by a mere omission of the proviso which ties up actually with the other sub-clause in a previous section. The idea really is that if a person does not vacate office, persons who have elected the previous Chairman or who are there merely because their successors have not been nominated or elected should not be permitted to elect the next Chairman. That will have to be done by the incoming members.

The Honourable Shri R. K. Shanmukham Chetty: Sir, this proviso is necessary. It certainly does not achieve the object that my Honourable friend has. As has been pointed out, persons retire from the Board by rotation. So in a year if two persons have retired by rotation the election of the Chairman should not be held until these two seats are filled up. That is, until the Board is completed the election of the Chairman will not take place. Otherwise a small number of persons will take advantage and the other men will be debarred from voting. If, for instance, the Board consists of six people of whom two have retired and the election is to take place next month, surely it is not proper that the remaining four should elect the Chairman before these two come in.

Shri Upendra Nath Barman: But the outgoing members will continue.

The Honourable Shri R. K. Shanmukham Chetty: But they may not be re-elected. I think the proviso is necessary.

Shri Basanta Kumar Das: Sir, I beg leave of the House to withdraw the amendment.

Mr. Chairman: Has the Honourable Member leave of the House to withdraw his amendment?

The amendment was, by leave of the Assembly, withdrawn.

Mr. Chairman: 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.

Shri Upendra Nath Barman: Sir, I wish to make a few remarks on clause 16, Sub-clause (2) says:

"A director elected to be a member of the Executive Committee shall hold office as such for the rest of his term of office as Director for which he is so elected."

But Directors of the Executive Committee are of two kinds as is provided in sub-clause (1). It might be that one of the nominated Directors might be elected to the Executive Committee by the nominated Directors. Sub-clause (2) says, "for the rest of his term of office as Director for which he is so elected". Supposing he is a nominated Director, it does not say how long he shall continue in his office in the Executive Committee. An elected Director is elected for four years, so he remains in the Executive Committee for the unexpired term of four years. But what about a nominated Director?

Mr. Chairman: The question is:

"That clause 16, stand part of the Bill."

The motion was adopted.

Clause 16 was added to the Bill.

Mr. Naziruddin Ahmad: Sir, I move:

"That in sub-clause (4) of clause 17 of the Bill, for the words 'shall vote' the words 'shall be entitled to vote', be substituted."

The difference is that in the Bill clause there is a direction not to vote; the amendment would make it clear that he has no right to vote. If he votes in violation of the direction, a question may arise about the legality of the act. So his right should be absolutely cut off. Sir, I move.

Mr. Chairman: Amendment moved:

"That in sub-clause (4) of clause 17 of the Bill, for the words 'shall vote' the words 'shall be entitled to vote', be substituted."

The Honourable Shri R. K. Shanmukham Chetty: Sir, I think the words "No Director shall vote" mean a direct mandate to the Director not to vote, and the amendment is not necessary.

Mr. Naziruddin Ahmad: Sir, I beg leave of the House to withdraw the amendment.

Mr. Chairman: Has the Honourable Member leave of the House to withdraw his amendment?

The amendment was, by leave of the Assembly, withdrawn.

Mr. R. K. Sidhva: Sir, I move:

"That in sub-clause (4) of clause 17, of the Bill, after the words 'No Director shall vote on', the words 'or be present at the meeting when' be inserted, and the words 'is discussed' be added at the end."

The object of this amendment is this. In the clause itself it is provided when the Director is interested then he shall not vote. I go further and state that he shall not be allowed to be present at the meeting when that subject is being discussed: otherwise his presence will influence the other members and the other directors will not be able to express frankly and impartially their views. It does so happen and it has happened in the past in directors' meetings. Although he does not vote, the other directors are not so strong to vote against him, though they feel the question is not justified in getting the subject passed. Therefore his presence, directly or indirectly, although he does not

[Mr. R. K. Sidhva]

participate in the debate, influences the other directors and the object for which it is meant is frustrated. I hope the Honourable Minister will accept it. It is a very healthy thing. We feel that the director who is interested in a loan when he cannot vote, he should not be allowed to be present at the meeting.

Mr. Chairman: Amendment moved:

"That in sub-clause (4) of clause 17, of the Bill, after the words 'No Director shall vote on', the words 'or be present at the meeting when' be inserted, and the words 'is discussed' be added at the end."

The Honourable Shri R. K. Shanmukham Chetty: I fully appreciate the spirit underlying the suggestion of my Honourable friend. But it so happens that where an application for a loan by a company in which a particular director is interested comes up for consideration, that director may be in a position to give some valuable information to the Board. After all, mere presence, we should not presume, would influence the consideration of the rest of the directors. We are effectively safeguarding the interests of the Corporation by saying that that director shall not vote. But I think some liberty should be given for that Director to be examined by his colleagues, if necessary, when a matter of that kind comes up. I think it is carrying it a bit too far. I think the suspicion is unwarranted in some cases.

Shri M. Ananthasayanam Ayyangar: This only reminds me of a case in the Federal Public Services Commission when a son-in-law of one of the Members appeared. As soon as that gentleman came, the Member went away saying he is my son-in-law. No better certificate is necessary than this. Even though he may get out of the meeting, he can certainly influence the other way. Secondly, there may be a number of items on the agenda. I think it is useless. The Honourable Minister has said he may give useful information and then the whole thing may be withdrawn or granted.

Shri T. T. Krishnamachari: Government can lay down that whenever a director is interested in a particular proposition that this fact should be recorded in the minutes so that an officer can check up whether the *bona fides* of the person is questioned and has to be safeguarded. We have made such provision in other Bills where detailed instructions were found necessary. That will serve the purpose my friend has in mind.

The Honourable Shri R. K. Shanmukham Chetty: I think the point may be met by including either in our rules or in the directions that ordinarily a director interested in a borrowing concern should not be present at the meeting when the subject is discussed unless the other directors want his presence for information. We will issue instructions to that effect.

Mr. R. K. Sidhva: That is my object.

Dr. B. Pattabhi Sitaramayya: That may not do. Shall we say that Directors interested otherwise than a shareholder: 51 per cent. of the shares may be his own, but he may be a proprietor practically. In all these matters, the Directors should not have an interest in these matters. A directive to that effect may be better. If a director is interested in such an affair, it may be a big interest. Mere absence will not help us.

The Honourable Shri R. K. Shanmukham Chetty: What is it you want?

Dr. B. Pattabhi Sitaramayya: He must resign the directorship or resign the interest. The remedy is obvious.

Shri M. Ananthasayanam Ayyangar: In that case the loan must be sanctioned subject to the approval of the Central Government. This is an industrial corporation where you may lend to the extent of Rs. 50 lakhs. A loan is sanctioned by a Board and where a director is interested that may be subject to the approval of the Central Government.

Mr. Chairman: The amendment only says that the director should not be present at the meeting. The question whether he is interested, and should resign on that account is beside the point. Does Mr. Sidhva want me to put the amendment?

Mr. R. K. Sidhva: In view of the Honourable Minister's statement that he is going to provide for this in the rules, I withdraw it.

Mr. Chairman: Has the Honourable Member the leave of the House to withdraw his amendment?

The amendment was, by leave of the Assembly, withdrawn.

Mr. R. K. Sidhva: Sir, I move:

"That in part (a) of sub-clause (5), of clause 17, of the Bill, the following words be omitted:

'of the Board, a Director (other than the Managing Director), authorised by the Chairman in writing in this behalf shall preside at that meeting and in default of such authorisation'."

My object is simple as shown in the amendment. When the Managing Director is absent, let the others elect their own Chairman. Why should the Managing Director say whom they should elect? It should be left to the other directors who will be in a better position to judge who will be the best Chairman at that time for presiding at the meeting. It is a slur upon the co-directors to state that they could not elect the best man.

Mr. Chairman: Amendment moved:

"That in part (a) of sub-clause (5), of clause 17, of the Bill, the following words be omitted:

'of the Board, a Director (other than the Managing Director), authorised by the Chairman in writing in this behalf shall preside at that meeting and in default of such authorisation'."

The Honourable Shri R. K. Shanmukham Chetty: I shall explain to my Honourable friend why this was put in. The Chairman and the Managing Director are all persons nominated by the Central Government. So to ensure that the interests of the Government is at no time at jeopardy, we want that either the nominee of the Central Government or in his absence someone whom he nominates should be there to act as Chairman. We do not want to take the risk that in the absence of our Chairman, someone else might be elected and things done which might jeopardise the interests of the Corporation. If you want to have more control then this is necessary.

Mr. R. K. Sidhva: Then I wish to withdraw.

Mr. Chairman: Has the Honourable Member leave of the House to withdraw his amendment?

The amendment was, by leave of the Assembly, withdrawn.

Mr. Chairman: The question is:

"That clause 17, stand part of the Bill."

The motion was adopted.

Clause 17 was added to the Bill.

Clauses 18 and 19 were added to the Bill.

Mr. Naziruddin Ahmad: Sir, I move:

"That in clause 20, of the Bill, for the words 'or any' the words 'or of any', be substituted."

The Honourable Shri R. K. Shanmukham Chetty: Sir, I accept the amendment.

Mr. Chairman: The question is:

"That in clause 20, of the Bill, for the words 'or any' the words 'or of any', be substituted."

The motion was adopted.

Mr. Chairman: The question is:

"That clause 20, as amended, stand part of the Bill."

The motion was adopted.

Clause 20, as amended, was added to the Bill.

Mr. Naziruddin Ahmad: Sir, I move:

"That in the proviso to sub-clause (1) of clause 21 of the Bill, for the word 'issued' the words 'paid up' be substituted and for the words 'and of' the words 'together with' be substituted."

In the first line of the proviso bonds and debentures issued should be paid up. It may be that the face value is not really the paid up value.....

The Honourable Shri B. K. Shanmukham Chetty: The word 'issue' applies to bonds and debentures.

Mr. Naziruddin Ahmad: If that is so that part of the amendment will have to be given up. As regards the second part of the amendment where, for "and of contingent liabilities", I suggest "together with contingent liabilities", that would be more precise.

The Honourable Shri B. K. Shanmukham Chetty: As it is it is perfectly safe.

Mr. Naziruddin Ahmad: Then I do not press my amendment.

Mr. Chairman: 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.

Mr. Naziruddin Ahmad: Sir, I beg to move:

"That in part (a) of sub-clause (1) of clause 23, of the Bill, a comma be inserted after the word 'guaranteeing', and for the word 'agreed', the words and a comma 'agreed upon,' be substituted"

I wish to draw the attention of the House to clause 23 sub-clause (a). - The expression used is "guaranteeing on such terms and conditions as may be agreed". There is no comma at the end of the word "agreed", and there is no previous comma after the word "guaranteeing", as the expression "on such terms and conditions as may be agreed" is a parenthetical expression it should be enclosed by commas on both sides. I move for the insertion of a comma after the word "guaranteeing" and after the word "agreed" there should be a comma and the word "agreed" should not stand alone, it should be "agreed upon." When I said that there should be a comma after the word "agreed" I meant that it should come after the words "agreed upon" as amended.

The Honourable Shri B. K. Shanmukham Chetty: Sir, I accept the amendment.

Mr. Chairman: The question is:

"That in part (a) of sub-clause (1) of clause 23, of the Bill, a comma be inserted, after the word 'guaranteeing', and for the word 'agreed', the words and a comma 'agreed upon,' be substituted."

The motion was adopted.

Shri T. T. Krishnamachari: Sir, I move:

"That in sub-clause (2) of clause 23, of the Bill, the words 'in the manner prescribed by regulations' be added at the end."

The clause reads:

"No accommodation shall be given under sub-clauses (a) and (e) unless it is secured by a sufficient pledge, mortgage, hypothecation"

The word "sufficient" wants amplification. It could not, as it is, find any amplification in the text of the Bill. So the Government will have to issue instructions by means of rules as to what is the nature of the sufficiency required what kind of securities they must take, whether the loans should be granted on first mortgage and so on. All this will have to be covered by precise instructions. That is why I have suggested the words "in the manner prescribed by regulations" should be inserted at the end.

The Honourable Shri R. K. Shanmukham Chetty: Sir, I accept the amendment.

Mr. Chairman: The question is:

"That in sub-clause (2) of clause 23, of the Bill, the words 'in the manner prescribed by regulations' be added at the end."

The motion was adopted.

Mr. Naz'riddin Ahmad: Sir, I move:

"That in part (f) of sub-clause (1) of clause 23, of the Bill, for the word 'incidental', the words 'incidental to', be substituted."

The Honourable Shri R. K. Shanmukham Chetty: Sir, I accept the amendment.

Mr. Chairman: The question is:

"That in part (f) of sub-clause (1) of clause 23, of the Bill, for the word 'incidental', the words 'incidental to', be substituted."

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.

The Assembly then adjourned till Eleven of the Clock on Friday, the 13th February, 1948.