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886

# PARLIAMENTARY DEBATES

PARLIAMENT OF INDIA

OFFICIAL REPORT

Part I—Questions and Answers

CONTENTS

Oral Answers to Questions [Cols. 1595—1626].

Written Answers to Questions [Cols. 1626—1636].



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**THE  
PARLIAMENTARY DEBATES  
(Part I—Questions and Answers)  
OFFICIAL REPORT**

1777

1778

**PARLIAMENT OF INDIA**

Friday, 28th September, 1951

*The House met at Nine of the Clock*

[MR. DEPUTY-SPEAKER in the Chair]

**ORAL ANSWERS TO QUESTIONS**

**"COURTESY WEEK"**

\*1376. **Dr. Ram Subhag Singh:** Will the Minister of Home Affairs be pleased to state:

(a) the number of Centrally Administered States whose police observed "Courtesy Week" this year; and

(b) what is the purpose of observing the "Courtesy Week"?

**The Minister of Home Affairs (Shri Rajagopalachari):** (a) and (b). No Centrally administered State in charge of the Home Ministry observed what has been called "Courtesy Week" this year.

**Dr. Ram Subhag Singh:** May I know, whether this week was observed in any other Indian State other than the Centrally Administered Areas?

**Shri Rajagopalachari:** From the newspapers I understand that what is called "Courtesy Week" was observed in some places; but as I have said we have no direct knowledge of it in the Home Ministry's own area.

**Dr. Ram Subhag Singh:** May I know, the purpose of observing this week?

**Shri Rajagopalachari:** I can only guess. It is a practical training in police manners towards citizens in the new state of things where authority is derived from the people and where the police derive authority not from any outside authority.

**Dr. Ram Subhag Singh:** May I know, how Government expect to

290 PSD

inculcate in the police a spirit of politeness and civility towards the public?

**Shri Rajagopalachari:** Maybe a week is too short, but a good beginning is good.

**Shri Velayudhan:** May I know, arising out of the answer given by the hon. Minister, whether this "Courtesy Week" was observed without the knowledge or directive of the Home Ministry at the Centre.

**Shri Rajagopalachari:** No question of our directive comes in. These are matters in which the initiative is entirely given to the State authorities.

**Shri Amolakh Chand:** May I know, if other departments like Local Self-Government and Public Health are also contemplating or actually have been observing the "Courtesy Week"?

**Shri Rajagopalachari:** That will perhaps affect the secularity of our State if we enlarge manners over too wide a field.

**IRON PILLAR OF RAJA BHOJ**

\*1377. **Dr. Ram Subhag Singh:** (a) Will the Minister of Education be pleased to state whether it is a fact that the Iron Pillar of Raja Bhoj is lying in a dilapidated condition near Dhar?

(b) If so, do Government propose to repair and erect it again?

(c) Whether it is true that an iron firm has offered to repair and erect it at a cost of Rs. 10,000?

مجلس آف ایجوکیشن (مولانا آزاد) :  
ضروری باتیں معلوم کی جا رہی ہیں  
اور ہاوس کی تہہ پر رکھ دی  
جائیں گی۔

[The Minister of Education (Maulana Azad): (a) to (c). The information is being collected.]

**डा० राम सुभाग सिंह :** जो चीज हाउस की टेबल पर रखी जायगी उस में क्या सरकार इस की मरम्मत कराने की कोई व्यवस्था करेगी ?

[**Dr. Ram Subhag Singh:** Will there be any provision for repairs to the pillar in the document to be placed on the Table of the House?]

مولانا آزاد : جب تک ساری باتیں سامنے نہ آ جائیں - گورنمنٹ کوئی رائے نہیں قائم کر سکتی - ہم نے کوشش کی تھی کہ جاد سے جاد یہ باتیں معلوم ہو جائیں - لیکن ابھی تک ہم کو جواب نہیں ملا ہے - ضروری انفارمیشن آ جائے - پھر جیسی ضرورت ہو گی اس کے مطابق کارروائی کی جائیگی -

[**Maulana Azad:** The Government is not in a position to form an opinion unless they know the full picture. We tried to have all the information as soon as possible but we have not received it. After we receive full information, necessary action will be taken accordingly.]

#### AMNESTY TO PRISONERS

\*1378. **Dr. Ram Subhag Singh:** (a) Will the Minister of Home Affairs be pleased to state whether it is a fact that amnesty was granted to some prisoners in various States of this country on the occasion of the Fourth Anniversary of the Independence Day?

(b) If so, in how many cases such amnesties were granted State-wise in the Centrally Administered Areas?

**The Minister of Home Affairs (Shri Rajagopalachari):** (a) and (b). No orders were issued by any State Government for granting amnesty to prisoners on the occasion referred to. One prisoner in Ajmer, who was due for release on 15th September, 1951 after serving a 14 year sentence was released a month earlier on that occasion.

**Dr. Ram Subhag Singh:** May I know, Sir, whether any State Government in Part A or B granted amnesty to the prisoners on their own without being asked by the Home Ministry at the Centre?

**Shri Rajagopalachari:** As I have said no orders were issued by any State Government for granting amnesty to prisoners on the occasion.

**Shri Jnani Ram:** May I know if the State Governments followed any principle in granting amnesty and if so what?

**Shri Rajagopalachari:** I have said, that no orders were issued by any State Government for granting amnesty. So no question of principles arises.

#### BLIND RELIEF SOCIETY

\*1379. **Shri Jnani Ram:** Will the Minister of Health be pleased to state:

(a) the number of patients treated by the Blind Relief Society of India in 1949-50 and 1950-51;

(b) the number of mobile units maintained by the Society; and

(c) the Contribution given to the Society by the Government of India?

**The Minister of Health and Communications (Rajkumari Amrit Kaur):** (a) It is understood that the number of patients treated during 1949-50 was 29,031 and during 1950-51, 50,145.

(b) Two.

(c) A grant-in-aid of Rs. 5,000 was paid to the Society by Government of India respectively during 1948-49 and 1950-51.

**Shri Jnani Ram:** May I know if Government propose to increase its grant-in-aid to this Relief Society?

**Rajkumari Amrit Kaur:** The Governments of the States, wherever the society functions do give grants and the grant that was given by the Government of India was for Delhi.

**Shri Jnani Ram:** May I know the number of doctors working in mobile units?

**Rajkumari Amrit Kaur:** I am afraid I could not tell you, because after all it is not a Government society. It is a voluntary body.

**Shri Velayudhan:** May I know whether the Society had asked for a plot of land in Delhi and if so whether it was granted by the Delhi Administration?

**Rajkumari Amrit Kaur:** I would have to ask for notice of that question. I know they have got a place in Delhi, but whether they have asked for another one I cannot say.

**Shri Massey:** May I know the number of Anglo-Indian patients treated by this Society.

**Rajkumari Amrit Kaur:** It would be quite impossible for me to say community wise. It would moreover be wrong to keep figures that way.

**Shri Rama Rao:** May I know whether Government have any information about the total number of blind persons needing relief in the country?

**Rajkumari Amrit Kaur:** I am afraid I have not got statistics.

**Dr. M. V. Gangadhara Siva:** May I know whether Government have recognised the desirability of starting such relief societies in the various States and if so in what State?

**Rajkumari Amrit Kaur:** The Society is getting grant from the Government of Bihar and also from the Governments of Assam and Orissa.

#### MEDICAL COLLEGES IN INDIA

\*1381. **Shri Lakshmanan:** Will the Minister of Health be pleased to state:

(a) the number of medical colleges in India;

(b) the average number of medical graduates that pass out of those colleges every year; and

(c) whether any capitation fee is charged from students coming from outside the State by any of these colleges?

**The Minister of Health and Communications (Rajkumari Amrit Kaur):**

(a) 31.

(b) 1,382.

(c) Yes. A list of the Colleges charging capitation fees is placed on the Table of the House.

#### STATEMENT

*List of Colleges charging capitation fees.*

(1) Assam Medical College, Dibrugarh; (2) Prince of Wales Medical College, Patna; (3) Darbhanga Medical College; (4) Grant Medical College, Bombay; (5) B.J. Medical College, Poona; (6) B.J. Medical College, Ahmedabad; (7) Medical College, Baroda; (8) Medical College, Nagpur; (9) Glancy Medical College, Amritsar; (10) Sarojini Naidu Medical College, Agra; (11) Lucknow Medical College; (12) Calcutta Medical College; (13) N.R. Sarkar Medical College, Calcutta; (14) R.G. Kar Medical College, Calcutta; (15) G.R. Medical College, Gwalior; (16) Mahatma Gandhi Memorial Medical College, Indore; (17) Sawai Man Singh Medical College, Jaipur; (18) Mysore Medical College; (19) Medical

College, Trivandrum.

**Shri Lakshmanan:** Arising out of answer to part (c) of the question, may I know whether Government have received any representation from any quarter that in view of single citizenship provided for in the Constitution, the imposition of any capitation fee offends the Fundamental Rights and therefore it should be stopped?

**Rajkumari Amrit Kaur:** Government have received representations that capitation charges should not be charged and the Advisory Board of Education have also recommended that capitation fees should not be charged. Most of the Governments have accepted the proposal. All Part B and C States have accepted them and the Governments of Madras, Orissa and Uttar Pradesh have agreed to abolish capitation fees and the remaining Part A States of Bombay, Assam, Madhya Pradesh and Punjab have also accepted the proposal in principle, but they have not yet abolished the system. It is hoped that very shortly there will be no capitation fees charged anywhere.

**Shaikh Mohiuddin:** Are Government aware that due to lack of accommodation in such colleges, every year a large number of students have to wait for subsequent years?

**Rajkumari Amrit Kaur:** I am afraid that is so; we are unable to cater to the needs of all the applicants.

**Shri Shiva Rao:** May I ask how far the scheme has advanced of having a Medical College in Delhi to impart education both to boys and girls?

**Rajkumari Amrit Kaur:** I am still hoping that perhaps next year we shall have a College.

**Shri A. C. Guha:** May I know the number of colleges State-wise?

**Rajkumari Amrit Kaur:** Not all the States have medical colleges. If the hon. Member is interested in any particular State he can put a question.

**Shri Massey:** Are any seats reserved in those colleges to any candidates?

**Rajkumari Amrit Kaur:** No, except, of course, for the Scheduled Castes when eligible.

**Pandit Thakur Das Bhargava:** In view of the fact that capitation fees are going to be abolished, will Government see that students from such States where there are no medical colleges are provided for in the Colleges of States which have them?

**Rajkumari Amrit Kaur:** Government does try to give seats to students from such States as have no medical colleges.

**Shri Sivan Pillay:** May I know whether there is any proposal to obliterate the difference between licentiates and graduates in medical colleges?

**Rajkumari Amrit Kaur:** I do not quite understand what the hon. Member means by asking whether there is any proposal for it. We are having shortened courses for licentiates in order to abolish the licentiate degree altogether and I hope that very shortly there will be no licentiates at all and that all will be M.B. B.Ss.

**Shri Amolakh Chand:** In view of the fact that the States which were previously paying the capitation fee, not being part of India, have now been merged in India would the capitation fee for these States be abolished very soon?

**Rajkumari Amrit Kaur:** What States does the hon. Member mean?

**Shri Amolakh Chand:** Rajasthan, Gujerat and all that. They used to pay capitation fees.

**Rajkumari Amrit Kaur:** All the Part B and Part C States have agreed not to have any capitation fees.

#### LIQUIDATION OF BANKS

\*1382. **Shri A. C. Guha:** Will the Minister of Finance be pleased to state:

(a) the number of Banks gone into liquidation after the passing of the Banking Companies Act (of 1949);

(b) their number State-wise;

(c) the number of cases under Section 39 of the said Act in which the Reserve Bank has applied for being liquidator and their number State-wise; and

(d) the number of cases in which the Reserve Bank has been appointed liquidator?

**The Minister of Finance (Shri C. D. Deshmukh):** (a) and (b). 84 banks are reported to have gone into voluntary and compulsory liquidation since the passing of the Banking Companies Act, 1949. The State-wise distribution of these banks is:

Assam	...	2
Bombay	...	6
Madras	...	26
Mysore	...	2
Punjab	...	3
West Bengal	...	34
Hyderabad	...	2
Travancore-Cochin	...	4
Total	...	84

(c) and (d). Only in the case of one bank, namely, the Nath Bank Ltd., Calcutta (West Bengal State), the Reserve Bank applied, under section 39 of the Banking Companies Act, 1949, for being appointed as Official Liquidator and was so appointed by the Calcutta High Court in May, 1950. The Reserve Bank, however, resigned from the office of the Official Liquidator of the bank in August, 1950, as some creditors objected to its being the liquidator when it was itself the largest creditor and there was the resultant conflict of interests.

**Shri A. C. Guha:** Was it not the idea of the Government that the Reserve Bank would in all cases of liquidation of banks become the official liquidator?

**Shri C. D. Deshmukh:** I do not know if it is correct to say that it was the idea to undertake the work of liquidation in all cases, but it was expected that the Reserve Bank would undertake this work in the majority of cases of liquidation.

**Shri A. C. Guha:** May I know why the Government has changed this policy and only in one case the Reserve Bank applied and there also it apparently withdrew later?

**Shri C. D. Deshmukh:** That policy has undergone considerable change in the light of experience. The Reserve Bank now considers that under the present conditions this arrangement will not work. One reason has already been indicated in my reply. The other is that delay would not be obviated, in the realisation of the assets of a bank under liquidation, whether the liquidation is undertaken by the Reserve Bank or by any other person. Unless far-reaching changes are made in the law and also in the rules governing the procedure in the various High Courts relating to the liquidation proceedings I am afraid nothing spectacular could be achieved by merely entrusting the liquidation work to the Reserve Bank. We also apprehend that in most cases, at least in regard to the smaller banks, liquidation by the Reserve Bank is likely to prove more costly than liquidation through court liquidators.

**Shri Sidhva:** May I know in how many cases out of these 84 banks that went into liquidation the liquidation work has been completed?

**Shri C. D. Deshmukh:** We do not get information except through the High Courts concerned. We have no means of obtaining current information. I have information in regard to individual banks.

**Shri Sidhva:** May I know the position about the Bombay banks?

**Shri C. D. Deshmukh:** In regard to the Bombay banks the work is not yet complete.

**Shri A. C. Guha:** What about West Bengal banks?

**Shri C. D. Deshmukh:** There is a large number of banks in West Bengal. It is difficult to give a "sententious" answer.

**Mr. Deputy-Speaker:** Is there any bank called the West Bengal bank?

**Shri A. C. Guha:** Is there any Bombay bank, Sir?

**Shri Sidhva:** May I know the position with respect to the Exchange Bank of India and South Africa in Bombay?

**Shri C. D. Deshmukh:** I am afraid I have no information here.

**Shri A. C. Guha:** May I know if the Government has any knowledge that banks have been under liquidation for three or four years and yet the liquidation process has not yet been completed?

**Shri Sidhva:** And the expenses are piling up?

**Shri C. D. Deshmukh:** Most of the dates of winding up orders are from 1949. I cannot find here in this list any winding up order earlier than 1949. Therefore it is not correct that liquidation proceedings have been going on for the last four years.

**Shri A. C. Guha:** Is the hon. Minister aware of the fact that near about a hundred banks went into liquidation in West Bengal before 1949?

**Mr. Deputy-Speaker:** The hon. Member is giving information.

**Shri C. D. Deshmukh:** Many went into voluntary liquidation.

**Shri A. C. Guha:** Has Government any idea of having a scheme by which the liquidation proceedings may be expedited and not prolonged to any indefinite length?

**Shri C. D. Deshmukh:** We have reviewed this problem from time to time and the Reserve Bank has suggested that since the principal obstacle is the nature of the law and the regulations of the High Courts it is necessary to consider the problem on an all-India basis. They have therefore suggested that a Committee be appointed to investigate this problem

and procedural changes on an all-India basis. We are actively considering the question of constituting such a Committee in consultation with the Law Ministry.

**Dr. Deshmukh:** Does the hon. Minister consider this number of banks which have gone into liquidation abnormally high and, if so, may I know what were the principal reasons leading to this?

**Shri C. D. Deshmukh:** I do not regard this as an unmixed evil. Many banks started with a very low capital. Then banking became easy—it was banking without tears during the war. And the reaction at the end of the war was that many of them came into trouble. I have cases here where banks with a capital of Rs. 430 were started—this bank is the Periyankanpalayam Sri Radhakrishna Vilas Nidhi Limited. That is an extreme example.

**Dr. Deshmukh:** The hon. Minister described it as not an unmixed evil. May I ask him if this was the end that was aimed at while passing the Banking Companies Act of 1949?

**Shri C. D. Deshmukh:** They went into oblivion mostly before the passing of the Banking Companies Act, or at least the roots of their collapse were there when the Banking Companies Act came on the scene.

**Khawaja Inait Ullah:** Is the hon. Minister in a position to give the total amount of the public money deposited in these banks which was lost due to the liquidation of these 84 banks?

**Shri C. D. Deshmukh:** I do not know what money was lost, but I can give the figure of the deposits as at the date when they went into liquidation or when the winding up order was passed. In the case of banks which went into voluntary liquidation it was Rs. 42·16 lakhs and in the case of banks which have been ordered to be wound up after the passing of the Banking Companies Act, 1949 it is Rs. 14·90 lakhs.

**Shri Sidhva:** Public money is lost.

**Shri C. D. Deshmukh:** It is not lost but it is certainly in jeopardy.

**Shri A. C. Guha:** Will the hon. Minister try to collect the number of banks that have gone into liquidation in West Bengal since 1945 or 1946 and also the total money involved in it?

**Shri C. D. Deshmukh:** I think it would be a fruitless exercise.

## GOVERNMENT CONTROL OVER FUNDS

\*1383. **Shri A. C. Guha:** Will the Minister of Finance be pleased to refer to the reply to a supplementary question raised on Starred Question No. 4418 asked on the 23rd May, 1951 and state if any action has since been taken after the "separate examination of the Ministry of Finance and to see if any changes in the present system is called for" regarding proper Government control over the funds handed over to 11 autonomous bodies?

**The Minister of Finance (Shri C. D. Deshmukh):** Government have taken the opportunity of making a comprehensive review in respect of not only the funds referred to by the hon. Member but also all other such funds. The examination has not yet been completed.

**Shri A. C. Guha:** Will the hon. Minister see that all these funds may be under the audit of the Auditor General and collection and disbursement may be brought within the Budget entries?

**Shri C. D. Deshmukh:** In so far as control by audit is concerned, we find that the control exercised is generally by the Comptroller and Auditor General and only in a few cases by public auditors. As a result of the examination the recommendations made by various Ministries are that the Audit should be undertaken by the Comptroller and Auditor General.

**Shri A. C. Guha:** And all the entries, collection and disbursement may also be entered in the Budget figures.

**Shri C. D. Deshmukh:** It is difficult to give a general answer to this question. We find that in most of the cases the control exercised by the administrative machinery and the Finance Ministry is adequate but as a result of the examination of the eleven cases referred to by the hon. Member, suggestions have been made that in some of the cases the receipts and expenditure ought to be brought within the scope of the Budget. We have not finally decided that.

**Shri A. C. Guha:** Is it not true that any collection made by the Government by way of cess should come to the Consolidated Fund of India and should therefore be entered in the Budget?

**Shri C. D. Deshmukh:** That is the general principle but there are marginal cases, as for instance, the coal mines labour housing and General Welfare Fund, where the expenditure

is not at the moment brought under the Appropriation Account.

**Shri A. C. Guha:** And also tea and cotton cesses which are not also entered in the Budget accounts. The cess on tea is a huge amount, of about Rs. 90 lakhs.

**Shri C. D. Deshmukh:** I think that is correct, with regard to the Central Tea Board and there also the recommendation is that the receipts and expenditure may be brought under the Appropriation Account, but as I said, we are considering these recommendations.

**Mr. Deputy-Speaker:** Next question.

## SIMPLER HINDI

\*1384. **Shri A. C. Guha:** Will the Minister of Information and Broadcasting be pleased to state:

(a) whether the Ministry of Information and Broadcasting has undertaken a scheme for introducing a simpler form of Hindi;

(b) if so, how it is being effected;

(c) how far the genius and technique of other Indian languages (as given in the 8th Schedule of the Constitution) is being assimilated with this reformed and simpler Hindi; and

(d) whether there has been any Committee for that purpose?

**The Minister of State for Information and Broadcasting (Shri Diwakar):**

(a) and (b). The media units of Information and Broadcasting Ministry have been directed to use such form of Hindi as would attain the maximum possible intelligibility and reach the widest possible audience. There is no scheme as such for simplifying the Hindi language, but the media units in the matter of the use of Hindi are guided by the Ministry, advised by a Hindi Advisory Committee consisting of scholars and writers of Hindi as well as public men.

(c) Wherever possible an effort is made to use Hindi words which are commonly understood in non-Hindi areas also. Words of other languages, including English, are also used, whenever considered desirable, in accordance with the principles laid down in Article 351 of the Constitution.

(d) A Hindi Advisory Committee has been set up to advise the Ministry and its media units on matters concerning the use of Hindi by the units.

**Shri A. C. Guha:** May I know if the Ministry has made any attempt so that in coining new technical terms, all the

Indian languages may have one term instead of different Indian languages having their own separate technical terms.

**Shri Diwakar:** I understand the Ministry of Education is on that job.

**Shri A. C. Guha:** Has there been any attempt to simplify the grammar of Hindi to bring it in conformity with the Sanskrit language which has no gender and number for verbs?

**Shri Diwakar:** I do not think we can take up that job.

**Mr. Deputy-Speaker:** The hon. Member is asking the Minister for Information but it should be addressed to the Minister of Education.

**Dr. C. D. Pande:** May I know what is meant by simplification of Hindi?

**Shri Diwakar:** Simplification means making more easy to understand.

**Dr. C. D. Pande:** Is Government aware that the liberal use of Sanskrit words makes Hindi more early understood in the non-Hindi areas?

**Mr. Deputy-Speaker:** That is a matter of opinion. Matters of inference, opinions and suggestions ought not to be the subject-matter of questions here. Each hon. Member is entitled to draw his own inferences and he need not ask the Minister to make inferences.

**Shri R. Velayudhan:** May I know whether the All India Radio is using very hard Hindi now in its broadcasts?

**Dr. Deshmukh:** May I know if the All India Radio has adopted any of the Hindi terminology of Dr. Raghuvira?

**Shri Diwakar:** We have made no distinction like that.

**Shri Amolakh Chand:** In reply to part (d) the hon. Minister said that there is a Committee. May I know the names of the Members of that Committee and their position in the Hindi literature?

**Shri Diwakar:** The names of the members are as follows:

Shri Viyogi Hari,  
Shri Makhan Lal Chaturvedi,  
Shri Maganbhai Desai,  
Shri Sri Narain Mahtha, M.P.,  
Shri M. Satyanarayana, M.P.,  
Pandit Balkrishna Sharma,  
Dr. Suniti Kumar Chatterjee, and  
Secretary, Ministry of Education,

and this Committee is working under my Chairmanship. I think I need not describe in detail the position of these gentlemen in Hindi literature.

**Shri A. C. Guha:** May I inquire what is meant by 'easily understandable'? Is it the intention of the Minister that Hindi may be understandable to the non-Hindi speaking people, because it is.....

**Shri Diwakar:** As well.

**Shri Sivan Pillai:** May I know whether all the A.I.R. Stations in non-Hindi areas are broadcasting lessons in Hindi in a simple form and if so, whether they are done daily or only on some days of the week?

**Shri Diwakar:** There are lessons given for about three months and there are about 64 lessons or so, I do not know the details. They are broadcast in all the non-Hindi areas by the Stations there.

#### SMALL SAVINGS SCHEMES

\*1385. **Shri M. Nalk:** (a) Will the Minister of Finance be pleased to state what progress has so far been made in Small Savings Schemes by the Government of India since the beginning of the current financial year?

(b) How do the figures for the current year compare with those of the corresponding period of the year 1950-51?

(c) What are the different Schemes which have been launched for attracting savings from the public for investment in these Schemes?

**The Minister of Finance (Shri C. D. Deshmukh):** (a) and (b). Net collections up to the end of August, 1951 amounted to Rs. 17.93 crores approximately. The figure for the corresponding period of last year was Rs. 13.17 crores.

(c) Presumably the hon. Member desires to know the various forms of investments offered under the Small Savings Scheme. These are the Post Office Savings Bank, the National Savings Certificates and the 10-year Treasury Savings Deposit Certificates.

**Shri M. Nalk:** May I know what was the budgeted provision on this account?

**Shri C. D. Deshmukh:** Rs. 42.86 crores.

**Shri M. Nalk:** May I know if the Government is in a position to give a forecast for the remaining period of the financial year?

**Shri C. D. Deshmukh:** I think the Budget estimate will be realised.

**Shri Syamnandan Sahaya:** Might it be exceeded?

**Shri C. D. Deshmukh:** I should not like to venture on that.

**Shri A. C. Guha:** May I know what results have been achieved by the Government's experiment of extending this scheme in rural areas?

**Shri C. D. Deshmukh:** I have given the total figures which gives the result of that. The total collections for 1951-52 are 17.93 or nearly 18 crores. As against 31 crores last year, we are likely to get 42 or 43 crores.

**Shri A. C. Guha:** Is it all due to the extension of the scheme to the rural areas?

**Shri C. D. Deshmukh:** This is due to a variety of reasons; one of the contributory causes must be the extension to rural areas. It is difficult to have a breakdown of the results of the various influences.

**Dr. Deshmukh:** Is the hon. Minister aware that exemption from Income-tax is not likely to be much of an attraction to charitable institutions because they are not to pay any Income-tax. And, if so, whether any additional concessions would be given to investments from charitable societies?

**Shri C. D. Deshmukh:** We have not considered this problem. If the hon. Member makes a suggestion, I shall examine it.

**Shri M. Naik:** May I know if the Government has any record whatsoever to show that the class or classes of people from whom these collections have been made?

**Mr. Deputy-Speaker:** Savings?

**Shri C. D. Deshmukh:** I do not think we have got an analysis of the classes which contribute to these collections.

**Shri M. Naik:** What steps have Government taken in order to make the scheme popular among the people of the small income groups?

**Shri C. D. Deshmukh:** We have taken the following measures as was mentioned in answers to previous questions. We have reintroduced the system of authorised agents to sell the National Savings Certificates on a commission basis in Bombay, Madras and West Bengal. Then, we have employed extra-departmental Branch Post-masters in villages as authorised agents for the sale of National Savings

Certificates on a commission of 1½ per cent. The preliminaries of this have almost been settled and the appointments will commence shortly. We have appointed selected rural Co-operative Societies as agents on a similar basis in States where the Registrars of Co-operative Societies agreed. We have got the Small Savings Organisations in Part B States. There is the usual publicity through the Press, Radio, leaflets, brochures, posters, etc.

**Mr. Deputy-Speaker:** Next question.

#### DISPOSAL OF SOOKRITING AIR FIELD AREA

\*1386. **Shri J. N. Hazarika:** Will the Minister of Defence be pleased to state:

(a) whether it is a fact that the Sookriting Airfield Area (Assam) which was acquired for Military purposes from the Sookriting Tea Estate has been disposed of to one Rai Bahadur R. L. Saharia;

(b) if so, when and at what price the area, wholly or partly, has been disposed of;

(c) if the reply to part (a) above be in the negative, whether that area has to be settled with the flood and quake-affected people for their rehabilitation;

(d) whether any representation to that effect has been received from the Government of Assam or from any public body or individual to give the field free; and

(e) the total acreage of the field?

**The Minister of Works, Production and Supply (Shri Gadgil):** (a) No.

(b) Does not arise.

(c) The airfield has been temporarily handed over to the Assam Government for accommodating the flood and quake-affected people.

(d) Yes; from the Government of Assam.

(e) 769.20 acres.

**Shri J. N. Hazarika:** Arising out of the reply that the field has been handed over to the Government of Assam on a temporary basis, may I know whether the field is likely to be made over for the permanent rehabilitation of the affected people?

**Shri Gadgil:** The position is that 769.20 acres have been acquired by the Defence Ministry. The entire area has now been handed over to the Assam Government. The Assam Government wants the use of this

land free. The matter is under consideration. If it is decided that it is to be handed over to the Assam Government then, it is for the State Government of Assam to decide finally as to what is to be done.

**Shri J. N. Hazarika:** At what cost was the field at first purchased?

**Shri Gadgil:** This area of 769.20 acres was acquired at a cost of Rs. 26,14,095-8-0.

#### INTERNATIONAL FILM FESTIVAL

\*1387. **Shri Rathnaswamy:** (a) Will the Minister of Information and Broadcasting be pleased to state whether it is a fact that India is sponsoring an International Film Festival to be held in India sometime in December, 1951?

(b) If so, what are the countries invited to participate in this festival?

(c) What is the object of holding this festival and to what extent will this serve as a fillip to Indian film industry?

**The Minister of State for Information and Broadcasting (Shri Diwakar):** (a) Yes. Arrangements are being made to hold an International Film Festival beginning in December.

(b) A list of the countries invited is placed on the Table of the House. [See Appendix IX, annexure No. 10.]

(c) The Festival is being organised mainly with a view to provide opportunities to the public as well as to the film industry to see some of the best films produced in various countries, to study the progress made in this field and to exchange ideas for the benefit of the industry in this country.

**Shri Rathnaswamy:** Am I correct in assuming that this festival is sponsored by the Government itself?

**Shri Diwakar:** It is sponsored by the Government and is organised by the Films Division of the Ministry of Information and Broadcasting.

**Shri Rathnaswamy:** Have Government taken steps to enlist the co-operation of the leading magnates in the country?

**Shri Diwakar:** Yes; there is an Organising Committee on which a number of film industry people and Presidents of Film Producers Associations are there.

**Shri Rathnaswamy:** May I know whether any invitation was sent to Russia and if so with what result?

**Shri Diwakar:** Forty-three countries have been approached and invitations have been sent. Among them, certainly, I think, Russia is one.

**Mr. Deputy-Speaker:** Item No. 40.

**Shri R. Velayudhan:** May I know how long this festival will last? What are its financial implications? How much money is Government going to shell out for this?

**Shri Diwakar:** There are two questions. It will start on the 7th of December this year and will carry on for 14 days in Bombay, thereafter one week each in Delhi, Madras and Calcutta. The Budget is Rs. 60,000 as expenses.

**Shri Rathnaswamy:** May I know whether any Executive committee has been formed and if so, who are the Members? Have any Members of Parliament been included in it?

**Shri Diwakar:** There is an Organising Committee appointed. The number of Members is 27. I do not think it necessary to read out all the names.

**Shri Rathnaswamy:** Have Government got any information as to the festivals of this kind being conducted by countries other than India?

**Shri Diwakar:** Certainly, a number of countries conduct such festivals.

**Shri Rathnaswamy:** Have Government in their possession the reports of these festivals conducted in other countries so that they may be a guidance for our country in conducting these festivals?

**Shri Diwakar:** We have no reports as such. We have information about these festivals. In some of these festivals, we ourselves have taken part. Two or three of our documentaries and one feature film have got awards and certificates in these festivals.

**Shri Rathnaswamy:** What is the position.....

**Mr. Deputy-Speaker:** Mr. Velayudhan.

**Shri R. Velayudhan:** May I know whether the Government have invited countries like Russia and China?

**Shri Diwakar:** Forty-three countries have been invited including them.

**Shri Rathnaswamy:** Have Government.....

**Mr. Deputy-Speaker:** No, the hon. Member cannot monopolise all the questions. Mr. Naik.

**Shri M. Naik:** May I know whether it is a fact that some time ago India participated in such International festivals held in other countries?

**Mr. Deputy-Speaker:** The hon. Minister has already said so. Mr. Rathnaswamy.

**Shri Rathnaswamy:** You want me to put that question, Sir?

**Mr. Deputy-Speaker:** I will proceed to the next question.

#### POSTS CARRYING RS. 3,000 AND OVER

\*1388. **Shri Rathnaswamy:** Will the Minister of Home Affairs be pleased to state whether any posts carrying Rs. 3,000 and over were abolished in the last twelve months as a measure of economy and if so, what is the saving effected thereby?

**The Minister of Home Affairs (Shri Rajagopalachari):** A statement will be laid on the Table of the House as soon as information which is being collected is completed.

**Shri Rathnaswamy:** How many posts are there at present carrying a salary of over Rs. 3,000?

**Mr. Deputy-Speaker:** That is exactly the information in the question.

**Shri Rajagopalachari:** I think there are 117. This number includes statutory appointments like the Chief Justice and Judges of the Supreme Court and High Courts, Comptroller and Auditor-General, Chairman and Members of the Union Public Service Commission, Attorney General, Chief Election Commissioner and Ambassadors. A majority of the officers of the class referred to by the hon. Member continue to draw their salaries on the basis of the guarantee embodied in the Constitution.

**Shri Lakshmanan:** May I know whether any new posts carrying over Rs. 3,000 have been created during this period and if so, whether that has off-set the economy that was achieved?

**Shri Rajagopalachari:** I think, not; but I would not like to say so off-hand.

#### EFFICIENCY OF SECRETARIAT

\*1389. **Sardar Hukam Singh:** Will the Minister of Home Affairs be pleased to state:

(a) whether Government are aware of the war-time and post-partition rapid promotions of very Junior temporary personnel in the Central Secretariat; and

(b) if so, the steps proposed to be taken to safeguard the interests of permanent and substantive temporary Superintendents and similarly placed officers from their being superseded by these Junior Selected persons?

**The Minister of Home Affairs (Shri Rajagopalachari):** (a) It was to rectify the anomalies created by the rapid promotions referred to in the question and to provide for a regular system of appointments in the light of changed circumstances that the Central Secretariat Service (Reorganisation and Reinforcement) Scheme was formulated.

(b) The scheme specifically provides that nothing in the grading procedure will effect the right of a permanent member of the former Secretariat Service to appointment in a grade corresponding to the post held by him substantively. This provision has been fully implemented by special orders, where necessary. The position of the temporary substantive appointments is, however, different. Temporary substantive appointments were devised with the very limited object of protecting the interests of the officers when they proceeded on leave in respect of increments in the posts held and they carry no right for continuance in corresponding grades of the new Service irrespective of suitability.

**Sardar Hukam Singh:** What is the number of these substantive temporary Superintendents who have been affected by this scheme?

**Shri Rajagopalachari:** I cannot now give the number.

**Sardar Hukam Singh:** May I know whether this scheme has resulted in the reduction of their ranks?

**Shri Rajagopalachari:** I have explained the position. The position of the temporary substantive posts is that they were temporary. But they were substantive in order to give them the advantage or a lien for increment. I have explained that in my original answer. It cannot be assumed that this was an injustice.

**Sardar Hukam Singh:** My question is whether this has resulted in a reduction of their ranks from that of substantive temporary superintendents, to some lower state?

**Shri Rajagopalachari:** No, they hold the same temporary substantive posts. There is no reduction.

**Sardar Hukam Singh:** They may be holding the posts, but the question is whether their ranks have been reduced or not.

**Shri Rajagopalachari:** I do not understand the question. The hon. Member apparently assumes that they hold a rank different from the posts that they hold. If you take the posts that they hold there can be no reduction.

**Sardar Hukam Singh:** May I know whether any "show-cause" notice was issued to these persons?

**Shri Rajagopalachari:** No, for nothing has been done which affects their rights.

**Shri Syamnandan Sahaya:** Has it come to the notice of the Government that in many cases Superintendents who have officiated in the post for more than three years have been reverted and new recruits have been appointed to those posts?

**Shri Rajagopalachari:** The question probably refers to decisions regarding suitability. When we are examining a whole body of officers, suitability is not the same thing as the number of years they had been holding a post.

**Shri R. Velayudhan:** May I know whether the organisational set-up to which the hon. Minister referred just now has not been seriously criticised by the Gorwala Report?

**Shri Rajagopalachari:** We cannot always follow Mr. Gorwala's opinions.

**Shri R. Velayudhan:** May I know whether the Government is not going to accept any of the recommendations of the Gorwala Report?

**Shri Rajagopalachari:** I cannot say 'No'.

**Shri Syamnandan Sahaya:** Has not a great deal of divergence of opinion been noticed between the departmental promotion committee's recommendations and the recommendations of the Service Commission in the matter of promotions and appointments to these posts?

**Shri Rajagopalachari:** As I have already explained in answer to the main question, there were the anomalies created by the after-conditions of the War and Partition, due to the previous indiscriminate recruitment and subsequent over-staffing and the like, and so we have to set these matters right in the best manner possible; and so this scheme was conceived with that object. And various controlling authorities were designed and appointed for the purpose of selection. Some difference of opinion as to selection and suitability must be taken for granted and must arise, because when

several authorities appraise suitability of thousands of people, some difference of opinion must arise, and we must deal with these differences of opinion in the best manner possible. And certainly we cannot discuss and justify the selection on the floor of the House, when individual merits are concerned.

**Shri Barrow:** Are there no properly standardised psychological tests to determine suitability?

**Shri Rajagopalachari:** I could not follow the question.

**Shri Syamnandan Sahaya:** He asks whether there are not standardised rules for judging efficiency and suitability for promotion.

**Shri Rajagopalachari:** It is impossible to standardise rules which could be mechanically applied; and I confess there may be a few cases of injustice also arising when we apply any set of rules to such a large number of people; and where we take the opinions from people, we have to accept their opinions. We cannot go into the facts, and hon. Members too, I would appeal, would agree when I say that they also may be misled by complaints.

**Shri Barrow:** I was not referring to any standardised rules. I was enquiring whether there are not proper, standardised tests.

**Shri Rajagopalachari:** To such large numbers of people such as we have to deal with who are already in service, we cannot employ psychological tests, if that is what is meant.

**Shri Syamnandan Sahaya:** Is it a fact, that the number of posts of Superintendents has been reduced by about 50 per cent., i.e., from 600 to 300?

**Shri Rajagopalachari:** If the hon. Member is cross-examining me on the details of the Central Secretariat Services (Re-organisation and Reinforcement) Scheme, I must study the Scheme.

#### ARABIC BROADCASTS

\*1390. **Sardar Hukam Singh:** Will the Minister of Information and Broadcasting be pleased to state:

(a) whether recitations from the Holy Quran form part of the Arabic broadcasts and the External Services in All India Radio; and

(b) whether any other Scriptures also find any place in the All India broadcasts?

**The Minister of State for Information and Broadcasting (Shri Diwakar):**

(a) Recitations from the Quran are

broadcast in the Arabic, Persian, Afghan-Persian and Pushtu programmes of All India Radio.

(b) Moral and ethical programmes including recitations from scriptures are broadcast in the internal services of All India Radio.

**Sardar Hukam Singh:** What is the normal duration of these Arabic broadcasts in the External Services, every day?

**Shri Diwakar:** I would like to have notice of the question.

**Sardar Hukam Singh:** Could I know the proportion of these Arabic broadcasts to the total duration of the External Services?

**Shri Diwakar:** I would like to have notice.

**Sardar Hukam Singh:** What is the number of Arabic speakers employed by for these External Services?

**Shri Diwakar:** I cannot say off-hand.

**Sardar Hukam Singh:** Are they all outsiders or are there outsiders among them or are they all nationals of India?

**Shri Diwakar:** Many of them are outsiders.

**Shri Bharati:** The answer to part (b) of the question is not satisfactory, for the question is "whether any other Scriptures also find any place in the All India broadcasts" and that means whether there are any Scriptures other than the Quran.

**Shri Diwakar:** And that is what I have said. There are moral and ethical programmes including recitations from scriptures.

**Shri Bharati:** We want to know what are the other scriptures that find a place.

**Shri Diwakar:** If the names of the scriptures are wanted, I can repeat them. They are The Gita, The Vedas, The Granth Sahib, The Upanishads, Zend-Avesta, The Bible, and so on.

**Khwaja Inait Ullah:** In his answer the hon. Minister said that there are some outsiders employed to recite passages from the Holy Quran. Are there no Quran reciters available in India?

**Shri Diwakar:** These are broadcasts to the Middle-East Countries and persons with that particular accent are better available in those countries.

#### MINISTERIAL AND NON-MINISTERIAL POSTS

\*1391. **Sardar Hukam Singh:** Will the Minister of Home Affairs be pleased to state:

(a) whether the classification of posts into Ministerial and non-Ministerial is determined with regard to the nature of the duties attached to the posts concerned;

(b) whether it is a fact that Superintendents in Central Secretariat, who have been upgraded to class I officers, and consequently have become non-Ministerial Government Servants, have been given the right of continuing in service up to the age of 60;

(c) whether the non-Ministerial post of Secretary, Kachar Plantation Committee, under the Ministry of Labour, has been classified as Ministerial for so long, as it is occupied by a Superintendent of the Ministry of Labour; and

(d) whether some class II posts in the Central Office of C.P.W.D., originally classified as Ministerial, have been declared as non-Ministerial and if so, on what grounds?

**The Minister of Home Affairs (Shri Rajagopalachari):** (a) Both the nature of the duties and the status-level of the posts is taken into consideration in classifying posts into ministerial and non-ministerial.

(b) It is proposed that the upgraded Class I posts of Superintendent in the Central Secretariat should be reclassified as non-ministerial. The age of superannuation of the incumbents of those posts will then be 55 years; but the question of protecting the interests in this respect of the existing incumbents is under consideration.

(c) No. The post of Secretary, Kachar Plantation Committee, was a purely temporary post which has since ceased to exist. It was classified as a ministerial post on the merits of the case.

(d) Presumably the hon. Member is referring to the post of Financial Assistant to the Chief Engineer, Central Public Works Department. That post was recently declared to be a non-ministerial post because its duties are of a non-clerical and non-subordinate nature. Also the post corresponds in point of duties and pay to the post of Assistant Accounts Officer which is already classified as non-ministerial.

**Sardar Hukam Singh:** With reference to part (d) of the question, is it a fact that the classification of the post was

changed after the incumbent had already completed 56 years?

**Shri Rajagopalachari:** I have answered about it. If the hon. Member is referring to the claim of a particular officer I wish the hon. Member would advise that officer to make whatever representation he would like to.

**Sardar Hukam Singh:** I wanted to ask whether the classification or the nature of the post could be changed after the present incumbent had completed more than 55 years.

**Shri Rajagopalachari:** Yes. Again I say that the question appears to be about a particular incumbent and his grievance. If I am right I would ask the hon. Member to advise the incumbent to make his own representation.

**Sardar Hukam Singh:** I am not referring to any particular incumbent. I am asking whether, as a matter of policy, where an incumbent has continued in service and has completed 55 years in a post that was ministerial and had the assurance that he would continue up to 60, the nature of that post could be changed?

**Shri Rajagopalachari:** If any particular person has been affected to his prejudice by any policy adopted by the Government, it is a personal grievance of that particular incumbent. We cannot change policies in order to suit particular incumbents but particular incumbents can always apply for justice with respect to their own particular position by making a proper representation. Policies cannot be changed to suit particular incumbents.

#### INSTITUTIONS FOR DELINQUENTS

\*1392. **Dr. Deshmukh:** (a) Will the Minister of Education be pleased to state the number of institutions for delinquent children in the Centrally Administered Areas along with the number of children admitted therein?

(b) What is the expenditure incurred on each of these institutions?

مسٹر آف ایجوکیشن (مولانا آزاد) :  
۱۳۹۲ - ضروری باتیں معلوم کری جا  
رہی ہیں اور ہاؤس کے ٹیبل پر رقم  
دی جائیگی۔

[The Minister of Education (Maulana Azad): The information is being collected and will when available, be laid on the Table of the House.]

#### WOMEN'S HOSPITALS

\*1393. **Dr. Deshmukh:** (a) Will the Minister of Health be pleased to state

the number of women's hospitals helped from the Centre?

(b) What is the amount of grant to each?

(c) Have these grants been revised and if so, when and what has been the increased grants in each case?

(d) Is there any proposal to increase them further?

(e) Are there any hospitals which have ceased to get assistance from the Centre i.e. either from any Trust Fund or Central revenues?

**The Minister of Health and Communications (Rajkumari Amrit Kaur):**

(a) Five women's hospitals are being directly maintained by Government in Part C States. Four other hospitals received grants-in-aid during 1951-52.

In addition to these, there are beds reserved for women patients in certain general hospitals in Part C States.

(b) A statement furnishing the information is laid on the Table of the House. [See Appendix IX, annexure No. 11.]

(c) and (d). From the statement which I have placed on the Table, it will be seen that only the Lady Hardinge Medical College and Hospital and the St. Stephens Hospital are receiving recurring grants. The grant-in-aid to the former institution is on 'cover the deficit' basis and is determined from year to year. A proposal to increase the grant to the St. Stephen's Hospital is under the consideration of the Chief Commissioner, Delhi.

The question of revision does not arise in the case of non-recurring grants.

(e) Yes. In the past the Government of India used to make a grant of Rs. 3 lakhs per year to maintain the Women's Medical Service under the National Association for supplying medical aid by Women to the Women of India commonly known as the Dufferin Fund and many women's hospitals in the States used to receive grants from the funds of the Association. The Association has since been wound up and the hospitals have been taken over by the States concerned.

**Dr. Deshmukh:** Has the Government of India any information as to how these hospitals are functioning at present and whether they are in need of help from the Centre as in the past?

**Rajkumari Amrit Kaur:** We do get annual reports from the State Governments and we have not found any special complaints about these hospitals. If they are in need they may

write to us but as a rule, apart from the pay of the members of Women's Medical Service, which difference the Government of India makes up, we are not giving any grants.

**Dr. Deshmukh:** Is there any possibility of these hospitals getting a fresh grant, in view of the Planning Commission's recommendations for an intensive health programme?

**Rajkumari Amrit Kaur:** No. The States are autonomous and they are supposed to run all their hospitals themselves.

**Dr. M. V. Gangadhara Siva:** Is the Minister aware of the fact that the Maternity Hospital at Egmore, Madras, is the second biggest hospital in the world and if so, I want to know whether any decent or increased grant is given to this hospital for its maintenance and service?

**Rajkumari Amrit Kaur:** I know the hospital in Madras but no grant has been given to it by the Government of India.

#### NON-MUSLIM GOVERNMENT EMPLOYEES IN PAKISTAN

\*1394. **Dr. Deshmukh:** (a) Will the Minister of Home Affairs be pleased to state the number of non-Muslim Government employees serving in Pakistan?

(b) How many of those who had opted for Pakistan but have returned to India are employed in the Central Government?

(c) Are there any Muslim employees of the Government of India who had opted for Pakistan but have returned to India?

(d) What is their number and in what departments are they employed?

**The Minister of Home Affairs (Shri Rajagopalachari):** (a) The information is not available

(b) 199 employees who opted for Pakistan and had proceeded to that country later desired to return to service under the Government of India. Information is not readily available as to how many of these were re-employed in India. According to information collected in 1948, 21,340 employees, who had opted provisionally for Pakistan, later finally opted for India. 17,492 of these were absorbed in employment under the Government of India. More may have been absorbed since 1948.

(c) and (d). Like all other employees of the Central Government Muslim employees were also allowed to reconsider their initial provisional option

within the prescribed period of six months. Some Muslim employees who had initially opted for Pakistan accordingly opted finally for India. Most of such employees have been absorbed in employment under the Government of India. There were also some who in spite of their final options for Pakistan wished to be absorbed under the Government of India. Such of them who had not actually proceeded to Pakistan in pursuance of their initial option were considered for re-employment in India and in suitable cases actually re-employed. The exact numbers of Muslim employees of these categories and the departments in which they are serving cannot readily be ascertained.

**Dr. Deshmukh:** Could the hon. Minister say whether those who had opted for Pakistan and come back have been restored to the places which they had occupied previously?

**Shri Rajagopalachari:** If we were dealing with provisional option with a particular period given to them for finalisation and if this final option came within the period, we had necessarily to reappoint them in their original posts. I presume.

**Shri Rathnaswamy:** May I know whether in the case of such of those Muslims who had opted for Pakistan but have returned to India any penalisation has taken place in any of the departments of the Government of India?

**Shri Rajagopalachari:** Where a person actually opted finally and went to Pakistan and then desired re-employment here reversing his earlier decision (I presume the question is about those cases) there would be considerable doubt and difficulty as to where he should be placed. No question of penalisation ever arises. I am sure that they lose their original places and have to agree to whatever is offered.

#### WRITTEN ANSWERS TO QUESTIONS

##### SEMINAR ON YOUTH WELFARE

\*1380. **Shri S. N. Das:** Will the Minister of Education be pleased to state:

(a) the countries which have agreed to participate in the Seminar on Youth Welfare which is proposed to be held in India in the autumn of 1951; and

(b) whether any date or dates have been fixed for holding it?

**The Minister of Education (Maulana Azad):** So far Indonesia, Ceylon, Pakistan, India and U.K. (on behalf of Singapore) have agreed to participate in the Seminar.

(b) The Seminar will be held at Simla from November 1st to 21st, 1951.

REGIONAL COURSE IN NUTRITION AT  
CALCUTTA

\*1395. **Shri S. C. Samanta:** (a) Will the Minister of Health be pleased to state whether the training course in nutrition for Member Countries of F.A.O. in South and South East Asia has been held at Calcutta and if so, when?

(b) How many Indian students have joined?

(c) How many students from other countries have come and joined the course (country-wise)?

(d) Will all the expenses be borne by the F.A.O.?

**The Minister of Health and Communications (Rajkumari Amrit Kaur):**

(a) Yes. A short-term course in nutrition commenced at the All-India Institute of Hygiene and Public Health, Calcutta on the 3rd September, 1951 under the joint auspices of the W.H.O./F.A.O. and the Government of India.

(b) Twelve.

(c) Twelve; one from Burma, two from Ceylon, three from Indonesia, five from Thailand and one from Portuguese India.

(d) In respect of every trainee for the above course who is a medical man the W.H.O. is paying 50 per cent. of the cost of travel from the place of his domicile to Calcutta and return and a stipend of Rs. 20 per diem for the period of the course. The remaining 50 per cent. of the cost of travel will be met by the Governments of the countries sponsoring the students. The F.A.O. have granted similar terms as those given by the W.H.O. for travel and subsistence allowance to non-medical trainees.

In addition to this, F.A.O./W.H.O. are providing an expert Dietitian for the period of the course, equipment and expenses in connection with the engagement of part time lecturers in India. The only cost to the Government of India is on account of the salaries of two stenographers, two peons and contingencies estimated at Rs. 3,500.

FUEL RESEARCH INSTITUTE, DHANBAD

\*1396. **Shri Kshudiram Mahata:** Will the Minister of Natural Resources and Scientific Research be pleased to state:

(a) whether the Fuel Research Institute, Dhanbad, has been completed so

far as constructional and laboratory equipment side is concerned;

(b) whether it is a fact that the administrative building is an air-conditioned one; and

(c) the reason for making the administrative building an air-conditioned one?

**The Minister of Natural Resources and Scientific Research (Shri Sri Prakasa):** (a) Yes. The construction of the Fuel Research Institute, Dhanbad, has been completed and laboratory equipment fitted.

(b) and (c). All sections of the laboratory including the Administrative Block are air-conditioned. This is necessary because of the climatic conditions of extreme heat and cold prevailing in the Dhanbad area.

NATIONAL CADET CORPS

\*1397. **Shri Jagannath Mishra:** (a) Will the Minister of Defence be pleased to state whether the students who have enrolled themselves in the National Cadet Corps have their training in camps during vacations of schools and colleges and if so, for what period?

(b) Do Government propose to make such training compulsory for every student of certain age and requisite health qualifications?

**The Minister of Works, Production and Supply (Shri Gadgil):** (a) Senior Division cadets have Annual Camps for 15 days and Junior Division cadets for 10 days during vacations.

(b) No. It is not possible to provide the money, equipment, or the training personnel required for carrying out such a scheme.

GRANT-IN-AID TO STATES

\*1398. **Shri J. N. Hazarika:** (a) Will the Minister of Home Affairs be pleased to state whether it is a fact that certain amount as grant-in-aid under Article 275 has been sanctioned in the 1951-52 Budget to the State of Assam in order to finance the development schemes among the Scheduled tribes of Assam?

(b) If so, what is the amount sanctioned, and how much of it will be for the plains tribes of the State?

**The Minister of Home Affairs (Shri Rajagopalachari):** (a) Yes.

(b) Rs. 24 lakhs exclusive of a special grant of 10 lakhs for the Naga

Hills district. What portion of this amount should be spent on the welfare of the Scheduled Tribes living in the plain's districts has been left to the discretion of the State Government.

#### QUASI-PERMANENT STATUS

\*1399. **Shri Rathnaswamy:** Will the Minister of Home Affairs be pleased to state:

(a) when the revised rules governing the temporary Central Government Servants were finalised;

(b) whether any action has been taken or is being taken to implement the grant of quasi-permanent Status to such Government Servants;

(c) how many temporary Government servants have put in service of three years and more;

(d) how many have been declared quasi-permanent; and

(e) how many cases remain to be considered?

**The Minister of Home Affairs (Shri Rajagopalachari):** (a) 17th March, 1949.

(b) Yes.

(c) to (e). The information is being collected and will be laid on the table of the House in due course, if desired still, but I am placing a statement on the Table explaining the actual position as I can state it today. [See Appendix IX, annexure No. 12.]

#### EXPORT DUTY ON JUTE GOODS

\*1400. **Shri M. Naik:** (a) Will the Minister of Finance be pleased to state what were the amounts of revenue realised on account of export duties on Jute Goods for the year 1947-48, 1948-49, 1949-50 and 1950-51?

(b) What were the corresponding volumes of exports on the same account for the said periods?

(c) What are the reactions of the foreign Jute Markets to India's present jute export policy?

**The Minister of Finance (Shri C. D. Deshmukh):**

(a) 1947-48	...	Rs. 634.62 lakhs.
1948-49	...	Rs. 634.95 lakhs.
1949-50	...	Rs. 876.65 lakhs.
1950-51	...	Rs. 2,388.79 lakhs.

(b) 1947-48	87.2 lakhs tons.
1948-49	9.29 lakhs tons.
1949-50	7.87 lakhs tons.
1950-51	6.50 lakhs tons.

(c) There has for obvious reasons been some demand for reduction of the duty from trading interests and a temporary lull in bookings from U.S.A.

Exports to countries other than the U.S.A. have been normal and demands are growing. Exports to the U.S.A. have been below normal in some months but there are signs of revival. The whole position is being carefully watched.

#### ANTI-BIGAMY ACT

\*1401. **Shri Deshbandhu Gupta:** (a) Will the Minister of Home Affairs be pleased to state whether the Chief Commissioner's Advisory Council had passed a Resolution recommending that the Anti-Bigamy Act of Bombay be extended to the State of Delhi and if so, what action has been taken on the same?

(b) When was this Resolution passed?

**The Minister of Home Affairs (Shri Rajagopalachari):** (a) Yes. No. action was taken on the Resolution because it was considered that the Part C States (Laws) Act, 1950, should not be utilised for extending purely social legislation of this kind.

(b) 7th June, 1950.

#### BRITISH MILITARY PENSIONERS IN INDIA

\*1402. **Shri Amolakh Chand:** Will the Minister of Finance be pleased to state:

(a) whether payment and audit charges incurred by the Government of India on account of payments made to British Civil and Military Pensioners residing in India, on behalf of Ministry of Pensions, London, are realised and recovered by the Government of India; and

(b) if so, what amounts have been recovered since 15th August, 1947?

**The Minister of Finance (Shri C. D. Deshmukh):** (a) No.

(b) Does not arise.

#### AMALGAMATION OF RADIO PROGRAMMES

\*1403. **Shri S. N. Sinha:** (a) Will the Minister of Information and Broadcasting be pleased to state what has been the total economy achieved by the amalgamation of the programmes of Lucknow, Allahabad and Patna?

(b) How many members of the staff have been retrenched?

**The Minister of State for Information and Broadcasting (Shri Diwakar):** (a) A total economy of Rs. 1,86,600 is expected to be achieved during the current financial year.

(b) The staff of Lucknow, Allahabad and Patna Stations are being reduced by 10, 21 and 21 respectively.

## HIRAKUD PROJECT

\*1404. **Shri S. N. Sinha:** (a) Will the Minister of **Natural Resources and Scientific Research** be pleased to state what is the usual time-lag between taking of measurements and preparation of bills in connection with the Hirakud Project?

(b) Is there any case where one to two years have elapsed between the date of measurement and preparation of the bill?

(c) Have there been instances where work orders have been split up and awarded to the same person so as to evade the rule for invitation of open tenders?

(d) Are there cases where negotiations for settling contractors' rates preceded the invitation of tender?

**The Minister of Natural Resources and Scientific Research (Shri Sri Prakasa):** (a) From a few days to a few weeks.

(b) No such case has come to the notice of Government; but if the hon. Member is aware of any, I shall be glad to be informed and make the necessary enquiries.

(c) It appears that in some cases different parts of the same work have been allotted to the same contractor under separate work orders. Enquiries are being made as to the reasons for doing so.

(d) No.

## TATA INSTITUTE OF SOCIAL SCIENCES

\*1405. **Shri S. N. Das:** (a) Will the Minister of **Home Affairs** be pleased to state whether it is a fact that the Tata Institute of Social Sciences has decided to start a new division of criminology and Correctional Administration?

(b) Have the Government of India offered their co-operation to the Institute in its new venture?

(c) If so, what are the forms in which co-operation will be given?

(d) Is it a fact that an American expert criminologist has accepted the offer to be in charge of this division?

(e) If so, is he coming on behalf of any international organisation?

(f) When will the work of this division start?

**The Minister of Home Affairs (Shri Rajagopalachari):** (a) to (c). As a 290 PSD

result of India's participation in the International Conference of Social Work held at Lake Success in 1948 and correspondence thereafter, Government have been able to obtain the services of an American expert on criminology from the United Nations and lend them to the Tata Institute of Social Sciences, Bombay. The Government of India have arranged with the State Governments for deputation of senior officers of their Jail Departments to attend the course and for providing facilities to the expert to visit the jails in various States before organizing the course at the Institute.

(f) The training course for jail official is scheduled to start in January, 1952, and is estimated to last six months.

## CENSORSHIP

\*1406. **Babu Ramnarayan Singh:** Will the Minister of **Home Affairs** be pleased to state:

(a) whether postal employees in any State are, in matters of censorship, under the control of the Government of that State and if so, to what extent;

(b) whether there are any rules to guide it, whether there is any list of officers of every State authorised to claim the right to censor any communications, and if so, whether the list is ever examined by the Government of India;

(c) whether there is any agency to examine the necessity, legality and propriety of censoring any communications;

(d) whether any Minister of a State Government has by virtue of his office as a Minister the authority to order directly any postmaster to get any communication censored; and

(e) if so, whether the Minister can also order any communication to be withheld?

**The Minister of Home Affairs (Shri Rajagopalachari):** (a) Postal officials are not under the control of any State Government, except in so far as their functions under Section 26(1) of the Indian Post Office Act are concerned.

(b) and (c). There are no rules beyond Section 26, except that strict instructions have been issued to State Governments to prevent any unauthorised or unnecessary interception.

There are no lists of State officers authorised by the State Governments under Section 26, but normally only their highest Intelligence officers are authorised by State Governments to

operate under the Section. These officers are expected to use their discretion very sparingly.

(d) and (e). Censorship can be imposed only by an order passed under the Post Office Act. All orders have to be authenticated by a Secretary, Deputy Secretary or Under Secretary of the Department concerned.

#### OXFORD SCHOOL ATLAS

**\*1407. Shri Kamath:** Will the Minister of Education be pleased to refer to the answer given to my starred question No. 782, asked on the 4th September, 1951 regarding Oxford School Atlas and state:

(a) whether the examination of the matter has been completed;

(b) if so, with what result;

(c) whether the Atlas continues to be prescribed for study in our schools; and

(d) if so, the reasons therefor.

**The Minister of Education (Maulana Azad):** (a) Yes.

(b) The examination of the Map of Asia appearing on pages 12-13 of the Oxford School Atlas (1949) shows that the boundaries of Pakistan are shown extended into India upto 78° longitude, thus covering a part of the Thar Desert and a part of Rajasthan. The boundary also shows a part of PEPSU and Punjab (I) in Pakistan.

(c) The Atlas is not prescribed by the State Governments in any of the schools situated in Hindi-speaking areas to which a reference was made in this connection. The exact position with regard to Rajasthan is, however, not clear and the State Government has, therefore, been addressed in the matter.

(d) Does not arise.

#### DOCUMENTARY FILMS

**\*1408. Shri P. Kondanda Ramiah:** (a) Will the Minister of Information and Broadcasting be pleased to state how many documentary films have been produced in the year 1951?

(b) Out of such films produced in the years 1949, 1950 and 1951 how many have been produced from materials furnished by private persons and how many as a result of Government initiative?

**The Minister of State for Information and Broadcasting (Shri Dwakar):**

(a) Information about documentary

films produced by private producers in 1951 is not available. The Films Division of the Government of India has produced 25 documentaries during 1951 up to 21st September.

(b) All films produced by the Films Division are the result of Government initiative.

#### GRANTS TO STATES (ADDITIONAL POLICE)

**\*1409. Shri S. N. Das:** Will the Minister of Home Affairs be pleased to state:

(a) which of the State Governments are given lump sum grants for entertaining additional police in connection with the maintenance of Government of India property, protected places and preservation of internal security;

(b) the amounts that each of them is being paid; and

(c) whether any amount has been given to any of the States for maintaining police for exercising control over foreigners?

**The Minister of Home Affairs (Shri Rajagopalachari):** (a) to (c). I place on the Table of the House two statements showing the grants voted for Police expenditure in States. These grants relate to control of foreigners and other agency functions on behalf the Centre as well as to the provision of special police guards for the protection of Central property, but not to general maintenance of security. [See Appendix IX, annexure No. 13.]

#### HIRAKUD DAM

**\*1410. Shri A. Joseph:** Will the Minister of Natural Resources and Scientific Research be pleased to state:

(a) whether it is a fact that no account has been kept of the stores for tools, plant and machinery purchased for the Hirakud Dam Project;

(b) if so, what the basis of issuing stocks from the stores is if any of the above articles are needed for the work; and

(c) whether it is a fact that the actual shortage of such articles is estimated at about Rs. 50 lakhs?

**The Minister of Natural Resources and Scientific Research (Shri Sri Prakasa):** (a) No. All accounts of stores including Tools, Plant and Machinery, are kept in appropriate registers in accordance with rules.

(b) The question does not arise, but it may be stated that issues of stocks are made against indents on prescribed forms in accordance with approved procedure.

(c) No. No shortage has so far been reported.

#### LADY DOCTOR AT HIRAKUD

\*1411. **Shri A. Joseph:** Will the Minister of **Natural Resources and Scientific Research** be pleased to state:

(a) whether the services of any lady doctor at HiraKud dam have been terminated;

(b) whether it is a fact that the lady doctor has drawn pay for 27 days in September and in April also, though she has been absent from service without applying for leave; and

(c) what is the amount, if any, paid by way of rent for the bungalow which the lady doctor left, by the persons who lived there after the lady doctor left the bungalow?

**The Minister of Natural Resources and Scientific Research (Shri Sri Prakasa):** (a) The Lady Doctor referred to, applied for 18 days earned leave from the 7th April, 1951 and did not return to duty thereafter.

(b) No. In September, 1950, the Lady Doctor was not on leave, and she drew full pay for that month. In April, 1951 she applied for leave and left service on the 7th. She has been paid upto 31st March, 1951.

(c) Demand for Rs. 625 for house rent and furniture has been sent to Financial Adviser and Chief Accounts Officer for realisation from the person who was occupying the house after the lady doctor left.

#### HINDU DIVORCE ACT

\*1412. **Shrimati Jayashri:** Will the Minister of Law be pleased to state:

(a) the names of States where legislation permitting Divorce of Hindu marriages is in force;

(b) the number of applications for Divorce received by courts in these States during the year 1950;

(c) the number of applicants granted divorce in 1950?

(d) the number of applications rejected during the year 1950; and

(e) the total number of male and female applicants during the year 1950?

**The Minister of Law (Dr. Ambedkar):** (a) As far as I am aware, legislation permitting divorce among Hindus is in force in Bombay and Madras only.

(b) to (e). The exact figures for the year 1950 are not available. I understand from Bombay that the figures in regard to that State for the period from 12th May, 1947, when the Act came into force to the end of June, 1950 are as follows:

Total number of applications	...	...	5,356
Number of male applicants	...	...	2,452
Number of female applicants	...	...	2,904
Number of applicants granted divorce	...	...	2,756
Number of applications rejected	...	...	1,164

I have not received any information from Madras so far.

#### PREVENTION OF HINDU BIGAMOUS MARRIAGES ACT

\*1413. **Shrimati Jayashri:** Will the Minister of Law be pleased to state:

(a) the names of the States where legislation for the Prevention of Hindu Bigamous Marriages is in force;

(b) the number of cases of marriages performed in contravention of provisions of the Act, in the year 1950; and

(c) the cases which ended in conviction, during the year 1950?

**The Minister of Law (Dr. Ambedkar):** (a) As far as I am aware legislation for the prevention of bigamous marriages among Hindus is in force in Bombay and Madras only.

(b) and (c). The exact figures for the year 1950 are not available. I understand, however, from Bombay, that the number of marriages performed in contravention of the Bombay Act between 6th November, 1946, when it came into force, and 31st August, 1950, is 1,934, and the number of cases which ended in conviction during the same period in that State is 756. I have not received any information from Madras so far.

#### RENAMING THE ANDAMAN AND NICOBAR ISLANDS

\*1414. **Shri Kamath:** Will the Minister of Home Affairs be pleased to state:

(a) whether there is any proposal to re-name the Andaman and Nicobar Islands;

(b) if so, what are the various names under consideration; and

(c) whether Government are aware that the Provisional Azad Hind Government headed by Netaji Subhas

Chandra Bose had, in 1944, re-named these islands as "Shahid" and "Swaraj" Islands?

**The Minister of Home Affairs (Shri Rajagopalachari):** (a) to (c). Government have no proposal under consideration to re-name these islands and have no information on the statements contained in part (c) of the question.

**LADY HARDINGE MEDICAL COLLEGE  
AND HOSPITAL EMPLOYEES UNION**

\*1415. **Shri Balmiki:** Will the Minister of Health be pleased to state whether it is a fact that the Lady Hardinge Medical College and Hospital Employees Union, New Delhi, is not being recognised by the authorities of the College and Hospital and if so, what are the reasons therefor?

**The Minister of Health and Communications (Rajkumari Amrit Kaur):** The Lady Hardinge Medical College and Hospital Employees Union, New Delhi, has not been recognised by the Governing Body of the College and Hospital. Judging from the past and present activities of this Union, the Governing Body are not only doubtful about its representative character but are also not satisfied that the real aims and objects of this Union are to promote the general welfare of all the employees.

**B. C. G. VACCINATIONS**

\*1416. **Shrimati Jayashri:** Will the Minister of Health be pleased to state:

(a) the number of persons who have been given B.C.G. vaccinations;

(b) the effect of these vaccinations;

(c) the number of mishaps, if any; and

(d) whether necessary precautionary testing of the harmlessness of the vaccine is done before the vaccine is used?

**The Minister of Health and Communications (Rajkumari Amrit Kaur):** (a) Upto the end of June, 1951, 4,068,515 persons have been tuberculin tested and 1,351,546 have been vaccinated.

(b) It is too early to assess the effect of the vaccination on the incidence of tuberculosis in India. Expert opinion based on work done in other countries is that the vaccination should reduce the incidence of T.B. amongst those who do not react to the tuberculin test, to about 1/5th of what it would be without B.C.G. vaccination. The attention of the hon. Member is also invited to the reply given to starred question No. 1415 asked by Shri Kamath on the 13th February, 1951.

(c) So far as the Government are aware there has been no mishap on account of the vaccination.

(d) Yes. The vaccine is manufactured at the B.C.G. Vaccine Laboratory, Guindy, under the supervision of an expert who received training in Copenhagen in the technique of manufacture of the vaccine and conforms to the standards laid down by the W.H.O. Expert Committee on Biological Standardisation. Necessary tests for sterility, innocuity and potency are made.

**INDIAN FILMS IN CHINA AND RUSSIA**

\*1417. **Shri Kamath:** Will the Minister of Information and Broadcasting be pleased to state:

(a) the number of Indian films shown in China and Russia, separately, since 1st April, 1950 up to date.

(b) the number and titles of Indian films banned in each of those countries during the aforementioned period, and on what grounds; and

(c) the number of Chinese and Russian films, separately, shown in India during the above period?

**The Minister of State for Information and Broadcasting (Shri Diwakar):** (a) and (b). Information is being collected and will be laid on the Table of the House.

(c) No information is available regarding the number of films which have been actually shown. It may however be mentioned that 37 Russian films and 2 Chinese films have been certified for exhibition by the Central Board of Film Censors since 15th January, 1951 when the Board was constituted.

**PETROLEUM OIL IN TRIPURA**

\*1418. **Shri G. S. Guha:** (a) Will the Minister of Natural Resources and Scientific Research be pleased to state what progress, if any, has been made in the boring for petroleum oil in Tripura State?

(b) In how many places are the borings being done or proposed to be done?

**The Minister of Natural Resources and Scientific Research (Shri Sri Prakasa):** (a) and (b). No borings for petroleum have so far been made in the State. The question of future work in this connection is under examination between the State Government and the Government of India.

**SHELLAC WASTE**

\*1419. **Shri Sonavane:** (a) Will the Minister of Natural Resources and Scientific Research be pleased to state whether it is a fact that Shellac waste is considered to be harmful both to human beings and animals according to the Indian Council of Medical Research?

(b) If so, what steps are taken by the industry, which produces shellac waste to prevent the harm being done to human beings in the factory?

**The Minister of Natural Resources and Scientific Research (Shri Sri Prakasa):** (a) and (b). The Indian Council of Medical Research have not made any pronouncement on the subject but the Industrial Health Advisory Committee of the Council in 1949, discussed the problem of the pollution of water resources by sugar and shellac factories in the U.P. because of the discharge into rivers, of industrial wastes without treatment, and decided that ways and means of preventing such pollution should be found. The Council in April, 1951, started a research scheme at the All India Institute of Hygiene and Public Health, Calcutta, on the treatment and hygienic disposal of lac wastes.

**BLOOD PRESSURE CURE**

\*1420. **Shri Sonavane:** (a) Will the Minister of Health be pleased to state whether any blood pressure cure has been found out by Dr. S. Niyogi, of Calcutta University?

(b) If so, how far has the cure helped to relieve the patients of their high blood pressure?

(c) Have Government done anything to avail of the benefits of this cure to the patients and if not, why not?

**The Minister of Health and Communications (Rajkumari Amrit Kaur):** (a) No. In the course of his experiments with Indian Shark Liver Oil Dr. Niyogi reported that he had obtained a fraction from a sample of this oil which was found to have the property of lowering blood pressure in hypertensive patients.

(b) and (c). So far as the Government of India are aware no clinical trials have so far been made in hospitals in India.

**GRANT TO PRIVATE SCIENTIFIC RESEARCH INSTITUTIONS**

331. **Shri A. C. Guha:** Will the Minister of Natural Resources and Scientific Research be pleased to state:

(a) whether Government grant any subsidy or monetary help to any private scientific research institutions or organisation;

(b) if so, the names of the institutions;

(c) the amount of money granted to each of them;

(d) the nature of the research conducted by such institutions or for which special grants are given;

(e) whether Government have any representatives in the Governing bodies of these institutions and the control exercised by Government over the expenditure of the money granted;

(f) whether Government make any money grant to any of the regional or State Universities for conducting scientific research; and

(g) if so, (i) the names of Universities; (ii) the amount given to each of them; and (iii) the nature of the research for which the grant has been made?

**The Minister of Natural Resources and Scientific Research (Shri Sri Prakasa):** (a) to (g). The Information required is being collected and will be placed on the Table of the House as soon as available.

**VACANCIES ON PARTITION**

332. **Shri Sidhva:** Will the Minister of Home Affairs be pleased to refer to para 7 of the statement placed on the Table of the House in reply to question No. 3332 on 21st April, 1951, and state:

(a) the number of the posts of:

(i) Under/Assistant Secretaries;

(ii) Superintendents;

(iii) Assistants; and

(iv) Clerks,

which became available in the Central Secretariat, attached and subordinate offices at the time of the partition of the country, as a result of the migration or premature retirement of non-Hindus and other causes;

(b) how these vacancies in each cadre were filled:

(i) by promotion of the persons already working in the Central Secretariat;

(ii) by absorption of the optees from Pakistan;

(iii) by appointment of Provincial Displaced Government servants from Sind and N.W.F.P.; and

(iv) by others by direct recruitment, etc;

(c) what are the commitments of the Government of India towards their temporary staff; and

(d) how those commitments stand in the way of confirming a permanent Provincial Government servant from Pakistan, in preference to a temporary officer of the Government of India if the former has a total longer service?

**The Minister of Home Affairs (Shri Rajagopalachari):** (a) and (b). The information is being collected and will be laid on the Table of the House. In reply to Starred Question No. 1676 on the 14th April, 1950 figures were given of the total number of posts vacated by Muslims of all grades in the Secretariat and the number of such posts filled by displaced persons.

(c) and (d). Government do not consider that there are any commitments as such either for confirmation of temporary employees in post-partition vacancies or in respect of permanent Provincial Government servants from Pakistan. They recognise, however, that they should provide such opportunities for confirmation as are possible to both these classes of employees without being unfair to either. Where confirmation is mainly on the basis of seniority a displaced Government servant with longer service in the grade concerned or in an equivalent grade is preferred to a temporary employee whose service is not so long. Where, however, confirmation is on the basis of merit, suitable for the grade and not only length of service is the criterion.

#### MULTI-PURPOSE PROJECTS

**333. Dr. V. Subramaniam:** Will the Minister of **Natural Resources and Scientific Research** be pleased to state:

(a) the number of total multipurpose projects now under progress in India which may produce electricity;

(b) the number of such projects which will be undertaken and finished within the next five years; and

(c) the total quantity of electricity now produced in each State of India, how it is produced and how much is being utilised for (i) Lighting purposes; (ii) industrial purposes; (iii) cottage industries; (iv) agriculture; and (v) running Electric trains i.e., for Transport in the years 1947 to 1950?

**The Minister of Natural Resources and Scientific Research (Shri Sri Prakasa):** (a) Eight, namely Bhakra-Nangal, Damodar Valley Project, Hirakud, Kakrapar, Radhanagri, Tungabhadra, Mayurakshi, and Badra.

(b) Decision regarding new projects to be undertaken will depend on the final recommendation of the Planning Commission.

(c) Statements giving all available information are attached. [Copy placed in the Library, see No. B-232/51.]

#### CIVILIAN GAZETTED OFFICERS

**334. Shri Rathnaswamy:** (a) Will the Minister of **Defence** be pleased to state how many civilian Gazetted Officers employed as non-combatants in the Defence Services are still in temporary capacity?

(b) What are the reasons therefor?

(c) Have any of these Officers been retrenched and if so, how many?

(d) What is the basis for such retrenchment?

**The Minister of Works, Production and Supply (Shri Gadgil):** (a) 615.

(b) Before the last war, the number of Civilian Gazetted Officers in the Defence Services was small. During the war, many civilian officers had to be appointed owing to the shortage of Defence personnel and the need for expansion of Defence establishments. After the war, their number had necessarily to be reduced, as establishments had to be brought down to peace footing. Government have since been engaged on the question of retaining some civilian officers in a permanent capacity in certain Defence establishments. This question is, of course linked up with the larger question of the strength of the Defence Forces required for the country.

(c) 250.

(d) Actual requirements of Defence establishments coupled with the need for economy.

#### RADIO LICENCES

**335. Shri G. S. Guha:** Will the Minister of **Information and Broadcasting** be pleased to state:

(a) the number of radio licenses issued in (i) Assam, (ii) Tripura, and (iii) Manipur;

(b) the number of radio licenses in each of those states speaking Assamese, Bengali and Tribal languages; and

(c) what are the Tribal languages used for broadcasting from the Gauhati-Shillong Radio Station?

**The Minister of State for Information and Broadcasting (Shri Diwakar):**

(a) The number of radio licenses issued during 1950-51 was as follows:

Assam	...	...	6,140
Tripura	...	...	125
Manipur	...	...	67

(b) Licences have not been classified according to the language of licence holders.

(c) The programmes from Shillong-Gauhati include items in the following in addition to Assamese:

- (1) Khasi
- (2) Jaintia.
- (3) Manipuri.
- (4) Bodo.
- (5) Kuki.
- (6) Naga.
- (7) Lushai.
- (8) Himar.

#### SECURITIES FROM NEWSPAPERS

**336. Dr. Ram Subhag Singh:** Will the Minister of Home Affairs be pleased to refer to the answer given to my supplementary question to starred question No. 424 asked on the 22nd August, 1951 regarding forfeiture of securities from Newspapers and state in how many cases have the securities demanded from the newspapers in the Centrally Administered Areas been forfeited?

**The Minister of Home Affairs (Shri Rajagopalachari):** Securities were forfeited in 4 cases during the period 15th August, 1947 to the end of July, 1951. The amount thus forfeited was Rs. 2,000.

#### REGULATIONS BY PRESIDENT

**337. Shri S. N. Das:** (a) Will the Minister of Home Affairs be pleased to state whether the question of making regulations by the President specifying the matters in which, either

generally, or in any particular class of case or in particular circumstances, it shall not be necessary for the Union Public Service Commission to be consulted as envisaged in the proviso to clause (3) of Article 320 of the Constitution, has been considered by Government?

(b) If so, when are the regulations going to be made?

(c) What are the important matters that are proposed to be incorporated in the regulations?

**The Minister of Home Affairs (Shri Rajagopalachari):** (a) to (c). Under Article 372(1) of the Constitution, the regulations formerly framed under the proviso to sub-section (3) of section 266 of the Government of India Act, 1935, were continued in force. Certain amendments and adaptations made in these regulations from time to time were duly laid before Parliament as required under Article 320(5). The question of making some further amendments in these regulations is under consideration. It would be premature to attempt to specify them at this stage.

#### NEW SERVICES

**338. Shri S. N. Das:** Will the Minister of Finance be pleased to state:

(a) the number and nature of any new branch of activity of Government requiring the sanction of the Standing Finance Committee started during each of the years 1947-48 (post-Partition), 1948-49, 1949-50, 1950-51 and up to 31st August, 1951-52, under different Ministries; and

(b) which of these branches of activity have since ceased to function?

**The Minister of Finance (Shri C. D. Deshmukh):** (a) and (b). Two statements are laid on the Table of the House. [Copy placed in the Library. See No. P-233/51.]

Friday, 28th September, 1951



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# PARLIAMENTARY DEBATES

Part II—Proceedings other than Questions and Answers)

OFFICIAL REPORT

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(24th September, 1951 to 16th October, 1951)

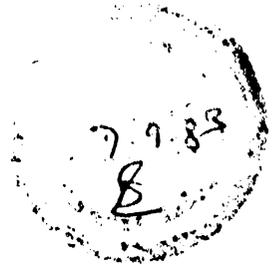
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Fourth Session

of the

PARLIAMENT OF INDIA

1951



## CONTENTS

*Volume XVI.—24th September, 1951 to 16th October, 1951*

MONDAY, 24TH SEPTEMBER, 1951—	Columns
Motion for Adjournment—	
Ban on Public meetings etc. in the Travancore-Cochin State in view of General Elections . . . . .	3189—93
Paper laid on the Table—	
Punjab Requisitioning of Immovable Property (Amendment and Validation) Act, 1951 . . . . .	3193
Industries (Development and Control) Bill—Presentation of Report of Select Committee . . . . .	3193
Notaries Bill—Extension of time for presentation of Report of Select Committee . . . . .	3193
Motion <i>re</i> Conduct of Shri Mudgal, M. P.—Not concluded . . . . .	3194—3264
TUESDAY, 25TH SEPTEMBER, 1951—	
Paper laid on the Table—	
Working of various public bodies in Delhi . . . . .	3265
Go-Samvardhan Bill—Motion for extension of time for presentation of Report of Select Committee —Not moved . . . . .	3265—68
Motion <i>re</i> Conduct of Shri Mudgal, M. P.—Adopted, as amended . . . . .	3268—93
Hindu Code—Consideration of clauses—Not concluded . . . . .	3298—3301
Plantations Labour Bill—Referred to Select Committee . . . . .	3302—25
Indian Standards Institution (Certification Marks) Bill—Referred to Select Committee . . . . .	3326—34
WEDNESDAY, 26TH SEPTEMBER, 1951—	
Bombay Coasting Vessels (Amendment) Bill—Introduced . . . . .	3335
Go-Samvardhan Bill—Extension of time for presentation of Report of Select Committee . . . . .	3335—36
Benares Hindu University (Amendment) Bill—Discussion on motion to consider as reported by Select Committee—Not concluded . . . . .	3336—3449
Business of the House . . . . .	3450—56
THURSDAY, 27TH SEPTEMBER, 1951—	
Statement by the Minister of State for Transport and Railways . . . . .	3457—59
Leave of absence from the House . . . . .	3459
Papers laid on the Table—Statement on progress of Land Army . . . . .	3460
Motion to Committees—Samsad (Court) of Vishva-Bharati . . . . .	3460—61
Indian Central Tobacco Committee . . . . .	3461
Press (Incitement to Crime) Bill—Presentation of Report of Select Committee . . . . .	3462
Benares Hindu University (Amendment) Bill—Passed, as amended . . . . .	3462—3545
Aligarh Muslim University (Amendment) Bill—Passed, as amended . . . . .	3545—51
Employees State Insurance (Amendment) Bill—Passed . . . . .	3551—62
Eviction Interest (Separation) Bill—Passed . . . . .	3562—68
Companies (Donations to National Funds) Bill—Passed, as amended . . . . .	3568—72
Financial Corporations Bill—Consideration of clauses—Not concluded . . . . .	3572—3604
Raising rice to deficit areas . . . . .	3605—14

FRIDAY, 28TH SEPTEMBER, 1951—

Columns

Leave of absence from the House . . . . .	3615
Papers laid on the Table—	
U. P. S. C. (Consultation) (Supplementary) Regulations, 1951 . . . . .	3616
Report of Rehabilitation Finance Administration . . . . .	3616
Supplementary Statement showing the action taken by Government on promises and undertakings . . . . .	3616
All-India Services Bill—Introduced . . . . .	3616—17
Select Committee Meetings . . . . .	3617—22
State Financial Corporations Bill—Passed, as amended . . . . .	3622—75
Resolution for making modifications in the Punjab Security of the State Act, 1951—Adopted, as amended . . . . .	3676

SATURDAY, 29TH SEPTEMBER, 1951—

Elections to Committees—

(i) Samead (Court) of Vishva-Bharati, (ii) Indian Central Tobacco Committee . . . . .	3751
Plantations Labour Bill—Presentation of Report of Select Committee . . . . .	3751
Demands for Supplementary Grants for 1951-52—Punjab State . . . . .	3751
Demand No. 1.—Agriculture . . . . .	3751—52
Demand No. 2.—Civil Works . . . . .	3752
Demand No. 3.—Advances not bearing interest—Advances repayable . . . . .	3752
Demands for Supplementary Grants for 1951-52—Railways . . . . .	3752—95
Demand No. 2.—Audit . . . . .	3752—94
Demand No. 4.—Ordinary Working Expenses—Administration . . . . .	3753—94
Demand No. 5.—Ordinary Working Expenses—Repairs and Maintenance . . . . .	3753—94
Demand No. 6.—Ordinary Working Expenses—Operating Staff . . . . .	3753—94
Demand No. 8.—Ordinary Working Expenses—Operation other than Staff and Fuel . . . . .	3754—95
Demand No. 9.—Ordinary Working Expenses—Miscellaneous Expenses . . . . .	3754—95
Demand No. 9A.—Ordinary Working Expenses—Labour Welfare . . . . .	3754—95
Demand No. 16.—Open Line Works—Additions . . . . .	3754—95
Demand No. 17.—Open Line Works—Replacements . . . . .	3754—95
Appropriation (Railways) No. 4 Bill—Introduced . . . . .	3795—96
Demands for Supplementary Grants for 1951-52 . . . . .	3796—3900
Demand No. 1.—Ministry of Commerce and Industry . . . . .	3796—3894
Demand No. 2.—Industries . . . . .	3796—3894
Subsidy to Scindia Steam Navigation Company and Enforcement Directorate . . . . .	3810—94
Demand No. 3.—Commercial Intelligence and Statistics . . . . .	3797—3895
Demand No. 5.—Indian Posts and Telegraphs Department . . . . .	3797
Demand No. 18.—Ministry of External Affairs . . . . .	3797
Demand No. 19.—Tribal Areas . . . . .	3797—3895
Demand No. 20.—External Affairs . . . . .	3797—3895
Demand No. 21.—Ministry of Finance . . . . .	3797—3895
Demand No. 23.—Union Excise Duties . . . . .	3797—3895
Demand No. 24.—Taxes on Income including Corporation Tax . . . . .	3798—3895
Demand No. 25.—Opium . . . . .	3798—3895
Demand No. 28.—Audit . . . . .	3798—3895
Demand No. 29.—Joint Stock Companies . . . . .	3798—3895
Demand No. 30.—Miscellaneous Departments . . . . .	3798—3895
Demand No. 34.—Miscellaneous . . . . .	3798—3895
Demand No. 35.—Grants-in-aid to States . . . . .	3799—3895
Demand No. 37.—Resettlement and Development . . . . .	3799
Demand No. 38.—Pre-partition Payments . . . . .	3799—3895

	<i>columns</i>
<b>SATURDAY, 29th SEPTEMBER 1951—Contd.</b>	
Demand No. 40.—Ministry of Food and Agriculture . . . . .	3799—3897
Demand No. 45.—Agriculture . . . . .	3799—3897
Demand No. 46.—Civil Veterinary Services . . . . .	3800—97
Demand No. 47.—Indian Dairy Department . . . . .	3800—97
<b>MONDAY, 1st OCTOBER, 1951—</b>	
Food Scarcity . . . . .	3911—13
Leave of absence from the House . . . . .	3913
Papers laid on the Table—	
Supplementary Statements <i>re</i> action taken on promises etc. . . . .	3913—14
Representation of the People (Second Amendment) Bill—Introduced . . . . .	3914
Repealing and Amending Bill—Introduced . . . . .	3914
Notaries Bill—Extension of time for presentation of Report of Select Committee . . . . .	3914—15
Indian Standards Institution (Certification Marks) Bill—Extension of time for presentation of Report of Select Committee . . . . .	3915
Punjab Appropriation Bill—Passed . . . . .	3915—16
Appropriation (No. 3) Bill—Passed . . . . .	3916
Appropriation (Railways) No. 4 Bill—Passed . . . . .	3916—17
Press (Incitement to Crime) Bill—Discussion on motion to consider, as reported by Select Committee—Not concluded . . . . .	3917—72
	3972—4038
Displaced Persons (Debts Adjustment) Bill—Presentation of Report of Select Committee . . . . .	3972
<b>WEDNESDAY, 3rd OCTOBER, 1951—</b>	
Paper laid on the Table—	
Supplementary Statement showing action taken by Government on assurances given during Third Session (Second Part), 1951 . . . . .	4039
Press (Incitement to Crime) Bill—Consideration of clauses—Not concluded . . . . .	4039—4144
<b>THURSDAY, 4th OCTOBER, 1951—</b>	
Papers laid on the Table—	
First Five Year Plan . . . . .	4145
Supplementary Statement showing action taken on assurance given during Fourth Session . . . . .	4148
(i) Statement <i>re</i> development schemes other than for Grow More Food, . . . . .	4148
(ii) Statement <i>re</i> irrigation and power supply schemes for Grow More Food . . . . .	4148
Notifications in accordance with Section 38 of Central Excises and Salt Act, 1944 . . . . .	4148—49
Business of the House . . . . .	4145—47
Press (Incitement to Crime) Bill—Consideration of Clauses—Not concluded . . . . .	4149—4301
	4201—72
Notaries Bill—Presentation of Report of Select Committee . . . . .	4201
<b>FRIDAY, 5th OCTOBER, 1951—</b>	
Resignation of Shri Kala Venkatarao . . . . .	4273
Leave of absence from the House . . . . .	4273
Papers laid on the Table—	
Statement showing the amount spent by Government on construction of offices, residential and other accommodation . . . . .	4274
Supplementary Statement showing action taken by Government on various assurances, etc. given during the Budget Session, 1949 . . . . .	4338
Election to Committee—	
Central Advisory Board of Archaeology . . . . .	4274—75
Press (Incitement to Crime) Bill—Consideration of clauses—Not concluded . . . . .	4275—

SATURDAY, 6TH OCTOBER, 1951—

Columns

Papers laid on the Table—	
Report of Committee on regulation of Stock Exchanges, etc. . . . .	4397
Memorandum on Tariff Negotiations held at Torquay . . . . .	4397
Election to Committee—	
Central Advisory Board of Archaeology . . . . .	4397—98
Part B States Marriages Validating Bill—Introduced . . . . .	4398
Go-Samvardhan Bill—Extension of time for presentation of Report of Select Committee . . . . .	4398—99
Indian Standards Institution (Certification Marks) Bill—Extension of time for presentation of Report of Select Committee . . . . .	4399
Motions re Delimitation of Constituencies Orders. . . . .	4399—4420 4470—72 4517—19 4614,
Press (Incitement to Crime) Bill—Passed, as amended . . . . .	4421—4470, 4471—4516 4519—4614

THURSDAY, 11TH OCTOBER, 1951—

Leave of absence from the House . . . . .	4615
Papers laid on the Table—	
Supplementary Statement showing action taken on assurances and undertakings given during Fourth Session . . . . .	4615
Report of the Film Enquiry Committee . . . . .	4615
First Report of U. P. S. C. together with memorandum prescribed . . . . .	4616
Motion re Delimitation of Constituencies Orders, 1951 . . . . .	4616—41
Business of the House . . . . .	4641—45
Industries (Development and Control) Bill—Discussion on motion to consider—Not concluded . . . . .	4645—58, 4701—30, 4737—42.
Resignation of Shri Aochru Ram . . . . .	4688—4700
Dr. Ambedkar's letter of resignation . . . . .	4730—37

FRIDAY, 12TH OCTOBER, 1951—

Leave of absence from the House . . . . .	4743
Papers laid on the Table—	
Statement showing posts carrying salary of Rs. 3,000 and above . . . . .	4743—44
Industries (Development and Control) Bill—Passed, as amended . . . . .	4744—4835 4835—4912
Business of the House . . . . .	4835

MONDAY, 15TH OCTOBER, 1951—

All India Services Bill—Passed, as amended . . . . .	4913—66
Part C States (Miscellaneous Laws) Repealing Bill—Passed . . . . .	4966—67
Representation of the People (Second Amendment) Bill—Passed . . . . .	4967—77
Parliament Prevention of Disqualification Bill—Passed, as amended . . . . .	4977—5000
Plantations Labour Bill—Passed, as amended . . . . .	5000—14
Statement re Essential Services (Prevention of Strikes) Bill . . . . .	5015—16
Displaced Persons (Debts Adjustment) Bill—Passed, as amended . . . . .	5016—28
Ancient and Historical Monuments and Archaeological Sites and Remains (Declaration of National Importance) Bill—Passed, as amended . . . . .	5029—39
Five Year Plan—Discussion—Not concluded . . . . .	5039—86

TUESDAY, 16TH OCTOBER, 1951—

Columns

## Motion for Adjournment—

Dissolution of the All-India Industrial (Bank Disputes) Tribunal . . . 5087—90

## Papers laid on the Table—

Appropriation Accounts (Civil) for 1949-50 and Audit Report, 1951 and Commercial Appendix thereto . . . . . 5090

Desecration of temples etc. of the Hindus in East Bengal and acquisition by the Government of East Bengal of lands belonging to temples etc. Chittagong District . . . . . 5091

Motion *re* Five Year Plan—Adopted . . . . . 5091—522<sup>a</sup>

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## CORRIGENDA

to

the Parliamentary Debates (Part II—Other than Questions and Answers),  
Fourth Session 1951.

Volume XVI,—

1. No. 1, dated the 24th September, 1951,—

(i) Col. 3193, line 10 for "Act, 1151" read "Act, 1951"

2. No. 2, dated the 25th September, 1951,—

(i) Col. 3260, line 18 for "set" read "sat".

3. No. 3, dated the 26th September, 1951,—

(i) صفحہ ۳۳۱۵ پہلی لائن میں "د مولانا آزاد" کی جگہ "د مولانا آزاد" سے پڑھیں

(ii) भाग ३४१६, पंक्ति १३ में "सायलें" के स्थान पर "आगत" पढ़ें ।

4. No. 4, dated the 27th September, 1951,—

(i) Col. 3902, line 19 from bottom for "rent for occupation of houses" read  
SHORT NOTICE QUESTION".

(ii) भाग ३४९०, पंक्ति १३ में "ट्रस प्रांक्मेटी" के स्थान पर "ग्रान्ट्स कमेटी" पढ़ें

5. No. 6, dated the 29th September, 1951,—

(i) Col. 3902, line 19 from bottom for "rent for occupation of houses" read  
"damages for the occupation".

No. 7, dated the 1st October, 1951,—

(i) Col. 3952, line 16 omit "a".

7. No. 8, dated the 3rd October, 1951,—

(i) Col. 4074, for existing line 19 read "it has been made out that pre-censor-";  
after existing line 40 insert "permanent period to the hands of the"  
and delete line 43.

8. No. 9, dated the 4th October, 1951,—

(i) Col. 4153 last line, for "L.P.C." read "I.P.C."

(ii) Col. 4188, for existing line 18 from bottom read "cular case by that  
experience and I".

9. No. 10, dated the 5th October, 1951,—

(i) भाग ४२८७, अन्तिम पंक्ति में "बेस्त्रियम" को "बेस्त्रियम" पढ़ें ।

(ii) Col. 4346, line 4 from bottom after "years" insert "ago".

10. No. 11, dated the 6th October, 1951,—

(i) Col. 4418, line 26 for "stituted" read "substituted".

(ii) Col. 4460 after line 27 insert "ages etc."

(iii) Col. 4523, line 19 from bottom for "Cognizillibity" read "Cognizability"

(iv) Col. 4524, line 11 for "Cognizillibity" read "Cognizability".

No. 12, dated the 11th October, 1951,—

(i) Col. 4694, for existing lines 7-9 read "given to Shri Achru Ram's case...  
Shri Kamath: I am sorry it is a very ignorant imputation.....".

(ii) Col. 4721 for existing line 35 read "number of tractors to be produced"

12. No. 13, dated the 12th October, 1951,—

(i) Col. 4743 after line 5 insert "(No Questions—Part I not Published)" as 1 line.

(ii) Col. 4844 in line 32 for "Khwaja Inait Ullah: May I point" read "Shri Jhumjhumwala. I just want".

13. No. 14, dated the 15th October, 1951,—

(i) Col. 4913, line 13 from bottom for "(Sidhva)" read "(Shri Sidhva)".

(ii) भाग ४९५६, पंक्ति १२ में "पीछे" के स्थान पर "पीते" पढ़ें।

(iii) Col. 4984 for existing lines 10 and 11 from bottom read "A person shall be disqualified for being chosen as and for being".

14. No. 15, dated the 16th October, 1951,—

(i) Col. 5093, for existing line 34 read "for the industrial development of our country".

(ii) Col. 5128 in line 5 from bottom after "to" insert "give to".

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**THE**  
**PARLIAMENTARY DEBATES**  
**(Part II—Proceedings other than Questions and Answers)**  
**OFFICIAL REPORT**

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3615

**PARLIAMENT OF INDIA**

Friday, 28th September, 1951

*The House met at Nine of the Clock.*

[MR. DEPUTY-SPEAKER in the Chair]

**QUESTIONS AND ANSWERS**

(See Part I)

10 A.M. 4

**LEAVE OF ABSENCE FROM THE HOUSE**

**Mr. Deputy-Speaker:** I have a request for leave of absence from Shri Alladi Krishnaswami Aiyar. I want to inform hon. Members that we are fast concluding the session. We may have a short session later possibly, I do not know, but if any leave of absence is not granted it will involve immediate notification and holding an election which will serve really no purpose.

Shri Alladi Krishnaswami Aiyar has requested for leave of absence under Article 101(4) of the Constitution till the end of the current session as he is unwell.

Is it the pleasure of the House to grant him leave?

Leave was granted.

I would also like to inform hon. Members that Shri Abdul Halim Ghuznavi has requested for leave of absence under Article 101(4) of the Constitution from all meetings of Parliament during this session as he is unwell in Calcutta.

Is it the pleasure of the House to grant him leave?

Leave was granted.

357 PSD

3616

**PAPERS LAID ON THE TABLE**

U.P.S.C. (CONSULTATION) (SUPPLEMENTARY) REGULATIONS, 1951

**The Minister of Home Affairs (Shri Rajagopalachari):** I beg to lay on the Table a copy of the Union Public Service Commission (Consultation) (Supplementary) Regulations, 1951, in accordance with clause (5) of Article 320 of the Constitution. [Placed in Library. See No. P-221/51.]

**REPORT OF REHABILITATION FINANCE ADMINISTRATION**

**The Minister of Finance (Shri C. D. Deshmukh):** I beg to lay on the Table a copy of the report of the Rehabilitation Finance Administration for the half-year ended the 30th June, 1951, in accordance with sub-section (2) of Section 18 of the Rehabilitation Finance Administration Act, 1948. [Placed in Library. See No. P-222/51.]

**SUPPLEMENTARY STATEMENT SHOWING THE ACTION TAKEN BY GOVERNMENT ON PROMISES AND UNDERTAKINGS.**

**The Minister of State for Parliamentary Affairs (Shri Satya Narayan Sinha):** I beg to lay on the Table a supplementary statement showing the action taken by the Government on various assurances, promises and undertakings given during the Second Session of Parliament, 1950. [See Appendix X, annexure 8.]

**ALL-INDIA SERVICES BILL**

**The Minister of Home Affairs (Shri Rajagopalachari):** I beg to move for leave to introduce a Bill to regulate the recruitment, and the conditions of service of persons appointed, to the all-India Services common to the Union and the States.

**Mr. Deputy-Speaker:** The question is:

"That leave be granted to introduce a Bill to regulate the recruitment, and the conditions of service of persons appointed,

[Mr. Deputy-Speaker]

to the all-India Services common to the Union and the States."

The motion was adopted.

**Shri Rajagopalachari:** I introduce the Bill.

#### SELECT COMMITTEE MEETINGS

**The Minister of Law (Dr. Ambedkar):** I beg to report under sub-rule (3) of rule 65 that the Select Committee appointed by the House to consider the Notaries Bill has failed to meet successively on two days.

**Mr. Deputy-Speaker:** The hon. Minister has merely intimated the fact—it may be followed up by any concrete motion that he may make.

**Dr. Ambedkar:** For the moment I merely propose to report as required by sub-rule (3) of rule 65. It is for the House to decide whether the House will discharge the Select Committee which has been appointed and proceed.

**Mr. Deputy-Speaker:** May I ask any hon. Member in the Select Committee to state what exactly is the position?

**Pandit Thakur Das Bhargava (Punjab):** I am one of the Members of the Select Committee.....

**Dr. Ambedkar:** I should like to say that I do not cast any aspersion on the Members of the Select Committee for their failure to meet because I am very well aware that they are engaged in many other Select Committees which are also meeting simultaneously, but since the rule casts upon the chairman of the Select Committee the responsibility to report to this House I am making this formal motion to bring the matter to the notice of the House.

**Pandit Thakur Das Bhargava:** I was submitting that so far as this Select Committee is concerned, its meetings were held at such time that Members could not possibly attend them. We are Members of several Select Committees and we have to make a choice as to which Committee to attend. Even yesterday, I had some amendments to move to this Financial Corporations Bill, but because I was engaged on another Committee I could not be present in the House and I took your permission for that. I have since understood that those amendments were not allowed to be moved which you were pleased to tell me

would be allowed. So, it is happening like this—Members of the Select Committee are not to blame.

**Dr. Ambedkar:** I am not blaming.

**Pandit Thakur Das Bhargava:** I would rather, under these circumstances, beg of Dr. Ambedkar to kindly give up this Bill. This Bill is not important—it does not require.....

**Dr. Ambedkar:** I am prepared to give up every Bill that is standing in my name.

**Pandit Thakur Das Bhargava:** I would suggest that this Bill be dropped.

**Shri J. R. Kapoor (Uttar Pradesh):** As we are on this question, Sir, may I submit for your consideration the question as to whether it is desirable and proper to have meetings of Select Committees when the House is sitting? That places Members of the Select Committees in a very awkward and rather embarrassing position. Those of us who are anxious to be in the Select Committee want to be there and, at the same time, we also want to be here not only to make up the quorum but also to participate in the discussions. Yesterday we were busy in some Select Committee meetings which were going on when the House was sitting. I have come to know only this morning from the papers that you were pleased to remark that we should consider it our duty to be here.

**Shri Sondhi (Punjab):** The quorum bell was ringing when we were sitting in the Select Committee.

**Shri J. R. Kapoor:** Exactly so. Now, Sir, that certainly is a very necessary admonition to those who were not then in the House or in any Select Committee at the time, but so far as those Members were concerned who were going on with the important business with which they were entrusted by this House, that admonition, of course, should not apply and would not apply.

**Mr. Deputy-Speaker:** It does not apply to them.

**Shri J. R. Kapoor:** Apart from that, my request to you was to consider whether it is desirable and proper for Select Committee meetings to be called and held when this House is also meeting. I hope, Sir, you will please look into this question and I would request that you may be pleased to direct that meetings of Select Committees may not be held when this House is sitting.

**Shri Sidhva (Madhya Pradesh):** I have also to make one submission in this matter. When the hon. Minister called the first meeting of this Select Committee, some of us were there and we went through the Bill. Subsequently of course, there was no quorum, and I am glad that he has brought this matter up and given us an opportunity to ventilate our grievances. I may tell you, Sir, that I am today put on three Select Committees: one meeting at 11 o'clock, another at 4 and another at 4-30 P.M. I do not want to leave the Parliament work—I am concerned more with Parliament work than with the Select Committees because I am interested in some of the important Bills before the House. Therefore, the position becomes very awkward in such a case. Your office fixes up dates without any consideration. I therefore submit that when the House is sitting there should be no Select Committee meetings. Or else you give us one afternoon so that the Select Committee meetings may be held.

Another point is that as far as this Bill is concerned, my friend, Pandit Thakur Das Bhargava stated that it should be dropped. If you drop this Bill one difficulty may arise. There are notaries public already in existence, and as the hon. Minister stated the other day they were appointed by the British Government under the old law; if you do not pass any law the appointments of notaries public will be considered as null and void.....

**Pandit Thakur Das Bhargava:** Why? They can continue under the old law.

**Shri Sidhva:** The old law cannot exist now. The British Parliament at Westminster made their appointments but they cannot make the appointments now. I therefore want to know from the hon. Minister whether they can continue. If they continue, well and good. Otherwise difficulties will arise in the commercial centres of Bombay, Madras and Calcutta where these notaries public exist.

**Mr. Deputy-Speaker:** So far as the Select Committee on the Notaries Bill is concerned, due to causes beyond their control hon. Members could not be present. They had to attend various other Select Committees and the meetings could not be held for want of quorum. I would request the hon. Minister to make another effort in this direction.

**Dr. Ambedkar:** I am in the hands of the House.

**Dr. Tek Chand (Punjab):** May I suggest that the time for submitting

the report of this Select Committee may be extended up to the 6th? The time expires today.

**Mr. Deputy-Speaker:** I shall take notice of the oral motion. Is it the pleasure of the House to extend the time?

**Dr. Tek Chand:** We shall meet on the 4th or 5th and by this time the other Select Committees will have finished their work. This is only half an hour's work. Therefore, I am making the suggestion for extension of time.

**Mr. Deputy-Speaker:** Does the hon. Minister agree with the proposal for extension of time?

**Dr. Ambedkar:** I have no objection.

**Mr. Deputy-Speaker:** I thought the hon. Minister who is the sponsor of the Bill will make the motion.

**Dr. Ambedkar:** That is a difficult matter for me at this stage. If the House appoints a Select Committee, surely Government will take the necessary steps to put the measure through.

**Mr. Deputy-Speaker:** Considering the peculiar circumstances of this House, the House does not seem to be in favour of discharging the Select Committee and an oral motion has been made for extension of time by one of the hon. Members. I would like this motion to be made by the hon. Minister himself.

**Dr. Ambedkar:** I do not know whether I can do that. It is not for me to make any motion.

**Mr. Deputy-Speaker:** He is the sponsor of the Bill. Therefore, he has to make the motion. Just a minute. The time does not expire today. The Select Committee can report up to the 1st. Therefore, in due course the hon. Minister may make a motion for extending the time up to the 6th. He is now aware that the House is generally in favour of continuing the Select Committee. That disposes of this particular matter.

So far as other matters are concerned, I would ask hon. Members to refer to rule 70. It is true that hon. Members are on various Select Committees, and with sessions in the morning and evening the Select Committees will have to sit while the House is in session. Rule 70 says that Select Committees may sit whilst the House is sitting, provided that on a division bell being rung the Chairman of the Committee shall suspend the

[Mr. Deputy-Speaker]

proceedings of the Committee for such time as will in his opinion enable Members to vote on the division. I understand this is the practice in the House of Commons also. Hon. Members want many matters to be referred to Select Committees. On one hand there is this desire and on the other there is a desire to say 'We are called in the Select Committee'. My remarks yesterday did not apply to hon. Members who were away in connection with Select Committees. Select Committee work is as good as work in this Parliament. As far as Shri Sidhva is concerned, he need not complain that Government have put him in several Select Committees. Why should he be anxious to serve on more than one Select Committee?

**Shri Sidhva:** We did not approach for Select Committee membership.

**Dr. Ambedkar:** The work of the Select Committees and the House will be facilitated if care is taken, while nominating people to Select Committees, to see that the same people are not nominated to two Committees.

**Shri Sidhva:** Quite right.

**Mr. Deputy-Speaker:** In future, care should be taken to see that Members are spread over various Select Committees instead of clogging or requesting one Member to be on more than one Select Committee. Even if a mistake is committed by the sponsor of a Bill in putting the same Member again, the Member concerned might consider whether it is proper for him to accept membership of more than one Select Committee and not complain to the House that he has no time to attend meetings.

**Shri Sidhva:** The House is meeting twice now. This is an abrupt development. Otherwise, it would have been all right.

**Mr. Deputy-Speaker:** I suggest hon. Members may give preference to the Notaries Bill Select Committee.

**Shri B. Das (Orissa):** I am thankful to you for your ruling about Members of Select Committees. Yesterday afternoon the Public Accounts Committee was sitting in Room No. 53. We heard the quorum bell, but the whole Railway Board was before us and as Chairman I found it difficult to adjourn the P.A.C. and send the Members here. I felt very sad when I found that we shall be punished in the bulletin as absentees for doing parliamentary work elsewhere.

**Mr. Deputy-Speaker:** Members engaged in all Committees appointed by this House are doing parliamentary work. Whatever I said does not apply to them. It applies only to Members who sit in the lobby. Yesterday, when the House was without a quorum some Members came from the lobby as soon as the bell was rung. As soon as there was a quorum they went away once again. That is the unfortunate thing to which I made reference.

**Shri Sondhi:** Lobby is very important in these days in view of the elections.

**An Hon. Member:** There is a time for tea. You did not allow that.

**Mr. Deputy-Speaker:** We shall proceed to our business. Resolution by Thakur Das Bhargava.

**The Minister of Home Affairs (Shri Rajagopalachari):** May I request you that the part-finished Bill of yesterday may be proceeded with and we may taken up the resolution immediately after it is finished? My intention is to discuss the matter with Members who have given notices of amendments.

#### STATE FINANCIAL CORPORATIONS BILL

**Mr. Deputy-Speaker:** The House will proceed with the further consideration of the State Financial Corporations Bill. We had disposed of clauses 2 to 10 yesterday. We shall now take up clause 11.

Clause 11 was added to the Bill.

**Clause 12.—(Disqualifications for being a director)**

**Shri S. V. Nalk (Hyderabad):** I beg to move:

In page 4, line 14, omit "or has compounded with his creditors".

When a man has compounded with his creditors, his position is quite clear. I do not think this disqualification should be continued.

**Mr. Deputy-Speaker:** Does he think that the bank will collapse if out of 360 million people a person who has compounded with his creditors is not included?

**The Minister of Finance (Shri C. D. Deshmukh):** I think a very high standard is necessary. It is a matter of confidence in the institution and the association of such a person will not inspire confidence. I am unable to accept the amendment.

**Shri S. V. Nalk:** I do not press the amendment.

**Mr. Deputy-Speaker:** The question is:

"That clause 12 stand part of the Bill."

The motion was adopted.

Clause 12 was added to the Bill.

Clauses 13 to 15 were added to the Bill.

**Clause 16.—(Remuneration of directors)**

**Shri S. V. Nalk:** I beg to move:

In page 4, line 48, after "the State" insert "or the Central".

**Shri C. D. Deshmukh:** There will be no Central Government Director. The House has rejected the amendment of the hon. Member suggesting Central Government directors.

**Shri S. V. Nalk:** One of the directors appointed by the Industrial Financial Corporation may be a Central Government servant. That is a possibility and hence I move this amendment. If the hon. Minister can assure me that there is no such possibility, then I do not wish to pursue it.

**Mr. Deputy-Speaker:** It is only a remote possibility. The question is:

"That clause 16 stand part of the Bill."

The motion was adopted.

Clause 16 was added to the Bill.

**Clause 17.—(Managing director)**

**Clause 18.—(Executive Committee)**

**Shri Syamnandan Sahaya (Bihar):** I beg to move:

In page 5, line 8, after "term" insert "not exceeding three years".

I have not much to say about it. If the hon. Minister considers it a suitable one, he may accept it.

**Shri C. D. Deshmukh:** I think it will lead to loss of flexibility. I would prefer the clause to stand as it is.

**Shri Syamnandan Sahaya:** There is another one in my name which I would like to move. I beg to move:

In page 5, line 9, after "fix" add "and be eligible for re-appointment".

**Mr. Deputy-Speaker:** It is only a consequential one.

**Shri Syamnandan Sahaya:** I would like to draw the attention of the hon. Finance Minister that if there is provision for reappointment, flexibility is maintained.

**Shri C. D. Deshmukh:** Our legal draftsmen think there is no necessity of providing for it.

**Shri Syamnandan Sahaya:** My amendments in regard to clause 18 are before the hon. Minister and if he is inclined to accept them I shall move them. Otherwise, I do not propose to take the time of the House.

**Shri C. D. Deshmukh:** I do not consider it necessary to accept the amendments. I think the arrangement in regard to Chairmanship has proved to be suitable in the Industrial Finance Corporation.

**Mr. Deputy-Speaker:** The question is:

"That clauses 17 and 18 stand part of the Bill."

The motion was adopted.

Clauses 17 and 18 were added to the Bill.

**Clause 19.—(Meetings of the Board etc.)**

**Shri Sidhva (Madhya Pradesh):** I would seek some clarification from the hon. the Finance Minister in regard to this clause. Sub-clause (3) of this clause reads:

"No director shall vote on any matter in which he is interested."

There is no amendment tabled to this. But I would like to know from the hon. Minister whether the director's mere abstention from voting alone would be conducive to the interest of the Corporation. Is it not desirable that when a question in which a director is interested is discussed he should retire. Such a provision would be a healthier one. I would, however, like to have the views of the hon. Finance Minister. My own view, as I said yesterday, is that the director should not only abstain from voting, but also retire.

**Shri C. D. Deshmukh:** I do not know whether the hon. Member was present when I read out Regulation 37 of the Industrial Finance Corporation yesterday. There the arrangement is that he is present if he is required for the purpose of eliciting information. When he is present he shall not vote.

[Shri C. D. Deshmukh]

Usually he is absent. A similar regulation will be passed to govern this matter. As I said yesterday, the practice has proved to be quite satisfactory.

**Shri Sidhva:** If there is going to be a regulation, I have no objection.

**Shri C. D. Deshmukh:** There will be a regulation on similar lines.

I may add that I had occasion to examine this very carefully, in view of certain complaints that were made in regard to loans advanced and I can say that I am satisfied that the present practice does secure all the rectitude that is necessary in business matters.

**Shri S. V. Naik:** I beg to move:

In page 5, for lines 33 and 34, substitute:

"(b) Of the Executive Committee, a member elected by members present shall preside at the meeting."

In page 6, after line 29, insert:

"(ee) supervision of the industrial concerns accommodated by the Corporation; and."

**Shri C. D. Deshmukh:** Both the practices are followed. In the Reserve Bank it is usual for the Chairman to authorise someone and I think in business organisations where a certain amount of continuity and guidance is required it is better to leave the discretion to the Chairman. I think he will be able to manage the meeting better than anyone chosen by a snap vote.

**Shri S. V. Naik:** I do not press the amendments.

**Mr. Deputy-Speaker:** The question is:

"That clause 19 stand part of the Bill."

The motion was adopted.

Clause 19 was added to the Bill.

**Clause 20.—(Powers of Executive Committees)**

**Shri Syamnandan Sahaya:** I beg to move:

In page 5, line 37, for "within the competence of" substitute "delegated to it by", and

In page 5, line 39, add at the end "for approval".

I shall try to take two minutes of your time. As it is, you have made the jurisdiction of the Board and the Executive Committee concurrent. This, as you will see yourself, is not the proper thing to do. If there is an Executive Committee the normal course is that powers are delegated to the Executive Committee by the Board. Otherwise both the Board and the Executive Committee will pass resolutions and there is a chance of both overlapping and also, in certain cases, some discrepancy and difficulty may arise. Therefore the Board should delegate its powers to the Executive Committee and the Executive Committee will perform the delegated functions.

Then in sub-clause (2) you say that the minutes of every meeting of the Executive Committee shall be laid before the Board at the next following meeting of the Board. But you do not say for what purpose for approval or for confirmation? There must be something definite.

**Shri C. D. Deshmukh:** For information.

**Shri Syamnandan Sahaya:** But that is not here. Therefore it will mean either for information or for approval. The Board may.....

**Shri C. D. Deshmukh:** "Minutes" means approved minutes, and that is always approved by the body which holds the proceedings.

**Shri Syamnandan Sahaya:** It is said here that the minutes of every meeting of the Executive Committee shall be laid before the Board. The Executive Committee will confirm its own minutes. That is perfectly all right. But it goes to another body called the Board. Therefore, when it goes to the Board there must be some definite function of the Board with regard to it.

**Shri Sidhva:** For information.

**Shri Syamnandan Sahaya:** There is nothing said here. The Board may say "It has come to us for approval or confirmation" or whatever it may be. This point is not quite clear and I feel that some difficulty may arise.

These are the two points which I wanted to raise. First of all the Executive Committee and the Board should not have concurrent jurisdiction. The Board, being a higher body, should delegate its powers to the Executive Committee, in whatsoever language you may try to put it. Secondly, once the Minutes go to the Board it should be either for informa-

tion or for approval. It is a matter of policy. If you say that the Board will have the right to approve or disapprove of the decisions of the Executive Committee you may say "for approval". But if you do not want to give that power to the Board, then you may say "for information". But do not leave it vague, because it is liable to misinterpretation.

**Shri C. D. Deshmukh:** In regard to the first amendment I have a considerable body of experience in regard to the Reserve Bank and the Industrial Finance Corporation and so on, and I think in practice it will be very difficult, if not impossible, to delegate specifically functions which arise to be discharged in the day-to-day work. The usual plan followed is for the Board to exclude from the purview of the Executive Committee such matters as they feel ought to be excluded. That is to say, by regulations it would be open to the Board to exclude either generally certain categories of cases or certain matters specifically. For the rest their jurisdiction is bound to be co-extensive. In the Reserve Bank that is the practice that has been followed for the last sixteen years, and it has worked very well. Usually it is left to the initiative of the managing director or the Chairman to say that certain matters shall be referred to the Board, or the Committee themselves refer certain matters to the Board. Usually they are policy decisions. So I think what the hon. Member has in mind could be secured by general regulations rather than by any specific provision in the Act itself, because that would be in practice very difficult.

**Shri Syamnandan Sahaya:** If the Bill laid down that subject to such regulations as may be framed, the Executive Committee shall perform such functions as may be delegated to it, it is understandable.

**Mr. Deputy-Speaker:** "Subject to such general or special directions as the Board may from time to time give" is more flexible.

**Shri Syamnandan Sahaya:** That is true. What I say is as far as my experience goes—of course the experience of the hon. Minister with regard to the Reserve Bank may be different; it has been different; the Reserve Bank is really on a different footing; it is more or less a kind of an official body—but when we have a provision like this I think it would be more desirable to give definite powers to the Executive Committee and reserve the residuary powers with the Board

rather than to leave it vague. In other institutions and banks and from your own experience you will find that in the case of Executive Committees—or such bodies.....

**Mr. Deputy-Speaker:** My own experience is also this. Apart from my experience, there is the Board and the Executive Committee. The regulations may be so framed as to give the executive body concurrent jurisdiction with the Board in many matters and there may be ratification by the Board on important matters. To do away with concurrent jurisdiction is difficult. The Board may not meet for a long time. Particularly with respect to banks, the district co-operative banks and the like, it is the executive body that discharges the functions. But their decisions are ratified by the Board later. Some such regulations are always framed.

**Shri Syamnandan Sahaya:** If that had been done here it would have been understandable. Therefore I have suggested in my second amendment that the words "for approval" may be added. That is the ratification by the Board which you have suggested.

**The Minister of State for Transport and Railways (Shri Santhanam):** For the same matter questions below a financial limit may be disposed of by the Executive Committee and those above that limit will have to come to the Board. There are thousand and one matters which not even the regulations can deal with fully. So the Board giving directions from time to time is the most flexible one.

**Mr. Deputy-Speaker:** Further the hon. Member will see that when the matter is placed before the Board, if the regulation says that a particular matter requires its approval, there is nothing to prevent its approval being given, or it is placed for approval. In some other matters it may be only for information. Therefore the wording is flexible as it is.

**Shri Sidhva:** It is true that in some institutions the executive bodies have got their own functions laid down. Here also a rule could be laid down that the Executive Committee shall grant loans up to, say, Rs. 50,000 and that those above that limit should go to the Board. The provision in the clause is vague. At the same time I agree with the Finance Minister that it is elastic and rules may be made. But they will have to be made. It should not be that the Executive Committee is just told every day, "You consider these proposals". The Executive Committee should be an executive committee in the true sense.

[Shri Sidhva]

namely, that it will be a responsible body. I think the major part of the work will be allotted to the Executive Committee, which will meet frequently, once in a week or fortnight, whereas the general body, namely the Board, may meet only once in three months or six months. If the hon. Minister feels that regulations will be better, I have no objection to these points being laid down in the regulations for the purpose of conducting the business of the Executive Committee, as for instance prescribing certain limits. It is a different matter.

As regards the second amendment of Mr. Syammandan Sahaya, namely to add the words "for approval", I do not agree. The Executive Committee is a responsible body and you might say "for information" if you want it, that is, that "the minutes of every meeting of the Executive Committee shall be laid before the Board at the next following meeting of the Board for information". If you allow the work of the Executive Committee to be approved by the Board it will result in a considerable amount of delay. The Executive Committee is a responsible body and I see no reason why it should be left to the Board to entrust them with work as they think it desirable. Therefore, approval by the Board will not be in fitness with the expeditious disposal of business, particularly in matters of loans where expeditious disposal may be necessary. Even without the clause I feel that ordinarily the minutes will go to the Board. But if the clause is there I think that the minutes of the Executive Committee should be placed before the Board for information.

**Shri C. D. Deshmukh:** I was not really able to finish my speech with regard to the second amendment. This discussion proliferated. Mr. Sidhva pointed out that in regard to the minutes they could either be for confirmation or information. There is no such stage as 'approval'. I think the minutes are confirmed in the meetings. Of course the authenticity is established and the matter is placed before the Board. It is open to the Board to give any kind of directions. Ordinarily it will note it. If it feels that some direction should be issued to the Executive Committee, the first part of this clause ensures that the Board has the power to issue the necessary directions and that really is inherent in this plan. Therefore, I think the hon. Member is attaching too much importance to the explicit expression that the minutes should be placed for approval.

**Mr. Deputy-Speaker:** If there is a definite demarcation of powers then to that extent the responsibility of the Board will disappear but under this it is the Board that is responsible.

**Shri C. D. Deshmukh:** It is under the pervasive responsibility of the Board.

**Mr. Deputy-Speaker:** Subject to the directions that the Board may give, the Executive Committee may deal with matters without being handicapped.

**Shri C. D. Deshmukh:** I do not accept the two amendments for the reasons stated because all that we contemplate under the scheme will be that the Board will take proper action as soon as it sees the minutes and we are ensuring that they will see the minutes.

**Shri Sidhva:** Is it desirable to add the word 'for information' or 'for approval'?

**Shri C. D. Deshmukh:** It is not necessary. If you do specify, then you exclude something.

**Mr. Deputy-Speaker:** It may be placed either for one purpose or the other.

**Shri A. C. Guha (West Bengal):** I do not understand whether the hon. Minister means that any action taken by the Executive Committee need not have the approval of the Board. Will the Board have any authority to override their decision?

**Mr. Deputy-Speaker:** It is the Board that is primarily responsible. The others are agents of the Board.

**Shri A. C. Guha:** Will the Board have authority to override any decision taken by the Executive Committee?

**Mr. Deputy-Speaker:** Except on the recommendation or under instructions from the Board, the Executive Committee has absolutely no right.

**Shri A. C. Guha:** Subject to such general or special directions as the Board may from time to time give, the Executive Committee may deal with any matter within the competence of the Board. The minutes of every meeting of the Executive Committee shall be laid before the Board at the next meeting of the Board. I want to know whether at this stage at least if the Board will have the power to override the Executive Committee's decision.

**Mr. Deputy-Speaker:** The hon. Member means that in the absence of any special directions or general directions the Executive Committee has got a concurrent jurisdiction of the Board.

**Shri C. D. Deshmukh:** They will only deal with the matter. It does not say that they shall dispose of the matter and they shall have no appeal to the Board. We are not considering a sort of scheme of judicial institutions here. It is an executive body. It is like the relation between a Secretary and a Minister. The Secretary may deal with something but he can never claim that because he dealt with a certain question, the Minister cannot rescind his orders. As soon as the Minister sees the case, he will call up the case and say: I do not approve of the action you have taken. Will you please issue countermanding orders? I should think the same course will be followed by the Board which will be seized of everything that the Executive Committee decides.

**Shri Santhanam:** Clause 9 makes the position clear. It says that the management shall vest in a Board of Directors which will be only assisted by the Executive Committee.

✓ **Shri Syamnandan Sahaya:** If the idea which is behind this particular clause is as explained by the hon. Finance Minister, then it becomes all the more necessary that the words 'for approval' should be added. Power of 'Approval' includes accepting, or counter-manding or even rejecting. As it is the Executive Committee takes a final decision, but when it comes to the Board, the language is 'it shall be laid before the Board'. Therefore the Board may feel that the decision has not been correctly taken by the Executive Committee. From all that we have heard from the hon. Minister, it is clear that his idea is that these decisions of the Executive Committee will be subject to such modification or acceptance in such manner as the Board may ultimately decide. If that is so.....

**Mr. Deputy-Speaker:** For such action as it may deem proper.

✓ **Shri Syamnandan Sahaya:** 'Approval' means 'for such action as it may deem proper'. 'Approval' has the inherent power of disapproval or modification. The word 'approval' would really have both the powers, the power of disapproval and the power of modification.....

**Shri C. D. Deshmukh:** Approving the minutes is taken to be equivalent by the hon. Member to approve in

357 PSD

every single decision. There is no such thing as approving the minutes. You can only say that every decision by the Executive Committee shall be laid before the Board for approval. If that is the scheme, it is likely to be most inconvenient in practice; it will hold up loans; it will paralyze the Executive Committee. Therefore, nothing is gained by saying that the minutes shall be approved by the Board. I do not attach any special significance to this form.

✓ **Shri Syamnandan Sahaya:** I do not press the amendments.

**Mr. Deputy-Speaker:** The question is:

"That clause 20 stand part of the Bill."

The motion was adopted.

Clause 20 was added to the Bill.

Clauses 21 to 24 were added to the Bill.

**Clause 25.—(Business of Financial Corporations)**

✓ **Shri Syamnandan Sahaya:** In this clause my suggestion is to omit the words "and are floated in the public market". My purpose in bringing up this amendment is that there may be other ways of raising money, not necessarily by floating loans in the public market which should have the guarantee and which under the particular circumstance it will be possible for the Corporation to guarantee. As such if you omit the words "and are floated in the public market" it will include guaranteeing of loans raised in the public market as also those raised by some private arrangement. That, of course will all be subject to the Corporation's decision and I think it will not be in any way injurious and if we say 'and are floated in the public market' it becomes absolutely essential for guaranteeing only of such loans as are necessarily floated in the public market and no other types of loans could be guaranteed.

**Shri Sidhva:** Am I to understand that under clause (b) the underwriting of the shares will not be guaranteed? I think the underwriting of the issue of stocks, shares, bonds will also be guaranteed.

✓ **Shri Syamnandan Sahaya:** Underwriting and guaranteeing are different.

**Shri Sidhva:** The first clause relates to the guaranteeing in general and

[Shri Sidhva]

keeping in line with that any loan which is guaranteed is authorized to underwrite, if a person chooses.

✓ **Shri Syamnandan Sahaya:** There are two different things. The Government may guarantee but they may not underwrite.

**Shri C. D. Deshmukh:** In regard to the amendment proposed, I think that it is necessary that there should be the touchstone of the public market on the loans which are guaranteed by the Corporation. This has been inserted in the interests of conservative finance, shall we say by those new bodies.

✓ **Shri Syamnandan Sahaya:** What I feel is that it may be a handicap on some occasions. Supposing by private arrangement certain loans are raised by a certain set of people and if the Corporation is satisfied that guaranteeing of even such loans will not be harmful and injurious, it should not preclude them from guaranteeing. As it is worded, the Corporation cannot take up the guaranteeing of any loan unless it is floated in the public market. It is to that aspect that I wanted to draw the attention of the hon. Minister.

**Shri C. D. Deshmukh:** There is nothing to stop a loan about which there is a private arrangement from being floated in the market. Usually it happens. In many loans for instance, certain parties in effect underwrite privately. That is to say, promise to take it up. There is no disadvantage in having it. The opportunity to the public is always there. If the public do not wish to take it up, there are private parties who have agreed to take it. That is the usual procedure followed in the case of debentures.

**Mr. Deputy-Speaker:** Even in respect of Government loans, that is what is done. The Finance Minister does not merely look to the market. He sends for various people.

**Shri C. D. Deshmukh:** That was done in the case of the recent loans floated by the State Governments.

**Mr. Deputy-Speaker:** In half an hour, the whole thing is subscribed.

✓ **Shri Syamnandan Sahaya:** I would like to draw the attention of the hon. Minister to clause (e) of this very section which says:

"the granting of loans or advances to, or the subscribing to

debentures of, industrial concerns, repayable within a period not exceeding twenty years from the date on which they are granted or subscribed to, as the case may be;"

Actually, the granting of loans or subscribing to debentures has been given here. It is not clear whether the reference is to debentures floated in the public market while in clause (a) it is almost compulsory. I thought there would be no harm in accepting my proposal. It is always open to a Corporation not to accept a loan which is not floated in the market. As flexibility, according to the hon. Finance Minister, is the guiding factor in this legislation, I thought I may press my view to him. If however, there is no useful purpose to be served, I will not press my amendment.

**Shri C. D. Deshmukh:** If experience proves that this is somewhat restrictive, then, we might consider whether any amendment is necessary. I do not think there is anything in the point raised by the hon. Member with reference to clause (e). Subscribing usually means a sort of public subscription.

**Mr. Deputy-Speaker:** One is guaranteeing and the other is subscribing. There is difference between the two. I do not think the hon. Member wants to move his amendment. Guaranteeing is in the case of public floatation. Granting loans is not by public floatation. There is a difference. It is in the interests of the Corporation concerned.

**Shri A. C. Guha:** I beg to move:

In page 6, after line 32, insert:

"Provided that no accommodation under sub-section (1) shall be given to any industrial concern with which any Director of the Financial Corporation is directly connected."

The Financial Corporation will, in a sense, be a bank. It is one of the fundamental principles of banking that the Directors or any concern directly connected with the Directors cannot get any accommodation from that Bank. Here also under clause 44, a Financial Corporation shall be deemed to be a bank for certain purposes.

**Mr. Deputy-Speaker:** Is it so in the Banking Companies Act? Is such a restriction imposed?

**Shri A. C. Guha:** I think that is the practice.

**Shri Sidhva:** It is there in the Co-operative Banks Act. No Director is allowed to draw any money.

**Mr. Deputy-Speaker:** I say, according to the Banking Companies Act which we have passed.

**Shri A. C. Guha:** About the Banking Companies Act, I am not quite sure. But, at least no Bank would allow any accommodation to any of the Directors or firms directly connected with the Directors.

**Shri B. Das (Orissa):** This they do.

**Shri A. C. Guha:** That is circumventing.

**Mr. Deputy-Speaker:** Is there any such provision in the Banking Companies Act?

**Shri Sidhva:** I do not know.

**Shri C. D. Deshmukh:** I do not think there is a direct prohibition in the Banking Companies Act. They have to be reported to the Reserve Bank.

**Shri Santhanam:** In the returns, this has to be stated.

**Shri C. D. Deshmukh:** Also I may point out that there are many banks, but there will be only one State Finance Corporation. If a Director does not get accommodation from the bank of which he is a Director, he can go to some other bank. If you debar him from taking a loan from the State Finance Corporation, you debar him from carrying on his business merely because he has agreed to assist the State Finance Corporation with his experience and advice.

**Mr. Deputy-Speaker:** But, if the Directors divide all the amounts amongst themselves? There must be some provision.

**Shri C. D. Deshmukh:** That is very unlikely. As I said, there is a provision in the regulations that when the Executive considers his application, usually the Director is not present. There are the representatives of the State; there are the representatives of the Reserve Bank. It is most unlikely that a loan will be given to a Director merely because he is a fellow director.

**Mr. Deputy-Speaker:** I am reminded of a case where for the I.A.S. selection, three Members were sitting and one of them retired saying, "The candidate is my son-in-law and therefore I do not want to be here". Therefore, when he retires, that will be an inducement on the part of others to vote in favour of the director. It may not be a wholesome and effective check; a colleague is interested in the other director.

**Shri C. D. Deshmukh:** All I say is that it has worked well in practice; on

scrutiny, I have found that it has worked well. We must remember that there will be about 20 State Finance Corporations and twenty times four or five directors, and we have not got sufficient business-men who could carry on the business and yet be excluded from financing their interests from loans.

**Mr. Deputy-Speaker:** The regulations have to be so framed as to put the Reserve Bank in these committees.

**Shri C. D. Deshmukh:** The Reserve Bank will be represented on each State Finance Corporation.

**Shri A. C. Guha:** Let me be explicit. There may be some industrial concern in pecuniary difficulties and unless that is taken over by one of the directors of the State Finance Corporation, that industrial concern may not get the required help. I think similar cases have occurred as regards the Industrial Finance Corporation. Certain concerns of Bengal have got financial help from that Industrial Finance Corporation mainly because some of the Directors of that concern were made to be interested in that concern. I do not like that similar cases should be repeated. The provision made in section 19 that no Director interested in any matter will be present or vote does not guarantee any safeguard because the Directors may amongst themselves make some arrangement of mutual obligation that X will help Y and Y will help X. I want it to be definitely provided that the Directors should be debarred from getting any accommodation from the State Finance Corporations.

**Mr. Deputy-Speaker:** Amendment moved:

In page 6, after line 32, insert:

"Provided that no accommodation under sub-section (1) shall be given to any industrial concern with which any Director of the Financial Corporation is directly connected."

श्री श्याम नंदन सहाय : मन तुरा हाजी बिगोयम, तू मरा हाजी बिगो।

[**Shri Syamnandan Sahaya:** You call me a *Haji* and I call you a *Haji*.]

**Shri Sidhva:** I entirely support the amendment moved by my hon. friend Mr. Guha. I also feel that it is not a healthy procedure to allow the Directors to draw loans for concerns with which they are connected directly or indirectly. I am sorry to observe that

[Shri Sidhva]

the hon. Finance Minister thinks that it is working very well and that there is no complaint about it. It may be that as my friend Mr. Guha has pointed out, if there is an internal arrangement between A, B and C, we do not receive any complaint. On the contrary, it will be harmful to the interests of the concern. I know at least in public banks such a thing happens. In some banks—I do not say, normally,—and the bank comes to grief. Some of the Directors were actually responsible for drawing money without any consideration and the result was, the bank went into liquidation. A number of instances could be quoted. This is a very healthy proposition and I do not understand why the hon. Finance Minister should not accept it. What is the wrong in it? Here, my hon. friend Mr. Guha has given the specific instance of Bengal: just for the purpose of accommodating each other, they did it. I do not know how far that was done.

**Shri C. D. Deshmukh:** How does the hon. Member think that that instance is a valid one. If you drive me into discussing that, I shall now place this for your consideration and ask Mr. Guha, because he is making this imputation.....

**Shri A. C. Guha:** I shall discuss that in private: not in the House.

**Shri C. D. Deshmukh:** I have not been given any name. Because the imputation has been made, either the House is influenced by it or it is not. If it is influenced by it, I submit that I should have an opportunity of denying that charge. That puts me in a quandary of asking what that institution is. That means that we deal with individual applications before the Industrial Finance Corporation. I do not mind doing it. But, I think it is somewhat unhealthy that merits of individual cases should be discussed here. I am prepared to do that. I can again assure the House that these cases do not lead to the conclusion which the hon. Member has stated they do. I think he is entirely under a wrong impression when he says that a loan was given merely because a Director of the Industrial Finance Corporation was associated with it. It may be that people who are Directors of the Industrial Finance Corporation are people with a great deal of reputation for good management so that when they are associated with a particular enterprise, obviously that enterprise gets more credit-worthy than if they are not so associated.

**Mr. Deputy-Speaker:** If a short time before the loan is applied for there is a transfer of the concern so as to make a Director interested in it what will happen? If it becomes a sort of habit or practice that unless somebody on the Finance Corporation is interested or associated with a particular concern, that concern will not get a loan, that will lead to serious results which should be avoided. That is the substance of the hon. Member's remarks.

**Shri C. D. Deshmukh:** That can be disposed of by an intelligent study of the loans advanced by the Industrial Finance Corporation. There are only about three instances out of about I think twenty where a director of the Corporation is concerned. If this proposition now made were to be true, then you would find that there is no loan advanced except where a Director of the Corporation is associated with the concern.

11 A.M.

**Shri A. C. Guha:** As far as Bengal is concerned, I can say that in certain cases it was impossible to get loan because it was not feasible to get any of the Directors of the Industrial Finance Corporation interested in it and others could get the loan only when they could set any one of the Directors associated with the concern. I am most anxious that this sort of thing should not happen. After all this arrangement as provided in the Bill is being made for the benefit of the poorer people or people who cannot afford to put in lot of money in their ventures. And these people may not be able to get the assistance of any influential persons who may help them to get these loans from the Corporation. And thence they will suffer. I know of many such cases in Bengal. For instance the electric fans industry was started by a poor Bengalee, but subsequently he had to hand it over to some one else for want of the necessary finance. Unless such persons are able to benefit from the provisions in the Bill, the very purpose of the Bill will be to a great extent nullified.

**Shri Sidhva:** I had not completed my remarks when the hon. Finance Minister intervened. We do not, of course, want to discuss individual cases here and that was not the object of the remarks of my hon. friend Shri Guha. He was only giving general illustrations to show that small industries may not be able to get the assistance that they want. I also said the same thing yesterday and capital was made of it by Mr. Khandubhai Desai who referred to me

as saying that loans were being paid on seeing faces. And I regret the hon. Finance Minister too seems to think that I meant some favouritism.

**Shri C. D. Deshmukh:** Fortune and not favouritism.

**Shri Sidhva:** I had not gone into the merits of those cases and so I very guardedly and cautiously made my remarks. But here is Mr. Guha who has spoken from his experience and he has given instances here. But quite apart from that, I would request the hon. Finance Minister to reconsider the point whether Directors should not be debarred from taking loans. If I mistake not, there is such a provision in the Rehabilitation Administration. There it is absolutely laid down that no director can take a loan.

**Mr. Deputy-Speaker:** Section 20 of the Banking Act speaks against the grant of insecure loans.

**Shri C. D. Deshmukh:** But these loans here are secure ones.

**Shri Sidhva:** But this clearly shows that there is some provision in the Banking Act against the grant of loans to the Directors.

**Mr. Deputy-Speaker:** The Corporation does not give loans except on security.

**Shri C. D. Deshmukh:** I can reply to the points, Sir; but I do not know whether the hon. Member has finished or whether he will again say that I have intervened.

**Shri Sidhva:** No, Sir, I have not finished. My point is that this clause would create difficulties in the way of small investors and this Bill is meant specially to help these small people, these small industries, and even cottage industries, as was mentioned here yesterday. But if you allow the big men, the Directors to take loans, then this measure will not serve the purpose for which it is being proposed. So from the point of view of the general public and from the point of view of the small industries, I would request the hon. Finance Minister to reconsider this point. Does he not think on considering the merits of the question that Directors should be debarred from taking loans? Of course, he has said that an experienced person who helps you with his experience and advice should not be debarred from taking a loan just because he has been good enough to help you with his advice. But I do not think that argument should weigh with him, because in that case the

Directors will have so many interests directly and indirectly in getting the loan. Therefore I request him to reconsider the point and accept the amendment of Shri A. C. Guha.

**Mr. Deputy-Speaker:** This point is touched in the Reserve Bank Act, subsection 3 of section 20. The loans are looked into to see if there is contravention of any provisions. Is it not so?

**Shri C. D. Deshmukh:** I thought the hon. Member there is about to speak, I shall speak after he has spoken, Sir.

**Shri B. Das:** I have heard Shri Guha with great attention and I can say he has voiced the feeling that is prevalent in Bengal and other parts of India about Directors, a feeling of misgiving about them, be they in the Imperial Bank or the Reserve Bank—with all respect to the hon. Finance Minister,—and in other sectors of our industrial life. But I would request the House to remember that to-day besides the Industrial Finance Corporation, there are in the different States a method of autonomous financing—State aid to industries. The Industries Departments of the State Governments can finance small industrial concerns which want such help. I know of such loans being given by them to-day, in Orissa. I know of one case where a concern in which I am interested received a loan of about half a crore of rupees from the State of Orissa. This is good practice. I have all along taken keen interest in the activities of the Industrial Finance Corporation. I worked on the select committee and I feel that this is a right measure which the Government of India have undertaken after the advent of independence. I hope the State Finance Corporations also will advance in the right direction. But I find that there is some kind of confusion even in the mind of a great industrialist like my friend Shri Syamnandan Sahaya. The Industrial Finance Corporation and the State Finance Corporations will be controlled and limited in their actions by the Indian Companies Act. When my friend referred to private debentures, I wanted to say that no private debentures can be considered by the State Finance Corporations or the Industrial Finance Corporation. They will be governed by the Indian Companies Act.

There is, however, in Bengal party politics and that will continue. When the hon. Member referred to Bengal and to cases occurring in Bengal, my mind went back to ten or fifteen years ago and I remembered cases of a few

[Shri B. Das]

individuals trying to control groups of industries there by forming cartels. Except for the House of the Tatas I cannot say that an industrialist has become a millionaire in an honest way. That is a human frailty of the industrial community and the industrialists in India. On account of that I do not think this House has the right and power to encroach upon the autonomous powers of the States. We have given by this Bill certain powers to frame regulations to the State Governments under the State Corporations Act. The State Governments will be controlled by elected representatives and after the elections my friend Mr. Guha will find most of his friends in the Bengal legislature. When they come in they will see that no dirty tricks are played by designing people in Bengal. I doubt whether this House or the Government has the power to restrict or control the action of the State Corporations in framing regulations and rules for the governance of this kind of banking.

It will raise another issue. If the Finance Minister accepts the amendment I do not think that State Governments have been consulted in such a matter. This issue bristles with a lot of difficulties, agitation and cogitation on the part of State Governments, both at present and in the future. I would request Mr. Guha and Mr. Sidhva not to press this amendment but await the time when new legislatures will be formed in the States. By that time the State Governments would have framed the rules and regulations and they will place them before the State legislatures. Let them control the designs of evil Directors who try to make money out of the sorrows of less fortunate people. Let not the Government of India or this House interfere with the absolute rights of State Governments and their legislatures. Secondly let us not try to introduce rigorous clauses in this Bill or make regulations simply because there are one or two bad men who have made their piles out of the sorrows of smaller people.

**Shri J. R. Kapoor** (Uttar Pradesh): I have great pleasure in extending my support to the amendment moved by Mr. Guha. I think this is a very healthy and necessary provision which must be incorporated in the Bill. That is my view more because this amendment has been worded in a very moderate manner. All that it requires is that these words be added: "Provided that no accommodation under sub-section (1) shall be given to any industrial concern with which any Director of the Financial Corporation is directly connected".

The words "directly connected" are very modest words, which would mean that if a Director is connected with any industrial concern in any indirect manner he will not be prevented from being a Director or there will not be any bar to any accommodation being given to him. So it would be obvious to the Finance Minister that the scope of this amendment is very limited, and I consider it very necessary in view of the many cases which have been brought to my notice during the past many years, where Directors have virtually abused their position. I would say that they have abused their position but ordinarily that is not the view of many industrialists who resort to such practices. It does not help us very much when our friend Mr. B. Das says that if a few Directors have abused their position, it is not necessary for us to have a specific provision like that in an enactment. Such cases are not few: this is almost ordinarily the practice of a large number of Directors to get accommodation from banks and corporations with which they are connected as Directors.

There is one aspect of the question which must be borne in mind, namely that the main purpose of this enactment is to help small industries and the Directors are ordinarily not expected to be drawn from the sector of small scale industries. Therefore if the Directors who are interested in big industrial concerns take unto themselves a large proportion of the funds available, to that extent the small industries would be affected.

My friend Mr. B. Das said that it should be left to the various States to make the regulations in this matter. I do not know why he holds and advocates that view. Different States may be left to have different regulations in so far as circumstances relating to the subjects covered by the regulations are different in different States. But here we are dealing with a fundamental matter of policy and there must be a uniform rule applicable to all the States. Does my hon. friend Mr. Das mean to suggest that in one State it may be necessary to impose this restriction and it may not be necessary in another State?

**Shri B. Das:** The Reserve Bank will pass the rules and regulations.

**Shri J. R. Kapoor:** It cannot be said that in any particular State the Directors would be unscrupulous and in another they would not be so, because human nature and particularly the nature of the industrialists is very much the same all over the country; it does not vary from State to State. So

far as this fundamental principle or policy is concerned it must be the same all over. This is a very healthy and necessary provision which must be incorporated herein in the interest of the proper administration of these corporations. It is also in the interest of the industrialists themselves, because they say that very often they are accused unnecessarily. Whether the accusation is right or wrong is another matter but certainly if we do not throw in their way temptations which they can avail themselves of we shall be doing some good to them, for which they should be thankful. Once the temptation is there before them, unless they are persons of abnormal morality or business integrity they are likely to fall into the pitfall. So in the interest of all concerned this provision should be incorporated.

✓ **Shri Syamnandan Sahaya:** This is a matter of having a disabling clause, that is not permitting Directors of the corporation to take loans. Apart from other things it appears to me to be a move in the right direction. Whatever reasons there may be behind the rules in certain other institutions, the fact that we should keep these institutions at as high a level and as far away from even the possibility of misuse of power as possible cannot be over-estimated. Surely it cannot be the case of the Government that they cannot find Directors who will not at any time need the assistance of these Finance Corporations in the running of their own concerns. The disability that a member of the corporation should not vote or take part in the deliberations if he is himself involved is in my opinion not a very successful method of preventing the abuse. I would not go into details, but I no doubt count on the vast experience of the hon. Finance Minister himself in thinking that these things do not stand in the way if really something has to be done. I do not know what attitude the Government will adopt with regard to this amendment, but apart from other things, in the interest of purity of the administration, in the interest of the general uplifting of the conditions obtaining in this country in different institutions, I think the Parliament would be well-advised to accept in this case the amendment of Mr. Guha. In my opinion, there could be one and only one objection to the acceptance of Mr. Guha's amendment: that is, if the case of the Government was that they may not find a suitable Director who would refuse to take loans from the Corporation as long as he is a Director—but I do not think the Government will come up with an argument like that. You will even

now be able to find a good number of honest and capable people who would agree to work on your Directorate and would also subscribe to the principle that as long as they are Directors they shall not take any loan from the Corporation concerned.

There is nothing very much about the legal language to be used—the language in the amendment is quite all right. I do not think the hon. Minister in this case should be in any difficulty about consulting his legal experts because it is a matter of policy rather than any legal technicality and he should set an example at this stage in the working of different institutions in the country; we must make a rule that not only in these Corporations but in other institutions also a Director, as long as he is a Director, should not get mixed up with business relations with that institution.

✓ **Shri B. Das:** If this is accepted, you will have to amend the Imperial Bank Act, the Reserve Bank Act and the Industrial Finance Corporation Act.

✓ **Shri Syamnandan Sahaya:** The father of the House has got great experience which we youngsters have not got and when the father speaks on certain things we have to take it with very great care and caution. I have every hope that I shall get his assistance in bringing an amending Bill both for the Imperial Bank Act and the Reserve Bank Act and for the Industrial Finance Corporation Act to incorporate this suggestion. But I shall do so subject to the advice that I shall receive from the father of the House.

✓ **Shri C. D. Deshmukh:** This amendment is pressed on three grounds: (a) on general *a priori* grounds of rectitude in financial transactions of this kind, (b) on the supposed experience or alleged experience of the Industrial Finance Corporation, and (c) because there is some kind of provision in the Banking Companies Act. Now, as regards *a priori* grounds, I submit they are not applicable to institutions which would be unique in each State and on which effective control will be exercised by the State as well as by the Reserve Bank. As regards experience of the Industrial Finance Corporation, I can challenge Mr. Guha to come and discuss each individual case—I shall be prepared to give the details to him—and if he convinces me that a wrong loan has been given. I shall be prepared to promote an amendment of the Act on the assumption that I do not accept the amendment now.

**Shri A. C. Guha:** It was never my contention that the loan was unsound, but my contention was that the poorer people had not been able to get the loans.

**Shri C. D. Deshmukh:** The House has to agree either with me or with any other Member in regard to the experience of administration of the Industrial Finance Corporation. Either I convince them, or they convince me. If they convince me I shall be prepared to promote an amendment, but I do not like these vague imputations into which I cannot enter at the moment. I shall like, however, to give one example. On the Industrial Finance Corporation is an eminent economist. He has recently promoted—not very recently, about a year ago—the formation of a co-operative sugar factory of which he holds five shares, something nominal just to mark the fact that he has promoted it. The principal members are the cultivators in that area. If we had that provision that no advance should be given to the concern in which a Director has some interest.....

**Shri A. C. Guha:** No, Sir, directly interested—being a mere shareholder or being an ordinary Director is not being 'directly interested'. That has been interpreted in several other connections

**Shri C. D. Deshmukh:** I have not seen any definition of 'directly interested'. Would the hon. Member kindly explain what he means by 'directly interested'?

**Shri A. C. Guha:** Being a major shareholder or a managing Director or anything like that.

**Shri C. D. Deshmukh:** Even if that has been interpreted that way,—and I am not aware of any judicial ruling, I take the hon. Member's word that there is some sort of ruling but he will have to quote the authority to me,—in this particular case this eminent economist promoted the concern and since the rest of them were comparatively unadvanced people he placed his rich experience in economic matters at their disposal and is therefore one of the Directors of the concern. And I believe a loan has been given to this co-operative sugar factory. If that provision had been inserted in the Industrial Finance Corporation Act, such a loan would have been impossible and I say that that would have been against public interest.

**Shri Sidhva:** But he is not a Director of that sugar concern?

**Shri C. D. Deshmukh:** Yes, he is a Director.

**Shri Sidhva:** You said he has five shares?

**Shri C. D. Deshmukh:** Yes, in addition he is a Director. I have given the reason why he is a Director: because he wishes to guide them.

**Shri Sidhva:** You can exclude a co-operative Director.

**Shri C. D. Deshmukh:** Therefore, one exception at least is recognised by the hon. Member.

The second point,—and that is a very important point,—is that these institutions will be under the effective control of the State concerned and the Reserve Bank. After all, let hon. Members see what exactly is the provision in the Banking Companies Act. It provides unsecured loans to Directors whereas the Corporation loans will always be secured. Therefore, if the provision of the Banking Companies Act is to be cited as an authority, it is an authority in my favour rather than in favour of the hon. Members who want this amendment to be accepted. Furthermore, lists of such loans are to be sent to the Reserve Bank. Here the Reserve Bank is represented and will be associated with every transaction connected with the loan. Therefore, in one case you have a close scrutiny by the Reserve Bank, in another case the Reserve Bank or its representative will be handling this affair *ab initio*. Therefore, there is stronger safeguard here than in the case of the Banking Companies Act. So, any inference drawn from the Banking Companies Act, I say, supports my case rather than the case of hon. Members who have supported the amendment.

Before I go on I would like to indicate another case since I am dragged in this. There is a well-known engineering concern in the South of which one of the members of the Industrial Finance Corporation is a Director although his own holding in it is a small one. He is a Director because, as I said, his experience was drawn upon by this concern. Now, it is an excellent concern which has more than thoroughly justified the loan that has been granted to it. Recently it has entered into an arrangement with a foreign firm for the manufacture—I am sorry I am giving more and more details which would enable hon. Members to identify the concern, but it is a very good case and nothing

could happen if the public would even guess which case that is. But they are doing excellently well and this loan which the Industrial Finance Corporation has advanced to them has helped them materially in expanding their production of diesel engines. I cannot see for the life of me what public interest will be served by having this doctrinaire and ideological provision entered into this Bill merely on *a priori* grounds or general grounds of suspicion. It may be that the hon. Member's experience of West Bengal is bitter, but I cannot imagine that he can have experience which would have any direct bearing on State Financial Corporations because there are no State Financial Corporations working at the moment in West Bengal and if Directors have misused the privileges which they enjoy as Directors, then we have taken direct action by way of amendment of the Indian Companies Act. In future, we shall see that control will not be exercised in such a way as to prejudice the interests of the shareholders. That action we have already taken and that deals with the unfortunate experience which the hon. Member Mr. Guha seems to have had. But I repeat that in regard to the State Finance Corporations such a situation is not likely to arise with the State and the Reserve Bank being so well represented. The advantage is as I said that you will be able to draw upon the experience of the better kind of industrialists for the running of these institutions. As it is, it is a job in this country to pick up the right sort of men and if we exclude even these, it may be that a small man may be a Director. After all, he is likely to be nominated by the shareholders, by the members of the public so to speak.

**Shri A. C. Guha:** He will be only one out of nine.

**Shri C. D. Deshmukh:** Does not matter. If the people who come under (d) choose a man because of his ability and experience, that man would think twice before he accepts this responsibility on behalf of the public because he may say, 'I have a small concern which requires finance' and nowadays there is hardly any concern in India which does not like to look to Government or to Government sponsored institutions for finance. The capital market is somewhat restricted and there is almost a sort of capital famine in the country and therefore almost everyone is looking to Government for some kind of financial assistance. In such a situation, I think we would be excluding worthy people from membership

357 PSD

of the State Finance Corporations—a sort of untried and new field—by introducing an amendment merely or largely on suspicion.

**Shri Sidhva:** With your permission, I would quote one section from the Rehabilitation Finance Administration Act. That body is like a Government bank and it is a creature of this Legislature. Clause 7 there says:

"No Member of the Administration shall have any interest, direct or indirect, in any business, industry or concern to which any assistance under Section 12 has been given or is to be given and if he requires any such interest at any time during the continuance of such assistance, he shall immediately disclose this fact to the Administration and shall either resign his membership or dispose of his interest in such manner and at such time as may be directed by it."

So, in one of our own Acts we have said that no Director can draw money from the institution which he represents. It is very clear that Government thought it advisable in that other case. I do not know why they do not think it advisable here.

**Shri A. C. Guha:** Can I say one word in reply, Sir?

**Mr. Deputy-Speaker:** How long are we to go on? I am sorry I cannot allow any speech, unless he wants to withdraw his amendment.

**Shri A. C. Guha:** I do not withdraw my amendment.

**Mr. Deputy-Speaker:** The question is:

In page 6, after line 32, insert:

"Provided that no accommodation under sub-section (1) shall be given to any industrial concern with which any Director of the Financial Corporation is directly connected."

The motion was negatived.

**Shri Syamaandaa Sahaya:** I beg to move:

In page 6, lines 24 and 25, omit:

"and in any case within a period of seven years from the date of such acquisition."

I do not really know why it was necessary to put in the period of seven years here. This time-limit in my opinion will not be desirable in this case.

**Mr. Deputy-Speaker:** It is there in the Banking Act. They ought not to clog it. They should keep it fluid.

✓ **Shri Syamnandan Sahaya:** In some cases the shares may not be saleable within seven years. If the Act lays down a condition like that we have to see how far it is capable of fulfilment. Perhaps in 90 per cent. of the cases, this direction might be followed but in the other 10 per cent. of the cases it may not be physically possible to do so.

**Mr. Deputy-Speaker:** If this condition is there, what will happen is that it may become the rule.

✓ **Shri Syamnandan Sahaya:** "As early as practicable" should be good enough. After all, the whole thing will be under good control. There will be a Managing Director appointed by Government; also Directors appointed by Government. Then there are other controls by Government. Government will certainly see that the shares are disposed of as quickly as possible. But if you lay down a limit of seven years, it may be that there may be shares which cannot be sold within that period.

**Shri C. D. Deshmukh:** *Ex hypothesi* those shares are bad ones; so they have become unsaleable. Then it is much better that there should be an incentive to the institution to cut its losses and relieve its resources. Nothing is gained by hanging on to shares which are worthless. Obviously, any share which is underwritten ought to be saleable not within a matter of years but within a matter of months and it is the usual practice of such financial institutions to try to finance in the first instance, that is to say, if they get clogged by unsaleable property, then it is much better that they should take some decisive action. It is for this purpose that a limit has been fixed. Seven years I think is in all conscience a very long time and it is only in one case out of ten, as the hon. Member says, that this may happen. If so, it is much better that the final picture as it emerges should be after this encumbrance has been disposed of.

✓ **Shri Syamnandan Sahaya:** The question is, what will happen if even in one case the shares are not disposed of?

**Shri C. D. Deshmukh:** They will be written off as a loss.

✓ **Shri Syamnandan Sahaya:** The whole point is whether we prefer them to be written off or we prefer to keep them. It may be that certain conditions may develop subsequently

in which even companies which are in a bad condition may improve. For instance, during the last War many companies which had not paid any dividend for a number of years found that even their shares shot up and brought good money.

**Mr. Deputy-Speaker:** How long can you keep it open—endlessly?

✓ **Shri Syamnandan Sahaya:** I should think so.

**Shri C. D. Deshmukh:** I think the shares may be disposed of quicker than within seven years.

✓ **Shri Syamnandan Sahaya:** I am not pressing it. You need not put it.

**Mr. Deputy-Speaker:** The question is:

"That clause 25 stand part of the Bill."

The motion was adopted.

Clause 25 was added to the Bill.

**Clause 26.—(Limit of accommodation)**

**Mr. Deputy-Speaker:** The hon. Member Shri Syamnandan Sahaya has an amendment substituting twenty lakhs for ten lakhs. Does he propose to move it?

✓ **Shri Syamnandan Sahaya:** I would like to know the hon. Minister's reactions.

**Shri C. D. Deshmukh:** Fifty lakhs is the limit for the Industrial Finance Corporation and compared with its resources ten lakhs seem ample for one loan here.

**Shri Syamnandan Sahaya:** As you like.

**Shri C. D. Deshmukh:** In these matters, it is best to be conservative in the beginning and then to increase it as we see the shape of these institutions emerging and the practices that they adopt

**Mr. Deputy-Speaker:** The question is:

"That clause 26 stand part of the Bill."

The motion was adopted.

Clause 26 was added to the Bill.

Clause 27 was added to the Bill.

**Clause 28.—(Prohibited business)**

**Shri C. D. Deshmukh:** I beg to move:

In page 7, lines 6 to 10, omit the words "having limited liability" wherever they occur.

The present clause 28 is a verbatim reproduction of Section 28 of the Industrial Finance Corporation Act. But the Industrial Finance Corporation Act can only deal with public limited companies and the reference to prohibition of limited liability companies was appropriate there. Here the definition of industrial concern is wider and the reference to limited liability companies is anomalous. The intention is that the State Corporations are to be precluded from subscribing directly to the stocks of any company, irrespective of whether it is a limited liability company or otherwise. This amendment is the same I think as the one suggested by Shri Syamnandan Sahaya. I am accepting the suggestion and have moved this amendment.

**Mr. Deputy-Speaker:** The question is:

In page 7, lines 6 to 10, omit the words "having limited liability" wherever they occur".

The motion was adopted.

**Mr. Deputy-Speaker:** The question is:

"That clause 28, as amended, stand part of the Bill."

The motion was adopted.

Clause 28, as amended, was added to the Bill.

**Clause 29.—(Rights of Financial Corporations)**

**Shri A. C. Guha:** I beg to move:

In page 7, line 17, after "Financial Corporation" occurring for the second time insert "after giving a notice of sixty days".

This clause says that where an industrial concern has failed to make payment in time, the Corporation shall have the right to take over the management of the concern. Taking advantage of this provision, a concern which for some time may be in financial difficulties, may be taken over. I therefore wish that a time-limit should be fixed. Otherwise this will work very harshly on the poorer and middle class investors and businessmen. At least some period of notice should be given. I hope the hon. Minister will accept my amendment.

**Mr. Deputy-Speaker:** No notice seems to be appropriate in the case of accrual of a right.

**Shri Syamnandan Sahaya:** With regard to the language of this clause I would like to make one or two suggestions. In sub-clause (1) (line 17) the wording is ".....the Financial Corporation shall have the right to take over the management of the industrial concern, as well as the right to sell and realise the property pledged, mortgaged, hypothecated or assigned to the Financial Corporation".

I am not able to follow the necessity of the repetition of the words "shall have the right to take over the management of the industrial concern, as well as the right to sell and, etc.". Why can't it be "the right to take over and to sell"?

**Mr. Deputy-Speaker:** The two are two different functions—right of taking over the management is one thing; right of selling it is another.

**Shri C. D. Deshmukh:** We are advised that this is a better phraseology.

**Shri Syamnandan Sahaya:** Moreover, I am not able to follow the phraseology "realise the property pledged". "Realise the proceeds of the property," or something similar to that would be happier.

**Shri C. D. Deshmukh:** "Realise the property" is a more comprehensive term. It means right to sell and the right to apply the proceeds arising from such a sale in satisfaction of the debt due to the Corporation. That is a phraseology which has been used in the Courts (Emergency Powers) Act, 1943, Bankers' Act, 1883 and the Industrial Finance Corporation Act itself. It is a phrase which is well understood.

**Shri J. R. Kapoor:** May I, Sir, with your permission, suggest to the hon. Minister that a provision may be included that timely notice may be given to the debtor that it is the intention of Government to sell the property and realise the proceeds thereof. I think, acting as reasonable people the Director would normally give such a notice. But it would perhaps be much better to put in a provision to that effect.

**Mr. Deputy-Speaker:** Hon. Members forget that before the Industrial Finance Corporation can lay its hands on the property and take it over, it has to move the courts.

**Shri C. D. Deshmukh:** When such a default occurs, there are provisions for enforcement of claims in section 31.

**Shri S. Nalk:** There is an amendment to that effect in my name which reads:

In page 7, line 20, add at the end:

"after giving a notice in writing to that effect."

**Shri Santhanam:** In clause 48 there is a specific provision that this is a procedural matter which will be covered by the regulations. The taking over of the management of any industrial concern on a breach of its agreement with the Finance Corporation is one of the items there. And there will have to be notice not only for this but for every activity of the Corporation. So they will have to issue notices for everything.

**Mr. Deputy-Speaker:** It will be regulated by rules to be framed by the Government.

**Shri A. C. Guha:** Our difficulty is that they may not frame any rules. Why should we leave it to them?

**Mr. Deputy-Speaker:** Are we going to incorporate into the body of the Act all those things that will be regulated by rules?

**Shri A. C. Guha:** This is taking over of a concern. Why should it not be provided that proper notice should be given to the party instead of leaving it to the Directors?

**Shri J. R. Kapoor:** Can we ever expect any board of directors to make regulations imposing limitations on their own powers?

**Mr. Deputy-Speaker:** The Government makes the regulations.

**Shri J. R. Kapoor:** Under clause 48 it is the Board that makes the regulations, not the Government.

**Shri A. C. Guha:** The clause just now mentioned by Mr. Santhanam is clause 48. There the Board is to make the rules in consultation with the Reserve Bank.

**Mr. Deputy-Speaker:** The prior sanction of the State Government is necessary. I think there is no difficulty.

**Shri Santhanam:** It has to be done in consultation with the Reserve Bank also.

**Shri A. C. Guha:** We know how it has worked in regard to scheduled banks. We should not depend too much on that.

**Shri C. D. Deshmukh:** My point is that clause 29 provides for accrual of

certain rights and what happens when those rights are exercised. The enforcement of those rights is governed by clause 31. The usual procedure is followed, that is giving notice and so on.

**Shri A. C. Guha:** There is nothing in clause 31 which can indicate that this process is in consequence of clause 29. There are some independent provisions in clause 31, not connected with clause 29.

**Mr. Deputy-Speaker:** Unlike the pledging of immovable property, the property can be sold away under the Contract Act by the pledgee. But here the power is given to the court. Therefore there is sufficient safeguard. I do not think the amendment is necessary. Anyhow I will leave it to the hon. Member. If he wants to press it I shall put it to the House.

**Shri A. C. Guha:** I do not want to press my amendment.

**Mr. Deputy-Speaker:** I do not think there are any amendments to clause 29. The question is:

"That clause 29 stand part of the Bill."

The motion was adopted.

Clause 29 was added to the Bill.

**Clause 30.**—(Power to call for repayment etc.)

✓ **Shri Syamnandan Sahaya:** If you go through sub-clause (e) of clause 30 you will find the following:

"if, without the permission of the Board, any machinery, plant or other equipment whether forming part of the security or otherwise, is removed from the premises of the industrial concern without being replaced".

Actually in a big concern there are many things which a company does not require and it may be that such things may have to be removed or sold. The Corporation should have its rights restricted only to that part which is already mortgaged or kept in security with it. If any portion of the machinery etc. which forms part of the security is removed and not replaced, then surely the Corporation must step in. But it should not step in when any other thing that is with the factory is either sold or disposed of or removed and not replaced.

**Mr. Deputy-Speaker:** It says "without the permission of the Board".

✓ **Shri Syamnandan Sahaya:** Which Board?

**Mr. Deputy-Speaker:** Of this Finance Corporation

✓ **Shri Syamnandan Sahaya:** If I mortgage my coat to you does it mean that even if I have to sell away my shirt I should take your permission?

**Mr. Deputy-Speaker:** There is residuary liability. Suppose the mortgaged property is not sufficient security. Whereas in the one case you cannot sell so far as mortgaged property is concerned, in the other case it has to be put up to the Board. If the Board thinks that there is sufficient security it will give permission. If not it will call for the money immediately. Should we not safeguard the interests of the Corporation?

✓ **Shri Syamnandan Sahaya:** That is not the question.

**Mr. Deputy-Speaker:** It does not mean that the Board shall withhold its sanction.

✓ **Shri Syamnandan Sahaya:** If you read the main clause you will find that it is said that "the Financial Corporation may require any industrial concern to which it has granted any loan or advance to discharge forthwith in full its liabilities to the Financial Corporation" And one of the reasons for the Corporation to call for their money and to ask them to discharge their liability is if without the permission of the Board.....

**Mr. Deputy-Speaker:** The hon. Member will see it is not any raw material or finished goods or products. It is plant, machinery or other equipment that is being removed. Then is it kept as a store-house? Wherever there is a factory, plant, machinery and equipment connected with the factory is there.

✓ **Shri C. D. Deshmukh:** The difficulty of physical identity is there. Certainly the Board would not be interested in withholding its permission when it is sought, because it wants the concern to go on and pay its debt back.

**Mr. Deputy-Speaker:** One has to be more anxious with respect to such Corporations, unlike as in the case of an individual, for safeguarding his own interests.

I do not think the hon. Member wants to press his amendment seriously. I shall put clause 30 to the House. The question is:

"That clause 30 stand part of the Bill."

The motion was adopted.

Clause 30 was added to the Bill.

Clause 31.—(Enforcement of claims)

**Shri C. D. Deshmukh:** I am prepared to accept Mr. Sahaya's amendment if he moves it.

✓ **Shri Syamnandan Sahaya:** I will move it. I beg to move:

In page 8, line 32, after "equipment" insert:

"or other assets and from withdrawing any money at its credit in a Bank or elsewhere."

The position contemplated here is that the condition has become such that the Finance Corporation has to approach the court for an *ad interim* injunction. When it is given it should not merely relate to the properties mortgaged but also to the other assets, because the entire money has to be realised. That is the difference in this. When the position is reduced to this that an injunction has to be taken against the particular industrial concern then surely the Finance Corporation should be protected from all sides. Certainly they should have a hold on any money which could go to the realisation of the debts of the Corporation.

**Mr. Deputy-Speaker:** What is done is in the case of mortgage of immovable property as soon as the money is not paid the mortgagee files a suit. If he is not satisfied with the value of the mortgaged property he applies for an order for attachment of other properties in his possession which are not mortgaged. There is nothing preventing that.

✓ **Shri Syamnandan Sahaya:** There is difference between the two. Probably you are thinking of the Transfer of Property Act where a mortgage suit is brought within 6 years of the date fixed for repayment. In that case such a right accrues but if you go beyond 6 years, then you cannot proceed against any other than the mortgaged property. Here the position is different. In the case of an industrial concern a lot of money lies in Banks.

**Mr. Deputy-Speaker:** Is it necessary to accept this? There are sufficient safeguards for the plant and machinery.

12 Noon

**Shri Santhanam:** If the money is not available, the whole business will stop and the Industrial Corporation may lose its debt. It is a running business and unless those transactions are

[Shri Santhanam]

allowed with the bank, there will be great dislocation.

**Shri Syamnandan Sahaya:** It is only an *ad interim* injunction from the court. There is no question of interference with the running of the concern.

**Mr. Deputy-Speaker:** I think it will become too stringent and some kind of latitude is necessary.

**Shri C. D. Deshmukh:** All it means is that permission of the Board will be required before cheques are passed on the Bank. The injunction would say that the cheques should not be drawn on their account without the permission of the Board and till the matter is decided. I think it is a precautionary measure.

**Mr. Deputy-Speaker:** It will be too much of interference. I know of a case in which the Income-tax authorities wanted to restrain a person. He said that a division in his family had already taken place but all his properties were attached; notice was given to the Bank and everything that he owned was sold.

**The Minister of State for Finance (Shri Tyagi):** When was it done?

**Mr. Deputy-Speaker:** Long before the hon. Minister assumed office. The hon. Minister is too kind.

**Shri C. D. Deshmukh:** I am not very keen. I shall be guided by you.

**Mr. Deputy-Speaker:** I am not in a position to guide from here. Having been also in this Select Committee, it is a little too stringent.

Does the hon. Member wish to press his amendment?

**Shri Syamnandan Sahaya:** No, Sir. I do not press it.

**Mr. Deputy-Speaker:** The question is.

"That clause 31 stand part of the Bill."

The motion was adopted.

Clause 31 was added to the Bill.

**Clause 32.**—(Applications under section 31)

**Shri S. V. Naik:** I beg to move:

In page 9, lines 38 and 39, for "unless the High Court otherwise directs, until the appeal is disposed of" substitute "and the High Court grants a stay order".

It is taken for granted that as soon as an appeal is preferred the order is not to be given effect to until the appeal is disposed of. I do not see why discrimination should be made with regard to this Corporation and why it should get more power than the other party.

✓ **Shri Syamnandan Sahaya:** I have got two amendments in this, but they are merely verbal.

**Shri C. D. Deshmukh:** The proviso itself provides for a stay order which can be effected if the High Court so directs.

**Mr. Deputy-Speaker:** It only says that it shall take the initiative in the matter. The High Court stay order is positive and it says "unless it withdraws".

**Shri C. D. Deshmukh:** It can withdraw.

**Mr. Deputy-Speaker:** In either case a motion can be made.

**Shri S. V. Naik:** The clause as it stands says: "unless the High Court otherwise directs." I want the party who prefers the appeal shall apply for the stay order. It is the Corporation's duty and it should prefer the appeal and not the party in whose favour the lower court gives a decision. When the lower court is in favour of the party or the concern, why should the concern approach again the High Court when the appeal is preferred? Why not the Corporation prefer an application for the stay order? Why should a special privilege be given to this Corporation?

**Shri C. D. Deshmukh:** The High Court will have to be moved.

**Mr. Deputy-Speaker:** He wants the Corporation to move the High Court.

**Shri C. D. Deshmukh:** It is not clear by his amendment which says "and the High Court grants a stay order."

**Mr. Deputy-Speaker:** The person interested in obtaining the stay order is the Corporation against whom the order has been passed for release of the property. The Corporation prefers the appeal and it must also move for a stay order preventing the release of this property. In either case, as it stands in the Bill the stay order will continue until it is vacated on the motion of the party who is the debtor. I think this must stand. As between an individual and the Corporation, it is the Corporation that has to be safeguarded.

**Shri S. V. Naik:** The lower court has given a decision in favour of the party and should the party be asked to approach the High Court of its own accord?

**Shri Santhanam:** I do not think that the clause means that only the stay order continues until this Corporation gets an order confirmed by the High Court.

**Mr. Deputy-Speaker:** The clause is: "unless the High Court otherwise directs" and it will continue until it is vacated by the High Court, notwithstanding the District Judge having found that this property should be released.....

**Shri C. D. Deshmukh:** The stay order shall not be given effect to if an appeal is preferred and the High Court grants a stay order until the appeal is disposed of.

**Shri S. V. Naik:** I have no objection.

**Mr. Deputy-Speaker:** What the hon. Member means is that when once the District Judge finds as in clause (c) that the property should be released, he does so. Then there is an order in favour of this person. Then why should he be obliged to move the High Court?

**Shri C. D. Deshmukh:** I think the hon. Member may have to move a different amendment. His amendment makes no sense really because stay orders shall not be given effect to if an appeal is preferred and the High Court grants a stay order until the appeal is disposed of.

**Shri Santhanam:** When the appeal is filed the stay order automatically continue, unless the High Court otherwise directs. That should be the provision.

**Mr. Deputy-Speaker:** The provision here is contrary to the usual practice where in the original court if a man succeeds it is the person who prefers an appeal, that has to apply for the continuance of the stay order. We will assume it goes to a number of courts. It assumes that the Industrial Corporation alone is in the right and the other man notwithstanding the District Court's order is in the wrong.

**Shri Santhanam:** The property is mortgaged to the Financial Corporation. Now, it is in dispute. It is under appeal. Until it is disposed of the rights of the Corporation have to be protected.

**Mr. Deputy-Speaker:** It is kept under attachment; otherwise, he may

sell it away during the interregnum and many complications will arise. After all, you may have to decide in favour of the Corporation.

**Shri Sivan Pillay (Travancore-Cochin):** Now, on the merits of the case, the Judge has found that there is no ground for attachment and he has released the property from attachment. Then, that party has to go to the High Court and get it redressed. There is no meaning in forcing the other party to go to the High Court.

**Shri Santhanam:** The appeal is against the release of the attachment also.

**Mr. Deputy-Speaker:** Or you must say, if in substance this is accepted: "..... if an appeal is preferred, within a fortnight thereafter, so as to enable the Corporation to get a stay order from the High Court."

**Shri C. D. Deshmukh:** The scheme of the whole proviso will have to be changed.

**Mr. Deputy-Speaker:** All right; I leave it to the House. The hon. Minister does not agree. Need I put the amendment to the House?

**Shri S. V. Naik:** I do not press my amendment.

**Mr. Deputy-Speaker:** When a man borrows, let him be put to all inconveniences.

**Shri Syamnandan Sahaya:** I have a very simple amendment. If you go through the second proviso, you will find Sir,—it is more or less a point of drafting—the wording is: "unless the High Court otherwise directs, until the appeal is disposed of". There is nothing to connect these two things. I submit the wording may be "or until the appeal is disposed of". The idea is this. If a matter is referred to the High Court, the High Court can pass interim orders. That is covered by "unless the High Court otherwise directs". Then, Sir, I suggest 'or until the appeal is disposed of'.

**Mr. Deputy-Speaker:** No, no. The word 'or' will give a different meaning altogether. Time is given until the appeal can be preferred, and if an appeal is preferred, unless the High Court passes an order vacating or confirming the release, it will continue until the appeal is disposed of.

**Shri Syamnandan Sahaya:** That is exactly what I am saying. In case an appeal is preferred, there are two ways open. One is that the High Court may pass an interim order and give directions. If that direction is given, then, it is all right.

**Mr. Deputy-Speaker:** If the word 'or' is used there, this clause "unless the High Court otherwise directs" will be meaningless. If an appeal is preferred, until it is disposed of, the stay continues. The word 'or' is there earlier in its proper place. After all, it is a question of language. Three Members are against the hon. Member.

✓ **Shri Syamnandan Sahaya:** Very well, Sir. I know numbers count today.

**Shri C. D. Deshmukh:** May I add, Sir, that I have consulted the draftsmen on all these amendments, particularly amendments of form. As you say, it will not really lead to any meaning. There are two circumstances in which it happens: either the period of appeal has to lapse and they are not going to appeal or where an appeal is filed, until the appeal is disposed of. There is a little saving "unless the High Court otherwise directs".

**Mr. Deputy-Speaker:** The word 'or' is there.

✓ **Shri Syamnandan Sahaya:** There is another amendment in this very clause. The wording is: "upon such appeal the High Court may, after hearing the parties...". I would suggest, "upon such appeal being preferred".

**Shri Tyagi:** It is not an appeal unless it is preferred.

✓ **Shri Syamnandan Sahaya:** There are so many things which do not happen; still we are passing laws.

**Mr. Deputy-Speaker:** Does not the High Court pass orders on appeal? Always an order is passed on an appeal or on the original side. 'On an appeal being preferred': the wording is redundant. The question is:

"That clause 32, stand part of the Bill."

The motion was adopted.

Clause 32 was added to the Bill.

Clauses 33 and 34 were added to the Bill.

**Clause 35.—(Disposal of profits).**

**Shri Syamnandan Sahaya:** I have an amendment. I thought it would be better to fix a percentage for this Reserve Fund. If the hon. Minister does not accept, I do not insist.

**Shri C. D. Deshmukh:** It would not be workable.

**Mr. Deputy-Speaker:** Thirty-five per cent. is too much. There is a provision in the Banking Companies Act in which 20 per cent. is mentioned.

**Shri C. D. Deshmukh:** Yes.

**Mr. Deputy-Speaker:** Is it necessary to have a similar provision here?

✓ **Shri C. D. Deshmukh:** I do not think it is necessary here.

✓ **Shri Syamnandan Sahaya:** There is another amendment to this clause. If you read clause (3) you will find it is stated at the end that such surplus shall be paid to the State Government. This is a financial institution where a lot of people have taken interest and have invested money. I do not see why all the surplus should be paid to the State Government. I think it should be kept by the Corporation or given to the shareholders including the State Government and the Reserve Bank. As the clause stands, the entire surplus goes to the State Government. My submission is that if there is a surplus, that should be retained by the Finance Corporation; it may expand its own business. If it is to be distributed, it ought to be distributed to all the share-holders in which are included the State Government as also, the Reserve Bank.

**Mr. Deputy-Speaker:** As may be gathered from experience, on account of guarantee, it is a loss that is always being incurred. Therefore, if at some time there is a surplus, the State Government has to recoup itself.

✓ **Shri Syamnandan Sahaya:** Then, it may be laid down that to the extent that the State Government has suffered any loss, this surplus will go.

**Mr. Deputy-Speaker:** After all, it will come back to the public. The State is not an individual which will eat away the thing. It will come back.

**Shri A. C. Guha:** The State Government will guarantee a minimum dividend. It is apprehended that for some years the State Government will have to bear a loss.

**Mr. Deputy-Speaker:** The chances are very remote. Somebody will come forward with a bonus application. No more amendments.

**Shri C. D. Deshmukh:** I have an amendment to clause 36.

**Mr. Deputy-Speaker:** The question is: "That clause 35 stand part of the Bill."

The motion was adopted.

Clause 35 was added to the Bill.

**Clause 36.—(General meetings)**

**Shri C. D. Deshmukh:** I beg to move:

In page 10, line 32, after "at a place in the State" insert "where there is an office of the Corporation".

I think it is proper to limit it to places where there is an office.

**Shri Syamnandan Sahaya:** That was also my amendment.

**Mr. Deputy-Speaker:** That has been accepted by the hon. Minister.

**Shri Syamnandan Sahaya:** Did you say "Head office"?

**Shri C. D. Deshmukh:** I said "where there is an office of the Corporation."

**Mr. Deputy-Speaker:** The question is:

In page 10, line 32, after "at a place in the State" insert "where there is an office of the Corporation".

The motion was adopted.

**Mr. Deputy-Speaker:** The question is:

"That clause 36, as amended, stand part of the Bill."

The motion was adopted.

Clause 36, as amended, was added to the Bill.

**Clause 37.—(Audit)**

**Shri Syamnandan Sahaya:** I have an amendment.

**Shri C. D. Deshmukh:** I accept your amendment about omitting the word "the" in clause 37. But, he will have to move it.

**Shri Syamnandan Sahaya:** I thank you for small mercies also.

Amendment made:

In page 11, line 17, after "opinion" omit "the".

—[*Shri Syamnandan Sahaya*]

**Shri A. C. Guha:** I have got two amendments. I beg to move:

(i) In page 10, line 43, for "one" substitute "all".

(ii) In page 10, lines 44 to 47, omit all words occurring after "Auditor General of India".

357 PSD

The purpose of my amendments is that both the auditors should be appointed by the Auditor General of India and not by the share-holders because, the share-holders may put some convenient auditor. That is generally done in all companies. Therefore, I like that the Auditor-General should appoint both the auditors.

**Shri C. D. Deshmukh:** No, Sir. I think we should leave some voice to the share-holders.

**Shri A. C. Guha:** The Share-holders have got every voice in managing the concern. In the field of audit, the auditors should be those of the Auditor-General.

**Mr. Deputy-Speaker:** Then shall I put the amendment to the House?

**Shri A. C. Guha:** Not necessary, Sir. If the hon. Minister is not agreeable to this amendment, I do not press it.

**Mr. Deputy-Speaker:** Very well. The hon. Member was a member of the Select Committee too.

**Shri Sidhva:** Yes, Sir. And there is no dissenting note.

**Shri Syamnandan Sahaya:** Not necessary, wisdom may dawn at a later stage also.

**Mr. Deputy-Speaker:** The question is:

"That clause 37, as amended, stand part of the Bill."

The motion was adopted.

Clause 37, as amended, was added to the Bill.

**Clauses 38 to 47.**

**Mr. Deputy-Speaker:** Now I shall put clauses 38 to 47, both inclusive.

**Shri Syamnandan Sahaya:** Sir, though I have not tabled any amendment, I have to get one point cleared with regard to clause 43, first proviso. It is stated there that:

"Provided that any sum paid by the State Government under the guarantee given in pursuance of section 6 or under any guarantee given in pursuance of sub-section (2) of section 7 shall not be treated as the income, profits and gains of the Financial Corporation."

Up to that we can understand. But further on it states:

"and any interest on debentures or bonds paid by the Financial Corporation out of such sum shall

[Shri Syamnandan Sahaya]

not be treated as expenditure incurred by it."

Now, it may be that later on the Corporation may make profits and then repay this amount. In that case, how will this be accounted for and will it be treated as profit or not? And will the Corporation pay income-tax or not? That is the point on which I wanted a little elucidation. I hope I have made myself clear.

**Shri C. D. Deshmukh:** I am sorry, I did not catch the point.

**Shri Syamnandan Sahaya:** I am referring to page 13 where the proviso goes on to say:

"and any interest on debentures or bonds paid by the Financial Corporation out of such sum shall not be treated as expenditure incurred by it."

Suppose later on the Corporation makes a profit and repays the amount to the State Governments. When it makes such a profit, will that be construed as taxable income for the purpose of collection of income-tax or not?

**Shri C. D. Deshmukh:** I think it will be.

**Shri Syamnandan Sahaya:** Then actually the position is that no income-tax should have to be paid on that amount, which in the ordinary course of business would be a loss and would be set off against subsequent gains. If the company makes a loss in one year, and in another year it makes a profit, then the loss is set off against the profit of the following year. But in the case of this Corporation as the loss is met by the Government, the profit in the following year will be liable to income-tax. That is not provided for. I do not want to amend the provision now, but I only want to invite the attention of the hon. Minister to this point so that it may be considered and if necessary at a later stage, suitable amendments suggested. That is all that I wanted to do.

**Shri C. D. Deshmukh:** Sir, we will take notice of the observations made by the hon. Member.....

**Mr. Deputy-Speaker:** The question is:

"That clauses 38 to 47 stand part of the Bill."

The motion was adopted.

Clauses 38 to 47 were added to the Bill.

**Clause 48.**—(Power to make regulations)

**Mr. Deputy-Speaker:** Then we come to clause 48. Has it any amendments?

**Shri Syamnandan Sahaya:** Yes, Sir, I have one amendment to move to this clause.

**Shri C. D. Deshmukh:** But that is covered by mine.

Amendment made:

In page 14, line 11, for "and servants" substitute "other employees, advisers".

—[Shri C. D. Deshmukh]

Further amendment made:

In page 14, line 17, for "ad hoc committees" substitute "advisory committees".

—[Shri C. D. Deshmukh]

**Mr. Deputy-Speaker:** The question is:

"That clause 48, as amended, stand part of the Bill."

The motion was adopted.

Clause 48, as amended, was added to the Bill.

The Schedule was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Enacting Formula were added to the Bill.

**Shri C. D. Deshmukh:** I beg to move:

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

**Mr. Deputy-Speaker:** Motion moved:

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

**Shri A. C. Guha rose—**

**Shri Syamnandan Sahaya:** If my hon. friend Shri Guha will not mind it, I would like to speak for a few minutes.

**Mr. Deputy-Speaker:** Shri Guha may speak first.

**Shri A. C. Guha:** I welcome this measure as I welcomed it yesterday also. I have tried to make some amendments in its provisions. But the hon. Finance Minister probably thinks that his drafting department or his advisers are so many paragons of perfection and he has practically

refused to accept any of our amendments. Anyway, I want to say one thing to the House now and it is this. The hon. Finance Minister probably has got the impression that I was making some insinuations about the Industrial Finance Corporation.

[PANDIT THAKUR DAS BHARGAVA in the Chair]

Let me assure him that I have nothing of that kind in my mind. All I wanted to press on him is that the purpose of the Bill is to help the really indigent and middle-class people to be established in industries. It has been my sad experience to see in Bengal young men, energetic men, very intelligent men who had discovered scientific facts and invented good devices and thus developed certain industries but not being able to continue those industries had to hand them over to others, simply for want of funds. So they were not able to get the benefit from their own enterprises and discoveries. They had to hand over the entire industry to some financial magnates. I do not like to mention these specific cases lest it should lead to bitterness. If the purpose of the Bill is to help smaller and small scale industries the provision should have been put here that the Directors should not get any accommodation from this corporation. I have said before and I say it now that certain subtle influences are likely to be exerted on those indigent businessmen to hand over some controlling shares to some influential persons. Otherwise they may not get any help from the corporation. We have seen how banks in West Bengal have been misusing funds entrusted to them. The Finance Minister has told us that the Reserve Bank is there and the State Government is there. They were both there but they could not save several crores of rupees from the clutches of managing directors and managing agents. I have seen the managing directors of those banks which have crashed. They have got palatial houses in Calcutta and are moving in society as respectable persons. Only the poor depositors have been ruined. Therefore I wanted to put such a provision that the directors should not get any benefit out of the funds of the corporation.

Another purpose of mine was that really intelligent men who have enterprise, integrity and capacity to organise should get the benefit of their organising ability and capacity and not be forced to part with their venture to richer and influential men for want of capital. I wanted to put these two provisions and I was not keen on the other amendments. Even now I hope the Finance Minister will

think over this and if possible provide something like that in the rules and regulations. With these few words I support the Bill.

**Shri Syamnandan Sahaya:** I would like to associate myself with the welcome extended to this measure by Mr. Guha and to join him in congratulating the Finance Minister in introducing and piloting this measure so carefully. The question of the industrialisation of this country, of effecting improvement in the standard and quality of our production, and of increasing the production, has rightly been engaging the attention of the Government. But we have not fared too well. We should find out why it is that in spite of the best of provisions, in spite of the resources available, in spite of the Government being our own Government we have not been able to make as much headway as we would all desire. One of the reasons mentioned by Mr. Guha was quite correct. If you will look into the industrial history you will find not one but hundreds of concerns where the machines were bought and the business was started but the promoters did not know really what would be the total amount required. They went on borrowing and continued the industry. Yet they did not know what was required and ultimately it passed from one hand to another and later on in some other hands with better financial resources it became a flourishing industry. The history of industrial development in this country is replete with numerous instances of this type. So the corporations which are contemplated in this Act and which will be started by State Governments should serve the purpose of assisting the industries, and the point to which I would like to draw the attention of the hon. Minister is that this purpose has more to be carried out in the working of the Act than in the wording.

What should be the policy of these corporations? I have no practical knowledge of the working of the Industrial Finance Corporation, and therefore cannot speak much about it. We meet once a year. I am a shareholder representing the Bihar Provincial Co-operative Bank and I find that the Corporation is making progress. But even so there has not been one but many instances in this House when members have expressed their doubts as to whether this corporation is fulfilling the whole purpose for which the corporation was meant. I have no personal knowledge of the advances of the type mentioned by Mr. Guha and cannot say anything about

[Shri Syamnandan Sahaya]

them. I can say one thing that the policy of the Industrial Finance Corporation has to be considered from two aspects. Firstly, how far it has been possible during this period—I know it is a short period—for the corporation to put the country on the proper road to industrialisation. Though it is a short period for any finance corporation to show any tangible results in the matter of industrialisation of the country, even so it is time that we should sit down and take stock of things and the Finance Minister ought to take stock and see how far it has helped the industrialisation of the country and how far it has helped industries which really were not getting on well for want of finance. One of the things on which the Finance Corporation concentrated was that its finances were to be mainly restricted to the purchase of plant and machinery. There are two aspects to this. There may be an existing concern whose assets may be worth 20 lakhs. The Finance Corporation may advance money to the concern for improving their machinery or plant to increase their activities on the security of their existing assets. The other class of industry is where there is no machinery and it is a new industry to be started. They have neither plant, machinery nor equipment and nothing to offer by way of security. In such cases the corporation felt itself incapable of assisting entrepreneurs. I do not bring all this to criticise their conduct but I desire to place before the Government and this House in what directions the Corporation can be of further help. There may be cases where a new industry is to be started. In such cases it is necessary to make sure that the financial commitments are safe but the corporation should help in so many ways, e.g. by opening letters of credit etc. The Finance Corporation should now turn a new leaf in this direction and see if they can help new industries.

Another class of cases to which I would like to draw the attention of the hon. Minister is with regard to the needs of the working capital of existing concerns. Here again I feel that the policy of the Industrial Finance Corporation has not been very helpful. They make no advances for meeting the working capital or for discharging existing loans of these industries. The Minister himself in the course of the debate on this Bill said that he was aware of the financial difficulties of even banks as also the requirements of industry. It is therefore all the more necessary that such finance corporations should come to

the help of industrial concerns in the matter of their working capital and in discharging their existing debts and commitments. There are companies which have borrowed from commercial banks, and scheduled banks and they pay interest at the rate of 7½ per cent. per annum. Small scale industries cannot be expected to go a long way, if they are to pay interest on their working capital at the rate of 7 or 7½ per cent. Here is a case for the finance corporation to come in and help. If their assets are all right and if the corporation's investments are secured they should help such industries with capital at a lower rate of interest.

To these two things I wanted to draw the specific attention of the House and of the hon. Minister, in order to keep in view two further types of cases. The Industrial Finance Corporation has done what it could under its existing policy. They have now to expand their policy; these State Finance Corporations also ought to have the same policy, namely of assisting the coming into being of industrial concerns, and secondly assisting existing concerns with working capital and with funds to meet their liabilities and their existing loans on which they are paying heavy rate of interest.

I have nothing more to add except to congratulate the hon. Minister over a very progressive measure which he has been able to get through this House. I hope all the expressions of hope which have been made both by him and by other Members of the House will not take long to fulfil.

**Shri Sidhva:** We are indeed glad that after all this important measure is about to be passed. It has been discussed thoroughly in this House twice; the Select Committee also has gone into it at great length and has made it acceptable to the House. I hope, Sir, that this measure will be very useful to small and middle industries. During the course of the discussion and from the amendments that were moved, it was obvious that the House desired that this Bill which would be applicable to various States should ensure that its benefits go to the small industries. We have already got an Act whereby bigger industries can get the benefit of loans from the Central Industrial Finance Corporation.

I was very glad to hear the hon. Minister's reply to my suggestion during the discussion of the Select Committee's report. I stated then that the hon. Finance Minister should not con-

sider that his duty ends by passing this Bill. I was glad to hear his reply that his duty starts today, after passing it. It was really a gratifying reply, and I am very glad that he is so keen about this question. Some times after passing a measure the Government feel that their duty is over. Often it takes years to pass the rules required under the Act. Nobody takes interest—when I say nobody I do not mean all but in some cases I have seen that rules have been framed after even eighteen months of the passing of the Bill. It was therefore that I felt gratified when the hon. Minister said that his duty begins now and that he will see that the provisions of the Bill are implemented by the States in the spirit and manner in which the House wants it.

I would like to make one or two suggestions to the hon. Minister. Before doing so, I would like to say that when it was stated that in the Industrial Finance Corporation loans were granted to big industrialists, we made no insinuation. We had no motive in saying so, nor do we know who the individuals concerned are. Some complaints come to us and when we feel after a little inquiry that there is some scope for complaint and when we get an opportunity—not at that time, but when we get an opportunity—we think it our duty to express our feelings through this forum. When we knew that some of the big industrialists got the advantage and some small industrialists did not get it, we felt the Industrial Finance Corporation is not meant for the small people; that was the only point I was driving at. I can assure the hon. Minister that it was never our intention to make any insinuation against any individual application that may have been passed by the Corporation. Although I have no direct knowledge, from the reports that I have seen I can say that that Corporation is working in the best interest of the country.

Now, Sir, this is a measure which will benefit the smaller and middle class people in which we are interested. Therefore, I would again say that the hon. Minister should tell the States that they should not hold over the passing of any local enactments under this Act or wait for model rules to be framed by the Centre. They should not hold over the measure but should expedite its coming into operation.

There is one thing which I would like to suggest. When these Corporations start operation, I would request my hon. friend, the Finance Minister to keep a note, for sometime at least, of its activities. I know he is very

busy to take on this additional task, but we must remember that if these small industries are encouraged it would directly mean helping the interest of the country as a whole, and therefore he should keep himself in the picture all the time. He should keep a note to see what kinds of industries are patronised by these Corporations. He must keep a check to see whether really small industries are patronised or not, whether they are given the help which they deserve. If he keeps some check and control over them I am quite sure the State Governments will be alert; they will realise that the Central Government has not merely passed the Act and handed it over to the States for implementation, but that the Centre also desired that action should be taken in the interest of the small industries for whom this Act has been framed. Then they will really do justice for the small industries.

It was stated that this measure is really meant for rural industries. I do not accept that proposition. I do admit that rural areas should be given preference but then the maximum fixed here is Rs. 10 lakhs—I want to know in which rural area an industry of a capital of Rs. 10 lakhs could be started. We talk too much of cottage industries but it is a fact that we never help them. If through this measure we could do something for the cottage industries none would be happier than myself. But, Sir, there are also small industries in towns which cannot be ignored; they are suffering for want of financial help. Earlier when I said they are borrowing capital at 12 to 15 per cent., my friend, Dr. Deshmukh corrected me saying he knew of cases where even 30 per cent. was charged. Now, if they take money at that rate they cannot prosper. My friend, Shri Syamnandan Sahaya, an industrialist himself, during the discussion on the amendments said that from his vast experience he could say that a number of institutions have been ruined because of the high rate of interest they were paying and that they could not get proper help from the State. That is the main point which should be borne in mind by the State Governments when this Act is in operation. Mr. Guha also was of the same view. I know he did not want to make any personal insinuation at all when he referred to the grant of loans. He had some personal experience from Bengal where the directors may have tried to get loans for themselves, which he wanted to bring to the notice of the hon. Minister. He was not personal at all. The hon. Minister should dismiss the idea from his mind that when

[Shri Sidhva]

we made reference to the Industrial Finance Corporation it was meant in any way as an insinuation. It will not have any effect on the public; on the contrary the hon. Minister should have thought that he had an opportunity to contradict it here. We never mentioned names, we do not want to mention names. We did not say that the Corporation was not functioning satisfactorily. Only certain grievances were there and we drew his attention to them. If we cannot do it on this appropriate occasion, when could we do it? Therefore, it was in the best spirit that that reference was made. I am sure the hon. Minister also did not take it as meaning anything. But I want to assure him that we are absolutely with him, that we do not want to ridicule or criticise in any way these institutions which are beneficial for our small and big industries. That was far from our mind. I have every reliance on the word of the hon. Minister and I trust that he will keep a watch on the transactions that are entered into from time to time. I do not want him to go into minor details, but only to see that the purpose of this Bill is served and the State Corporations deal properly with the various loan applications. I am sure the hon. Minister will see that the model rules are framed very soon and that he will ask the States to adopt them with slight amendments here and there to suit local requirements.

I congratulate the hon. Minister for taking such keen interest in the welfare of small industries. Although I was not a Member of the Select Committee, I learn that he was very helpful and accommodating. The original discussion took two days; now we have taken two days and the Select Committee took one day. It must be seen from this that thorough consideration has been given to this very important Bill and we are thankful to him for making the passage of the Bill so easy. This measure which will be beneficial to small industrialists has now become law and we are glad about it.

With these words, I conclude.

**Shri C. D. Deshmukh:** I am grateful to hon. Members for their encouragement and support. Of course, these institutions are not entirely for small industries. It is very difficult to define the scope. There may be medium industries.

**Shri Sidhva:** When I said small industries I meant medium industries also. Shri Khandubhai Desai said that it related to rural industries only. I wanted to correct that.

**Shri C. D. Deshmukh:** When one says that it is intended for the small man, I think the idea is that the small man will not be excluded from the scope of the benefits which would be conferred by these Corporations. I have made a note of the observations made and I shall see if the time is opportune for reviewing the benefits conferred by the Industrial Finance Corporation. I shall also keep a watchful eye on the establishment and operation of the State Finance Corporations. I can see that some Members are still exercised over the question of advances to concerns in which the Directors are interested. My offer stands to Mr. Guha and Mr. Sidhva that they would come and examine with me the cases of such advances by the Industrial Finance Corporation and if we do come to the conclusion that perhaps it is a risky proceeding then we can either induce the Industrial Finance Corporation to pass some kind of self-denying ordinance by way of convention, and that should be possible even in the State Finance Corporations. I have taken note of the suggestion made by Shri Guha.

Then I will deal with the two suggestions made by Mr. Sahaya. It must be remembered that the Industrial Finance Corporation supplements the capital of companies and if we were to provide for advances to companies which have not even started, then we would be putting a premium on indolence even in finding the initial capital. All efforts ought to be made by the promoters of an enterprise to find some capital and if they find some capital they should buy some plant and machinery.

**Shri Syamnandan Sahaya:** It is not suggested that the Corporation should meet the whole of the cost. Supposing they have raised Rs. 10 lakhs or Rs. 15 lakhs and want Rs. 5 lakhs more.....

**Shri C. D. Deshmukh:** That I think will be covered. If they have invested Rs. 15 lakhs in some plant and machinery which can serve as the basis...

**Shri Syamnandan Sahaya:** That is accepted.

**Shri C. D. Deshmukh:** Then as regards working capital, there are instances in which the Industrial Finance Corporation has loaned money for working capital, but it should be remembered that ordinarily it is the function of the commercial banks to supply working capital, and the reason why this cannot be adopted as a general procedure is that questions of security arise. The raw material is

there and when you have two financing bodies, there is always the risk of confusing the responsibility as lying with the bodies which finance. Subject to these limitations, hard cases are taken notice of. Anyway, all these matters will be carefully considered by me.

**Mr. Chairman:** The question is:

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

The motion was adopted.

(MR. DEPUTY-SPEAKER *in the Chair.*)

**RESOLUTION FOR MAKING MODIFICATIONS IN THE PUNJAB SECURITY OF THE STATE ACT, 1951.**

**The Minister of Home Affairs (Shri Rajagopalachari):** I wish to report that the resolution requires a new procedure. The resolution has to be moved and I have had the advantage of a frank discussion with all those who have tabled amendments and we have come to complete agreement. The body of the resolution is merely the skeleton. The actual changes which are in the shape of proposals for amending the Act will be placed before the House and then the resolution will have to be adopted. I think therefore that we might adjourn now and reassemble at 3.30 and take this up then.

**Pandit Thakur Das Bhargava (Punjab):** I agree, Sir. By that time all the amendments which have been agreed upon will have been typed and will be ready.

**Shri Rajagopalachari:** I shall have them ready when we meet at 3.30.

**Mr. Deputy-Speaker:** Has the hon. Minister any suggestions to make regarding the special procedure to be adopted?

**Shri Rajagopalachari:** There were one or two matters which were outstanding and whilst Pandit Bhargavaji was in the Chair I settled them with Dr. Tek Chand in terms of what Pandit Bhargavaji desires, so that there will be no difficulty.

**Mr. Deputy-Speaker:** I think they will be in the form of ordinary motions.

**Dr. Tek Chand (Punjab):** The resolution which is on the order paper will be moved. Then Rajaji will say that it may be amended in certain particulars and then the amended resolution will be placed before the House and unless any one objects it will be passed.

**Shri Rajagopalachari:** We have agreed to the substance of things and the form in which they will be moved will be presently put before the House. That will take sometime to type. Since they have agreed, there will be no difficulty.

*The House then adjourned for Lunch till Half Past Three of the Clock.*

*The House re-assembled after Lunch at Half Past Three of the Clock.*

(MR. DEPUTY-SPEAKER *in the Chair.*)

**Pandit Thakur Das Bhargava:** The Punjab Security of the State Act, 1951, was laid on the Table of the House on the 21st of September 1951. According to Sub-section (4) of Section 3 of the Punjab State Legislature (Delegation of Powers) Act, 1951, a resolution should be passed by this House if any modifications are sought to be made in the said Act. Accordingly I have tabled a resolution.

I beg to move:

"This House resolves that in pursuance of sub-section (4) of section 3 of the Punjab State Legislature (Delegation of Powers) Act, 1951, the following modifications be made by the President in the Punjab Security of the State Act, 1951, laid on the Table on the 21st September, 1951, by enacting an amending Act:

1. That in the Long Title, for the words 'to prevent activities prejudicial to the security of the State or the maintenance of public order' the words 'to tide over the present emergency relating to the security of the State and the maintenance of the Government' be substituted.

*Section 1.*

2. That in sub-section (3) of section 1, the following be added at the end, namely:—

'and shall remain in force upto 12th September, 1952'.

*Section 2.*

3. That in sub-section (1) of section 2, the words 'or impede the working of' be omitted.

4. That sub-section (3) of section 2 be omitted.

5. That in sub-section (4) of section 2, for the word 'three' the word 'two' be substituted.

[Pandit Thakur Das Bhargava]

Section 3.

6. That in sub-section (1) of section 3,—

(i) all the words, occurring after the words 'functions of the police' to the end be omitted,

OR

(ii) the words 'or organised and trained or organised and equipped either for the purpose of enabling them to be employed for the use or display of force or' be omitted.

OR

(iii) the words 'either for the purpose of enabling them to be employed for the use or display of force or' be omitted.

7. That in sub-section (2) of section 3, for the word 'two' the word 'one' be substituted.

8. That in section 4,—

(i) the word 'either' occurring in line 6 be omitted; and

(ii) the words 'or involves the use, or preparation for the use, of weapons of offence' be omitted.

OR

(i) the words 'is either of a military nature' be omitted; and

(ii) for the words 'weapons of offence' the words 'fire-arms and similar weapons of offence' be substituted.

Section 5.

9. That section 5 be omitted.

10. That in sub-section (1) of section 5, for the words 'association with a movement prejudicial' the words 'connection with an association declared to be illegal under the law for its activities pertaining' be substituted.

11. That in sub-section (3) of section 5, for the words 'one year' the words 'six months' be substituted.

Section 6.

12. That in section 6,—

(i) after the words 'by order in writing' the words 'from time to time' be inserted; and

(ii) for the words 'during such period' the words 'for such period not exceeding one month' be substituted.

13. That in clause (c) of section 6, the words 'except Lathi, or sheathed Kirpan or Kukri' be added at the end.

14. That the 'Explanation' to section 6 be omitted.

Section 7.

15. That section 7 be omitted.

Section 8.

16. That in clause (a) of sub-section (1) of section 8, the words 'or on premises in his occupation or under his control' be omitted.

17. That in sub-section (1) of section 8,—

(i) after the words 'for the time being in force' the words 'to his knowledge' be inserted; and

(ii) the words 'unless he proves that he was unaware of the nature of the document' be omitted.

18. That sub-section (2) of section 8 be omitted.

Section 9.

19. That section 9 be omitted.

Section 10.

20. That section 10 be omitted.

Section 11.

21. That section 11 be omitted.

Section 12.

22. That sub-section (1) of section 12 be omitted.

23. That sub-section (2) of section 12 be omitted.

Section 13.

24. That in section 13, for the words 'cognizable and non-bailable' the words 'cognizable, and where the punishment provided is more than one year, non-bailable' be substituted.

Section 14.

25. That section 14 be omitted.

Section 15.

26. That sub-section (1) of section 15 be omitted.

The Schedule

27. That part (f) of the Schedule be omitted."

**Mr. Deputy-Speaker:** Resolution moved:

"This House resolves that in pursuance of sub-section (4) of section 3 of the Punjab State Legislature (Delegation of Powers) Act, 1951, the following modifications be made by the President in the Punjab Security of the State Act, 1951, laid on the table on the 21st September, 1951, by enacting an amending Act:—

1. That in the Long Title, for the words 'to prevent activities prejudicial to the security of the State or the maintenance of public order' the words 'to tide over the present emergency relating to the security of the State and the maintenance of the Government' be substituted.

*Section 1.*

2. That in sub-section (3) of section 1, the following be added at the end, namely:

'and shall remain in force upto 12th September, 1952'.

*Section 2.*

3. That in sub-section (1) of section 2, the words 'or impede the working of' be omitted.

4. That sub-section (3) of section 2 be omitted.

5. That in sub-section (4) of section 2, for the word 'three' the word 'two' be substituted.

*Section 3.*

6. That in sub-section (1) of section 3,—

(i) all the words occurring after the words 'functions of the police' to the end be omitted.

OR

(ii) the words 'or organised and trained or organised and equipped either for the purpose of enabling them to be employed for the use or display of force or' be omitted.

OR

(iii) the words 'either for the purpose of enabling them to be employed for the use or display of force or' be omitted.

7. That in sub-section (2) of section 3, for the word 'two' the word 'two' be substituted.

8. That in section 4,—

(i) the word 'either' occurring in line 6 be omitted; and

(ii) the words 'or involves the use, or preparation for the use, of weapons of offence' be omitted.

OR

(i) the words 'is either of a military nature' be omitted; and

(ii) for the words 'weapons of offence' the words 'fire-arms and similar weapons of offence' be substituted.

*Section 5.*

9. That section 5 be omitted.

10. That in sub-section (1) of section 5, for the words 'association with a movement prejudicial' the words 'connection with an association declared to be illegal under the law for its activities pertaining' be substituted.

11. That in sub-section (3) of section 5, for the words 'one year' the words 'six months' be substituted.

*Section 6.*

12. That in section 6,—

(i) after the words 'by order in writing' the words 'from time to time' be inserted; and

(ii) for the words 'during such period' the words 'for such period not exceeding one month' be substituted.

13. That in clause (c) of section 6, the words "except Lathi, or sheathed Kirpan or Khukri" be added at the end.

14. That the "Explanation" to Section 6 be omitted.

*Section 7.*

15. That section 7 be omitted.

*Section 8.*

16. That in clause (a) of sub-section (1) of section 8, the words "or on premises in his occupation or under his control" be omitted."

17. That in sub-section (1) of section 8,—

(i) after the words "for the time being in force" the words "to his knowledge" be inserted; and

[Mr. Deputy-Speaker]

(ii) the words "unless he proves that he was unaware of the nature of the document" be omitted.

18. That sub-section (2) of section 8 be omitted.

Section 9.

19. That section 9 be omitted.

Section 10.

20. That section 10 be omitted.

Section 11.

21. That section 11 be omitted.

Section 12.

22. That sub-section (1) of section 12 be omitted.

23. That sub-section (2) of section 12 be omitted.

Section 13.

24. That in section 13, for the words "cognizable and non-bailable" the words "cognizable, and where the punishment provided is more than one year, non-bailable" be substituted.

Section 14.

25. That section 14 be omitted.

Section 15.

26. That sub-section (1) of section 15 be omitted.

#### The Schedule

27. That part (f) of the Schedule be omitted."

**Pandit Kunsru (Uttar Pradesh):** Before you deal with the amendments may I ask whether the Home Minister is going to explain to the House why it has been necessary to bring this resolution before the House. He should explain what the difference between this Act and the previous Act is. In certain respects the present Act is a great improvement, while in certain one or two other respects it widens the scope of certain provisions. We should like to know that, even though this Bill is an improvement on the previous Act.

**Mr. Deputy-Speaker:** Now, the order is somewhat reversed. The resolution has been moved. The Act has been published in the Gazette of India. A resolution has been given proposing certain amendments to the Act. The proper procedure would be to speak on the resolution and then certainly the Home Minister will explain.

Now the other amendments may be moved.

#### Section 7.

**Pandit Thakur Das Bhargava:** I beg to move:

In the Resolution after item No. 15, insert the following:

(1) That in sub-section (1) of section 7, for the words "prejudicial to the interests of the general public" the following be substituted, namely:

"Prejudicial to—

(i) the defence of India, the relations of India with foreign powers or the security of India;

(ii) the security of the State or the maintenance of public order."

(2) that in clause (d) of sub-section (1) of section 7, for the words "or do both, in such manner and at such times and to such authority or person as may be specified in the order" the following be substituted, namely:

"to such magistrate and at such time as may be specified in the order".

(3) that for sub-section (6) of section 7, the following be substituted, namely:

"Where a restriction is placed on any person in pursuance of a restriction order, the authority making the order shall, as soon as may be, communicate to him the grounds on which the order has been made and shall afford him the earliest opportunity of making a representation against the order:

Provided that anything in this sub-section shall require the authority to disclose the facts considered against the public interest to disclose."

**Shri R. Velayudhan (Travancore-Cochin):** I beg to move:

"That the whole Act be dropped."

"That Section 6 of the Act be omitted."

That Section 7 of the Act be omitted."

**Mr. Deputy-Speaker:** Amendment moved:

"That the whole Act be dropped."

"That Section 6 of the Act be omitted.

That Section 7 of the Act be omitted."

**Shri Rajagopalachari:** I beg to move:

For the original resolution substitute the following:

"This House resolves that in pursuance of sub-section (4) of section 3 of the Punjab State Legislature (Delegation of Powers) Act, 1951, the following modifications be made by the President in the Punjab Security of the State Act, 1951, laid on the table on the 21st September, 1951, by enacting an amending Act:

*Section 2.*

1. In sub-section 1, omit the words "impair the efficiency or".

2. In sub-section (3), for the word "reason" substitute the words "reasonable grounds".

3. In sub-section 4, for the word "three" substitute the word "two".

*Section 3.*

4. For the words "organised and trained or organised and equipped either for the purpose of enabling them to be employed for the use or display of force or in such manner as to arouse reasonable apprehension that they are organised and either trained or equipped for that purpose" substitute the words "for the unauthorised use or display of force".

5. In sub-section 2, for the words "two years" substitute the words "one year".

*Section 4.*

6. In line 5 of this section before the word "practice" add the word "unauthorised". In the last line of this section before the word "use" where it occurs for the second time add the word "organised".

*Section 5.*

7. In sub-section (1) omit the words "make or". For the words "a movement prejudicial to the security of the State or the maintenance of public order" substitute the words "any organisation declared unlawful by Government."

8. In sub-section 3, for the word "contravenes" substitute the words "publicly wears, carries or displays any article in contravention of".

9. After the words "in writing" add the words "from time to time" and for the words "during such period" substitute the words "for such period not exceeding two months".

10. Omit the explanation to this section.

*Section 7.*

11. In sub-section (1) for the words "the interests of the general public" substitute the words "the security of the State or the maintenance of public order".

12. In sub-section (1) (d), omit the words "or do both" and for the words "authority or person" substitute the word "magistrate".

*Section 8.*

13. In sub-section (1), omit the words "or on premises in his occupation or under his control" and the words "unless he proves that he was unaware of the nature of the document".

14. In sub-section (2), for the word "allows" substitute the words "intentionally permits".

*Section 9.*

15. In sub-section (2) (a), between the words "the State" and "the maintenance of law and order", add the word "or", and omit the words "the public safety or the public revenues".

16. In sub-section (2), omit the word "forthwith".

17. In sub-section (6), omit the numbering '1' and omit clause (ii).

18. Omit the explanation to section 9.

*Section 10.*

19. Omit this section.

*Section 11.*

20. Omit this section.

*Section 12.*

21. Omit sub-section (1) and omit the figure and brackets "(2)".

22. In sub-section (2) (a) insert the word "or" after the word "state" in line 3 and omit the words "or the interests of the general public" in line 4.

[Shri Rajagopalachari]

*Section 13.*

23. In this section before the word "non-bailable" add the words "where the punishment provided is more than one year".

*Section 14.*

24. Omit this section.

*Schedule*

25. In the schedule, in part (f), for the words "of general use" substitute the words "essential to the community".

Sir, I have put down what we consider to be acceptable to Government after studying the whole body of amendments given notice of by Members and after discussing the position frankly and fully with them.

**Mr. Deputy-Speaker:** Amendments moved:

For the original resolution substitute the following:

"This House resolves that in pursuance of sub-section (4) of section 3 of the Punjab State Legislature (Delegation of Powers) Act, 1951, the following modifications be made by the President in the Punjab Security of the State Act, 1951, laid on the table on the 21st September, 1951, by enacting an amending Act:

*Section 2.*

1. In sub-section 1, omit the words "impair the efficiency or".

2. In sub-section (3), for the "reason" substitute the words "reasonable grounds".

3. In sub-section 4, for the word "three" substitute the word "two".

*Section 3.*

4. For the words "organised and trained or organised and equipped either for the purpose of enabling them to be employed for the use or display of force or in such manner as to arouse reasonable apprehension that they are organised and either trained or equipped for that purpose" substitute the words "for the unauthorised use or display of force".

5. In sub-section 2, for the words "two years" substitute the words "one year".

*Section 4.*

6. In line 5 of this section before the word "practice" add the word "unauthorised". In the last line of this section before the word "use" where it occurs for the second time add the word "organised".

*Section 5.*

7. In sub-section (1) omit the words "make or". For the words "a movement prejudicial to the security of the State or the maintenance of public order" substitute the words "any organisation declared unlawful by Government."

8. In sub-section 3, for the word "contravenes" substitute the words "publicly wears, carries or displays any article in contravention of".

*Section 6.*

9. After the words "in writing" add the words "from time to time" and for the words "during such period" substitute the words "for such period not exceeding two months".

10. Omit the explanation to this section.

*Section 7.*

11. In sub-section (1) for the words "the interests of the general public" substitute the words "the security of the State or the maintenance of public order".

12. In sub-section (1) (d), omit the words "or do both" and for the words "authority or person" substitute the word "magistrate".

*Section 8.*

13. In sub-section (1), omit the words "or on premises in his occupation or under his control" and the words "unless he proves that he was unaware of the nature of the document".

14. In sub-section (2), for the word "allows" substitute the words "intentionally permits".

*Section 9*

15. In sub-section (2) (a), between the words "the State" and "the maintenance of law and order", add the word "or", and omit the words "the public safety or the public revenues".

16. In sub-section (2), omit the word "forthwith".

17. In sub-section (6), omit the numbering '1' and omit clause(ii).

18. Omit the explanation to section 9.

*Section 10.*

19. Omit this section.

*Section 11.*

20. Omit this section.

*Section 12.*

21. Omit sub-section (1) and omit the figure and brackets "(2)".

22. In sub-section (2) (a) insert the word "or" after the word "state" in line 3 and omit the words "or the interests of the general public" in line 4.

*Section 13.*

23. In this section before the word "non-bailable" add the words "where the punishment provided is more than one year".

*Section 14.*

24. Omit this section

*Schedule*

25. In the schedule, in part (f), for the words "of general use" substitute the words "essential to the community".

I suggest the following procedure to be adopted. Though it is in the form of a Resolution, certainly these are all amendments to various sections of the Act. A general discussion on the nature and scope of the resolution may take place after which we shall go into the various sections.

**Pandit Thakur Das Bhargava:** May I suggest since you have been pleased to adopt this course and the resolution has been moved and the amendments are before the House it will be more convenient if the hon. Members of the House are informed what amendments are being accepted, so that on that basis the entire discussion may go on?

**Mr. Deputy-Speaker:** A list of the amendments has been given by the hon. the Home Minister himself.

**Shri Rajagopalachari:** It may be taken, Sir, that the amendments which I have moved formally and which are with the Members of the House are practically the adoption of, and assent to, the various amendments moved with very minor, verbal changes

here and there, so that hon. Members will see against each section what I have agreed to and be in a position to understand how far I am able to agree.

**Pandit Thakur Das Bhargava:** My submission is that after the amendments are known, the resolution and the amendments may be discussed, just like any resolution.

**Mr. Deputy-Speaker:** Why not go into the amendments moved by the hon. Minister and then have a general discussion?

**Pandit Thakur Das Bhargava:** That is exactly what I have suggested.

**Mr. Deputy-Speaker:** That is to say, accept or reject amendments and then have a discussion. I shall put the amendments to the House. I shall take the amendments of the hon. the Home Minister as amendments to the Act. Wherever there is a difference, hon. Members who have tabled other amendments may intervene.

The original proposition is the same, is it not?

**Some Hon. Members:** Yes.

**Mr. Deputy-Speaker:** The preamble is there. It is accepted.

Section 2. Have hon. Members got copies of the amendments tabled by the hon. the Home Minister?

**Pandit Kunzru:** We have just received them, but we do not know what the effect of these amendments is. Why the proceedings should be conducted in such a hurry, I do not know.

Neither the Home Minister nor the mover of the amendments has taken the trouble to explain either the provisions of the original Bill or the effect of the amendments. Is it in the least fair to the House? If our consent is not necessary, then the House is totally unnecessary.

**Shri Rajagopalachari:** I am afraid Mr. Kunzru is labouring under an unnecessary sense of.....

**Mr. Deputy-Speaker:** Have not copies of the Act been circulated to hon. Members?

**Shri Sondhi (Punjab):** There were none available today in the lobby.

**Mr. Deputy-Speaker:** This is an Act passed by the President and it was published in the Gazette of India and I understand that copies of the Act were circulated to all hon. Members.

**Pandit Thakur Das Bhargava:** This Act was circulated to all Members.

**Mr. Deputy-Speaker:** Therefore hon. Members have got copies. This was done on the 21st September—and today is the 28th. I am reading from the bulletin: "Supply of copies of the Punjab Security of the State Act, 1951.—Hon. Members who have not obtained copies of the Act from the Parliamentary Notice Office are being supplied with copies separately at their residences to-night." That was done.

Then, copies of the amendments tabled by Pandit Thakur Das Bhargava and several other Members have already been sent to all hon. Members.

Then, another set of amendments tabled by Pandit Thakur Das Bhargava to section 7—that has also been circulated already.

Therefore, all hon. Members are in possession of what exactly is the Act, what are the proposed amendments.

Now, some agreed amendments are given. It is the usual practice for the Home Minister, or any Minister in charge, to send for those gentlemen who have tabled amendments, sit with them and discuss. I cannot understand the objection that everything is being rushed through. The hon. the Home Minister said here that he was going to discuss with these Members. It is open to any hon. Member to go to him and say "I shall also try to take part in this". I cannot understand. The Act is before the House. Is it the intention of the hon Member that the whole Act should be explained here?

**Pandit Kunzru:** I did not say that the Act was not circulated, nor did I say that Pandit Thakur Das Bhargava's amendment and other amendments were not before us. All that I said was that the Home Minister's amendments have just been handed over to us. Although no Bill is ever discussed unless it has been previously circulated to hon. Members, yet the Members of the Government in charge take the trouble of explaining their provisions, point out the need for their introduction, and also explain the amendments that they introduce.

**Mr. Deputy-Speaker:** These are agreed amendments.

**Pandit Kunzru:** Between whom? Between the Home Minister and some persons who are deeply interested. But it is the duty of the Home Minis-

ter to explain this to the House. We are not concerned with any agreement he may have arrived at with anybody—even with all the Punjab representatives. The House wants to know why that Bill was introduced in a modified form, why the President modified the original Act, and why these amendments have been introduced now.

**Shri Rajagopalachari:** I submit that the hon. Member's indignation is based on a slight confusion, if I may be permitted to use that word. This is not a Bill before the House. The Act was discussed very fully, under the authority of which this President's Act was made by the President. At that time the entire procedure was thoroughly discussed, and it was adopted finally, after full discussion, that when the President passes an Act it shall be placed before the House forthwith. And that was done.

It was also agreed at that time, after full discussion of the Bill as such, that within seven days any resolution passed might modify that President's Act. In terms of that provision these amendments have now been proposed in the form of a resolution by certain Members. Mr. Kunzru did not give notice of any amendments.

In accordance with the assurance that I then gave when the parent Bill was under discussion, I did consult Members interested in the affairs of Punjab, informally. Not only that, I also included gentlemen who had given notice of amendments upto that point—upto this morning. Then we all sat together and discussed. There is nothing hush-hush or hole-and-corner or any deviation from legal procedure in this matter.

I now come before the House to answer the resolution that is moved by private Members. When that resolution was studied we found that there was a great deal of common ground, and I asked the hon. Members who gave notice of the amendments whether they would propose the amendments as I have now put down in the paper before hon. Members. But they preferred that I should move the revised amendments myself.

Then they have moved formally their amendments. And I have moved my amendments, so to say their amendments as revised by me, put down in the agenda paper as they would go into the Act. I have put that paper in the hands of hon. Members. There is not anything done in the or-

inary procedure with respect to Bills that has not been done here. The confusion that has kindled the hon. Member's indignation, though it was genuine, is that he treats the whole of the President's Act as a Bill, which is not correct.

**Pandit Kunzru:** I am not treating it so.

**Shri Rajagopalachari:** Very well. If there is no confusion, as he is entitled to say there is not, there is no justification for his indignation. Either there is confusion or no justification. If confusion is not there, I say there is no justification.

The Act is before the Members. The proposals that I make are also before the Members. I do propose, not to explain why the parent Act was passed, not to explain why the President's Act was passed—though the reason is printed in the President's Act; it is called "Reasons for the Enactment—but I wish when moving the amendments, each one of them, to explain the parent sections, so to say and the amendment I am going to put in, and I shall ask for the assent of the House to the amendment that I propose to be given only after each Member has fully understood the position.

**Mr. Deputy-Speaker:** We shall proceed clause by clause.

**Pandit Kunzru:** May I make another observation? I am not concerned with the State Legislature (Powers of Delegation) Act. That we discussed in this House but the President's Act replaces the East Punjab Security Act of 1949. This Act has modified the previous Act, in some important respects, for instance, under the present Act, it seems to me that no suspected person can be detained. Only his movements can be controlled. Again as regards the supply of water and electricity, certain orders could be issued to the people employed in the maintenance of these services. Now the list of these services has been enlarged. I should, therefore, like to know why both these two steps have been taken. Again, Sir, I should like to know whether Government propose to advise the Provincial Governments to modify their own Public Security Acts. If they feel that in the Punjab, which is a border State, the situation has improved to such an extent that preventive detention is not necessary, should they not advise the State Governments to consider the position carefully and if possible to do away with the provisions relating to the detention without trial of suspected persons?

These are points on which I should like to have information from the Home Minister.

Incidentally, I hope I have convinced him that I am well acquainted with the provisions of the Act and that I am under no misapprehension with regard to its true nature.

**Shri Rajagopalachari:** May I deal just with these points that were mentioned? They are out of the ordinary way and we might dispose of that first. If I understood the hon. Member's argument, it is this. Let me point out to him that after the expiry of the East Punjab Public Safety Act on the 14th of September, the President's Act came to take its place. Now we are discussing modifications of certain of the terms of that President's Act. It has been observed rightly by the hon. Member that certain powers with reference to detention do not find a place here. Am I right and is that the point to which he wants to draw my attention?

**Pandit Kunzru:** Yes.

**Shri Rajagopalachari:** But in the interval between the time when the Punjab Safety Act was passed in 1949 and now we have a Preventive Detention Act independently covering that matter. Therefore, the powers that have been taken under the Detention Act—if I may call it by that short name—need not be repeated here. They are covered by the provisions of the Act already passed, with reference to preventive detention. Therefore, they are not asked nor is it necessary to be taken here. These powers are not asked to be taken here. Here certain powers are taken for which provision has been made and for which we propose to make certain amendments also. So far as detention goes, it remains. Now, my hon. friend has twisted the argument in a curious way—I can only call it curious—and he has assumed that I have given up, so to say the claim to detain under the Preventive Detention Act and having given it up in the case of such a State as Punjab, that we should instruct all other States in India, so that they may give it up. It is very laudable indeed if the premises were correct. I have not given up the powers of detention in the Punjab. They are there on the statute-book and nobody need depend on this new Act for that. That being the case the other argument does not follow. I think that was all the observation.

**Pandit Kunzru:** What about the services in respect of which control can be exercised now? Formerly orders could be issued only to persons

[Pandit Kunzru]

employed in connection with water-supply and the supply of electricity. Now the list of industries in connection with which this order can be issued has been greatly increased.

**Shri Rajagopalachari:** With reference to that which is so to say the opposite point, I am asking the House so to say to accept the President's Act in which certain greater powers are taken in respect of essential services. The justification for it lies in the present emergency that we fear that in the Punjab we should have to have a stricter control over the services and for that reason greater powers are taken. Here it is the opposite point for which the extension was sought; there it is apparently less but here it is a little more stringent.

Greater powers have been taken in the President's Act, much greater powers in respect not only of the same services but also in respect of certain other industries, but the amendments which I am going to accept, in the form in which I have proposed reduce the stringency of the President's Act to a large extent.

Now that I have said all this, we could proceed with the proposal one after another and even this would have come in its usual course about the services.

#### Section 2.

**Mr. Deputy-Speaker:** Now we will proceed with Section 2.

In sub-section 1, omit the words "impair the efficiency or".

**Shri Rajagopalachari:** I will explain this, if you do not mind. Hon. Members thought that out of the two phrases 'Impair the efficiency' and 'impede the working' one of them would be enough and I have chosen that which is really necessary for the urgency. We need not have such a phrase as "Impair the efficiency". I was content with the words "Impede the working".

I will read the clause as amended: "No person shall do any act with intent to impede the working of, or to cause damage to any building, etc."

**Mr. Deputy-Speaker:** In sub-section (3) for the word "reason" substitute the words "reasonable grounds".

**Shri Rajagopalachari:** Sub-section 3 deals with approaching the place with intent to sabotage. The clause as amended would read: "If any person approaches or is in the neighbour-

hood of any such building, place or property as is mentioned in sub-section (1) in circumstances which afford reasonable grounds to believe that he intends, etc.". That is to say the presumption of an intention to sabotage or impeding would be raised only if there are reasonable grounds to believe that he intended to do it. The other phrase was simply 'have reasons to believe' but it was felt that that would be too vague and I put it as "reasonable grounds"; there is not much difference. It makes it a little more concrete.

**Mr. Deputy-Speaker:** In sub-section 4, for the word "three" substitute the word "two".

**Shri Rajagopalachari:** Here the punishment has been reduced from 3 to 2 years maximum. That is all.

**Mr. Deputy-Speaker:** Are there any amendments to these amendments?

**Some Hon. Members:** No.

**Mr. Deputy-Speaker:** The question is:

In sub-section 1, omit the words "impair the efficiency or".

In sub-section (3) for the word "reason" substitute the words "reasonable grounds".

In sub-section 4, for the word "three" substitute the word "two".

The motions were adopted.

**Shri Rajagopalachari:** We shall proceed to Section 3. With reference to Section 3 objection was taken.....

**Mr. Deputy-Speaker:** Section 2 has already been passed. I shall put the Resolution together.

**Pandit Thakur Das Bhargava:** Am I to understand that after all these amendments have been accepted by the House, the clauses will not be put again and general discussion will take place?

**Mr. Deputy-Speaker:** There is no question of the clauses being discussed.

4 P.M.

**Pandit Thakur Das Bhargava:** All the amendments may be explained by the hon. Home Minister and then we will discuss the entire thing.

**Shri Rajagopalachari:** I would suggest this if you do not mind. The Resolution is one and the Resolution as amended will, of course, be put to the House at the end. In order that the discussion may be conveniently done, as each section is dealt with by

me, if hon. Members desire any other amendment or discussion, they may say so at that stage. I do not mind rising many times to answer. They may be finally put together once for all. Each section may be taken as closed so far as discussion is concerned.

**Pandit Thakur Das Bhargava:** Am I to understand that each section will be explained in the light of the amendments which are being moved by the hon. Home Minister and then ultimately when it is finished, we shall get an opportunity to speak as to how we are affected by these amendments?

**Mr. Deputy-Speaker:** I do not want a re-duplication of the whole thing. We are going section by section. Some amendments have been tabled on the one side; other amendments have been tabled by the hon. Home Minister. He has given notice of amendments to those amendments. With respect to section 2, the hon. Home Minister has explained his amendments. (*Interruption*). Order, order. How can you go on talking loudly like this?

If any amendments are tabled or intended to be moved by hon. Members to section 2, they may be moved. I am not going to come back to section 2 again with respect to any amendment. There is no good waiting till the end. Let us dispose of all amendments to section 2, whether from the Ministry or from other Members.

**Shri Rajagopalachari:** There is no disadvantage whatsoever to any hon. Member. Each section will be closed one after another. I shall move my amendments. If any other amendments are moved or any remarks are made in respect of that section, we may dispose of them and then close the section. Once a section is closed, it may be taken as closed. At the end, whatever I have not touched, may be touched by hon. Members. We are not dealing with it as a Bill.

**Dr. Tek Chand (Punjab):** We have got several amendments here. One is the Resolution moved by Pandit Thakur Das Bhargava, myself, and others. Then, there are certain other Resolutions or amendments, whatever you may call them which the hon. Minister has moved. Then, there is a negative amendment by Mr. Velayudhan that the act be repealed.

**Shri R. Velayudhan:** It is an amendment.

**Dr. Tek Chand:** That the whole Bill be dropped.

**Mr. Deputy-Speaker:** It is not an amendment.

**Shri Rajagopalachari:** It is an opposition.

**Mr. Deputy-Speaker:** It is an opposition.

**Dr. Tek Chand:** When will that come in?

**Mr. Deputy-Speaker:** I am not going to allow that.

**Dr. Tek Chand:** With regard to the other amendments, there are two ways open. One is, the hon. Minister may explain clause by clause up to the last clause as to what his amendments are, then the whole thing may be discussed and then you may put each clause or section by section. The other is, let us take each section or amendment, whatever there are. They may be discussed. If there is no other amendment, we may have some discussion on that particular section and pass it and finish it. These are the two ways. I would request you to elucidate the procedure that you are going to follow.

**Mr. Deputy-Speaker:** The procedure that I am going to follow is this. I am not going to allow that portion of the Resolution by Mr. Velayudhan saying that the whole Bill be dropped. Section 3 clause 4 of the Punjab State Legislature (Delegation of Powers) Act says:

"Parliament may, by resolution passed within seven days from the date on which the Act has been laid before it under sub-section (3), direct any modifications to be made in the Act and such modifications shall be given effect to by the President by enacting an amending Act under sub-section (2)."

The procedure that I intend to follow is this. Except in so far as modifications are sought to be made, the other sections of the Act will not come up for discussion. This is not a Bill under discussion. I am not going to put section after section of the original Act to the vote of the House. Whatever section is sought to be amended here, the amendment alone I will put to the House.

**Shri Rajagopalachari:** It will really cover the whole thing.

**Mr. Deputy-Speaker:** There may be certain sections which have not been touched by one set of amendments or the other. A general discussion that some more sections may be dropped and so on, unless they are covered by the amendments, I am not going to allow. I will take up section by sec-

[Mr. Deputy-Speaker]

tion. The hon. Home Minister has moved certain amendments to section 2. I would immediately call upon the other hon. Members who have tabled amendments to section 2, and dispose of section 2 once for all. Thus by the time we come to the last section, we would have disposed of all the amendments. I will put the Resolution to the vote of the House. That is all. We are not going into the general purposes of the Act, as to what it should be and so on. It is only touching the sections here and there.

**Shri J. R. Kapoor (Uttar Pradesh):** With regard to your remarks, Sir, with regard to the resolution tabled by Mr. Velayudhan, do we understand that it is your ruling that while it is open to the House to amend the various sections of the President's Act here and there, it is not open to the House to say that the President's Act shall not be operative hereafter? Is it not open to the House to visualise and say: "The President's Act had been operative so far; hereafter, we do not agree with these provisions; hereafter we do not agree to its being in force". Not that it is my view that that Resolution should be accepted. Since it is a general proposition. I would like that your ruling on this subject may be expressed in a little more clear terms. Whatever the ruling today will be it will be a precedent hereafter. Hitherto, many of us were under the impression—it may have been a wrong impression—that whenever a President's Act is placed before the Parliament, we shall have the fullest and completest liberty to express our views thereon and even to resolve if we so decided that it shall not be operative hereafter, that the various sections of the Act shall be inoperative or they shall be modified to the fullest extent. 'Modification' I thought included their being annulled *in toto*; that was the extremest form of modification. If that be the Chair's view also, then, that resolution may be allowed to be moved. Not that we shall support it; we shall throw it out. But that is another matter. I respectfully submit that this subject may be given serious consideration. You may be pleased to give your ruling on it.

**Shri Rajagopalachari:** The proposition that has been mooted by Mr. J. R. Kapoor deserves full consideration. Mr. Velayudhan was a little belated in his proposal of an amendment.

**Shri R. Velayudhan:** No, no.

**Shri Rajagopalachari:** It is possible that the resolution could be shaped in the following manner technically in-

stead of that the entire President's Act be dropped, that all the clauses be dropped, that each amendment be dropped. It was open to him to give such a resolution. But, he has not done it in the proper form. He simply treated the whole of the Act as a Bill and wants to oppose the Bill. That is not exactly what should be done in the present context. We may alter the form of the amendment and it may be first put to the vote of the House, whether the whole Act should be dropped. If the House accepts that, we need not, of course, go into the rest. If not, we may have to take up section by section. I have no objection to treat it as a resolution.

**Shri Sivan Pillay:** We have not had sufficient notice of the motion.

**Shri R. Velayudhan:** It has been accepted already.

**Shri Rajagopalachari:** We may waive that objection.

**Mr. Deputy-Speaker:** That is the interpretation of the hon. Home Minister.

**Shri Rajagopalachari:** I want to err on the safer side.

**Mr. Deputy-Speaker:** I shall read the section again. It says:

"Parliament may, by resolution passed within seven days, from the date on which the Act has been laid before it under sub-section (3) direct any modifications to be made in the Act..."

They could have easily said, "repeal the Act". What I feel is this. The President has been clothed with a particular power. So far as the Act is concerned, the necessity for the Act is there. Parliament advisedly has given away the power to look into the whole matter and see whether it is necessary or not. We cannot go into it now. A particular clause may be amended. That is all. Otherwise, there is delegation of power already. I do not feel that this motion is in order so far as it says that the whole Act be dropped.

**Pandit Thakur Das Bhargava:** Before you are pleased to hold that this amendment is not in form, I would beg of you kindly to consider the question from another angle. After all, by this resolution, all we can say is that the modifications be made by an amending Act. The President's Act is in force unless we amend it. Unless we pass this resolution, another Act will not be brought in by the hon. Home

Minister. The resolution that we pass today will be binding to this effect only that the hon. the Home Minister will be able to bring in an amending Act. If the resolution of my hon. friend is accepted, the result will be that another Act will have to be brought that this Act be repealed. That will be the effect. You have been pleased to hold that the amendment is not in order. I would submit that 'modification' does not mean that something must remain, that the preamble must remain or clause 1 must remain. This is also a modification. He is saying that the entire thing may be dropped. It is only a complete modification or effacement of the whole Act; but it is a modification. There is no doubt about it. My humble submission is, although I do not agree with that resolution, and I would be the first person to vote it out, at the same time, my view is that it is a modification. It is in order; it is relevant and it could be given effect to by bringing an Amending Act.

**Mr. Deputy-Speaker:** Was Parliament so barren of sense? Could not the Parliament have used the word "repeal" instead of the word "modify"? An Amending Act is not a Repealing Act. It could have said that it is open to have a Resolution to say that the thing should be repealed.

**Shri Rajagopalachari:** Sir, you are right, no doubt. But I do not believe wasting the time of the House over theoretical discussions. Here is a Member who wishes that everything starting from "That" and ending with last full-stop should be removed and we should be left with a blank paper. We can give it a trial.

**Dr. Tek Chand:** You will please see what the position with regard to the Punjab is. Punjab had a Legislature of its own given by the Constitution. For certain reasons, the President, under the power given to him, acting on the report made to him by the Governor of the Punjab decided that the Constitution be suspended there for a certain period. Therefore there is no Legislature in the Punjab in existence now. But something had to be done to keep the legislative function intact. Therefore the President was invested with the power to legislate, and instead of issuing Ordinances for six months or whatever period it may be, he has been given the power to legislate and any Act which he may promulgate, is as effective as an Act of the Legislature, subject to this condition that it has to be laid before Parliament. If Parliament passes a Resolution within seven days,

the President is bound to modify the Act in the light of the Resolution. Therefore, with great respect to you Sir, I submit that the word "modify" should not be taken in the restricted sense which you were pleased to indicate. That would mean making the President an autocrat of the worst type; that he can, with regard to the Punjab where there is no Legislature at present, pass any legislation that he likes. That could never have been the intention of Parliament.

**Shri Sondhi:** That was never the intention.

**Dr. Tek Chand:** It was never the intention of Parliament to use the word "modification" in that narrow sense. When you say that the Act be repealed, that also is modification—wholesale modification—modifying its root and branch. And Parliament is the ultimate custodian of the rights and the representative of the people.

**Mr. Deputy-Speaker:** The hon. Member who is a distinguished judge knows the meaning of an amending Act. Is an Amending Act a Repealing Act?

**Dr. Tek Chand:** An Amending Act may be a Repealing Act. Admittedly the Act of the President is subject to any Resolution passed by Parliament. You will see that when the Punjab Legislature was suspended, the power to legislate was taken over and normally it would have come to Parliament. But that would be a very cumbersome procedure, and would have required considerable time, which Parliament may not spare. So this middle course was adopted, that the President was given the power to pass Acts of his own, instead of issuing Ordinances which would be effective for a much shorter time, but subject to this condition, that the whole Act will be laid before Parliament and Parliament may pass a Resolution modifying some clauses or all the clauses. But whatever form the Resolution may take, whatever may be the extent of the modification, the President is bound to give effect to it. The ultimate and over-riding power rests really with Parliament. Within seven days it may modify it, otherwise it will be taken to have been automatically confirmed.

**Mr. Deputy-Speaker:** There is no confirmation here. Modification does not mean that if there are 15 clauses, you may modify all the 14 clauses and leave only one clause, may be the Preamble. That could not possibly have been the intention.

**Dr. Tek Chand:** Sir, you cannot interpret it in that narrow and limited sense. It may be modification in parts or it may be modifying the root and branch. With great respect, I have to submit that this is a matter of great constitutional importance. Otherwise could the President pass Acts, suspending and repeating all existing laws and Parliament would have no power to repeal such Acts of the President. For instance, could the President pass an Act that the Civil Procedure Code would not apply to the Punjab, or the Contract Act shall not apply there, that the Hindu Law will not apply to the Hindus of the Punjab, or the Customary law will not apply to them and so on. That could not possibly have been the intention of Parliament. You cannot interpret the word in that narrow manner. You have to interpret it in a reasonable manner, consistent with constitutional practice, with reason and with common sense.

With regard to the particular amendment, with great respect to its sponsor, I may say, that no difficulty is likely to arise because most of the hon. Members are not for supporting it—though I should not anticipate the decision of the House. That is why I wanted to raise the constitutional aspect of the matter at the very beginning. If this amendment is taken up first and is accepted, then the direction goes to the President, and the whole of the Act will stand repealed. But if the amendment is thrown out, then we can consider the various amendments moved by Pandit Thakur Das and others and all the amendments moved by the hon. Home Minister; consider them one by one and then pass them in such manner as the House wants.

**Dr. Pattabhi (Madras):** Sir, on the substantive point before the House there is no want of agreement. A difficulty has arisen on account of the ruling that you have been pleased to give.

**Mr. Deputy-Speaker:** I have not yet finally given any ruling.

**An Hon. Member:** Only indicated it.

**Dr. Pattabhi:** Yes, only indicated and created trouble. If you had given a ruling once and for all, there would have been no difficulty. But if every ruling is indicated first and then discussed and then subjected to analysis, then we shall be losing our time. Well, the plain question now is whether modification implies annulment. Now, we have heard it said

by eminent judges that the law is an ass; but I never thought it was such a donkey as it has been represented to us by a distinguished retired High Court Judge and a distinguished lawyer sitting next to him. Now, the word modification is a very simple and straight word. Modify by all means. Modify 99 per cent. of the thing. Or if you will, modify it 99.999-recurring. There is no objection. But when you have modified there must not be a vacuum left. The result of the modification must not be a vacuum, but some matter must be there. Put in dirty matter, put in useless matter, illegal matter or senseless matter, but there must be matter. That is what modification means, and you cannot simply say by a little perversity of reasoning and logical analysis that modification may mean annihilation also. It does not mean that. Lord Brahma creates. Vishnu maintains and Siva destroys. Vishnu can modify a man into a woman, but can he destroy the whole individual?

**Dr. Tek Chand:** And you are now the God Vishnu here.

**Dr. Pattabhi:** And therefore, I say this matter should not be allowed to be further discussed. There is no room for any further discussion and the position is quite clear. The Chair may straight rule out the amendment.

**Shri Meeran (Madras) rose—**

**Mr. Deputy-Speaker:** I have heard sufficiently on about this matter.

**Pandit Kunzru:** May I make a submission before you give your ruling? The two most important clauses of the Bill are clauses 2 and 7. Is it open to the House to say that these two clauses should be deleted? If they are deleted nothing will be left in the resolution.

**Mr. Deputy-Speaker:** If there is an amendment to that effect. Now this is an important matter so far as it affects the working of the Government in the Punjab.....

**Shri Sondhi:** It is a matter of the privilege of the House not only a matter affecting the Punjab.

**Mr. Deputy-Speaker:** With respect to all such constitutional matters or their interpretation I will leave it to the House. I do not want to take the responsibility. So far as the amendments are concerned if all the clauses are thrown out what remains is the preamble and even that may be withdrawn. No doubt it may be carried to an absurd length. Advisedly in the first instance the President has been

given the power to frame an Act. Some right of modification is given to the Parliament, not that it ought to interfere with the President's directions. I do not want to restrict the powers of the House by my ruling. I now propose a procedure. As the House knows we are now racing for time. This is the last day for the Act. If modifications are passed to that extent the President will be bound to accept those recommendations. If the modifications are not passed the Act will stand as it is. Therefore I intend putting the amendments one after another instead of allowing the general discussion as to whether the whole thing ought to be dropped or not. If the Act is thrown out the President will find out whether it is in order or not. If it is unconstitutional he may not accept. We must get through the business and it is only a formal Bill. Even if we spend the whole day with respect to the discussion we will not be giving any indication to the President as to how he should modify it. So far as clause 2 is concerned the amendment moved by the hon. Minister is accepted.

श्री भट्ट: कलाज २ में मेरे संशोधन है।

[Shri Bhatt (Bombay): I have tabled some amendments to clause 2.]

Mr. Deputy-Speaker: I find no amendments have been tabled by him. The Member was absent when I called him. I do not think Mr. Bhatt has given any amendment to section 2.

### Section 3.

Shri Rajagopalachari: Sir, the amendment which I propose actually covers what he wants. My amendment is:

For the words "organised and trained or organised and equipped either for the purpose of enabling them to be employed for the use or display of force or in such manner as to arouse reasonable apprehension that they are organised and either trained or equipped for that purpose" substitute the words "for the unauthorised use or display of force".

With this amendment the section would read:

"No person shall take part in the organisation, control, management or training of or be a member of, any body of persons organised or trained or equipped for the purpose of enabling them to be employed in usurping the functions of the police or for the unauthorised use or display of force."

Sir, another amendment is:

In sub-section 2, for the words "two years" substitute the words "one year".

This practically covers the important amendments proposed by hon. Members and notified.

Dr. Tek Chand: Sir, section 3 as enacted by the President was almost word for word the same as in the old Punjab Safety Act, which expired on the 13th September 1951 and that has been repeated. Many Members of the House thought that it was very wide in its terms. Therefore some amendments have been given notice of by Pandit Bhargava, myself and others, and another amendment is now moved by the Home Minister. The effect of this amendment of the hon. Minister is this. You will find that the first four and a half lines of the original Act stand as they were. But the words "organised and trained or organised and equipped either for the purpose of enabling them to be employed for the use or display of force or in such manner as to arouse reasonable apprehension that they are organised and either trained or equipped for that purpose" are omitted and substituted by the following words: "for the unauthorised use or display of force."

The words in the Act were too wide and there was an apprehension of their being misused by the authorities. Now the words have been made more specific and I would ask the House to accept this change made by the Minister.

The other important amendment moved by Pandit Bhargava and others has been accepted by the Home Minister and incorporated in his amendment, namely that the punishment for disobedience of clause 1 of section 3 is reduced from two years as originally provided to one year. These are the main changes made and I would ask the House to accept them.

Pandit Thakur Das Bhargava: May I just explain how these amendments will affect the section. As the House knows, 'force' has been defined in the Indian Penal Code and 'criminal force' is also defined there. Government has declared that the unauthorised use or display of force is banned but in the case of other kinds of activities which do not involve the use of criminal force they will be allowed. Unauthorised here would mean as a matter of interpretation the use of such force as the Government has declared to be unauthorised. Ordinarily there is no section

[Pandit Thakur Das Bhargava]

in the I.P.C. that force cannot be used or displayed. Only criminal force is banned. In section 141 of the Code unlawful Assembly is defined. There the idea is that no person or body will be allowed to use such force as would overawe the other person or make an unlawful assembly to behave in such a manner that it will interfere with law and order or the rights of others. Here what you mean is that so far as the Government is concerned the usurpation of the functions of the police by any organised force or the use of such force would amount to criminal force, which is not allowed by Government. The word criminal force taken in this sense would give a large amount of liberty to persons and volunteer organisations for public service. They would be allowed to function but use of unauthorised or criminal force is not allowed.

लाला अचिन्त राम : श्रीमान्, इस वक्त जो नम्बर तीन सेक्शन आप के सामने पेश किया गया है, यह पहले पंजाब सेफ्टी ऐक्ट (Punjab Safety Act) का क हिस्सा था। मैं समझता हूँ कि सन् १९४९ में जब यह सेफ्टी ऐक्ट बना था उस वक्त पंजाब के हालात और ये और अगर मैं कोई खास गलती नहीं करता तो मैं यह कहूँगा कि उस वक्त पंजाब के अन्दर क्रिके-दाराना फ़िजा फैली हुई थी और कम्युनल आर्गनाइजेशनस् (Communal organisations) और पोलिटिकल आर्गनाइजेशनस् (Political organisations) जैसे सरदार मोहन सिंह की थीं जो कि बालटियरों की ट्रेनिंग का काम करती थीं और लोगों को इकट्ठा करके उन को फौजी शिक्षा देना चाहते थे, तो इन ऐक्टिविटीज (activities) से गवर्नमेंट को खतरा महसूस हुआ और यह समझा गया कि अगर हम ने इस क्रिस्म की आज्ञा दी, तो पंजाब में गड़बड़ी मच जायगी और इन कम्युनल हालात को देख कर हमें वह सेफ्टी ऐक्ट वहां पर लागू करना पड़ा। लेकिन आज दो बर्ष बीत जाने के बाद मैं समझता हूँ कि

आज के हालात पहिले के हालात से मुस्तलिफ़्र हैं। अभी कुछ दोस्तों ने और हमारे कुंजरू साहब ने कहा कि यह साफ़ किया जाय कि आज के हालात में इस ऐक्ट की क्या ज़रूरत है, और मैं भी बड़ा स्वाहिशमद इस बात का रहा कि हमें कुछ बतलाया जाता, और हमें कुछ मालूम होता, लेकिन मुझे अफ़सोस के साथ यह कहना पड़ता है कि मेरी समझ में अब तक यह नहीं आया कि अब इस ऐक्ट की क्या ज़रूरत है। वैसे तो हम इस पर वोट भी करेंगे और इस को पास भी करेंगे। देखना यह है कि सन् १९४९ में जब यह ऐक्ट लागू किया गया था उस वक्त पंजाब की क्या हालत थी? उस वक्त कम्युनल आर्गनाइजेशनस ने अपना सिर उठाया हुआ था और बालटियर आर्गनाइजेशनस बनने लगी थीं, और अकाली दल बनने लगा था और एक खतरा महसूस किया जाने लगा था, लेकिन आज क्या वही हालत है जो आज से दो साल पहिले थी? मैं कहूँगा कि आज जो हालात हैं वह मुस्तलिफ़्र हैं। मसलन् इंडो पाकिस्तान रिलेशन्स (Indo-Pakistan relations) खराब हैं और ऐसे में तो ऐसी बालटियर आर्गनाइजेशनस् को बढ़ावा देना चाहिये था और उन को अपनी रक्षा करने के लिए समर्थ बनाना चाहिये था और १९५१ के बदले हुए हालात को ध्यान में रखकर काम किया जाता। आज की फ़िजा बिल्कुल मुस्तलिफ़्र है। यह ठीक है कि सन् १९४९ में जैसी फ़िजा थी, उस वक्त लोगों ने उस का स्वागत किया था। लेकिन आज जो यह पंजाब सिक्वोरिटी ऐक्ट पेश किया जाता है और जो उस का सेक्शन नम्बर तीन है, उस का असर क्या होगा। यह माना कि हम उस ऐक्ट को वोट कर के पास कर देंगे और मैं उस में शामिल हूँ, लेकिन मैं अपने दिल में यह सोचता हूँ कि क्या यह ऐक्ट आज के बदले हुए हालात में फिट इन (fit in)

करता है। मैं पार्लियामेंट के मेम्बरान साहब जो यहां बैठे हैं उन को बतलाना चाहता हूँ कि मैं बार्डर प्राविन्स (Border Province) का रहने वाला हूँ और मैं तो खास तौर से बार्डर के इलाके का रहने वाला हूँ, वहां पर हालात मुस्तलिफ़ हैं। आप को मालूम है कि हमारा बार्डर सैकड़ों मील लम्बा चौड़ा चला गया है और यह गवर्नमेंट के लिए बिल्कुल नामुमकिन है कि वह बार्डर पर हर एक इंच और फुट पर अपनी फौज खड़ी कर दे, और न ही यह मुमकिन है कि वह कोई दीवार श्रीनगर से लगाकर फीरोज़पुर तक खड़ी कर दे, यह भी नामुमकिन बात है, कोई आप तार लगा दें, यह भी नामुमकिन बात है। तो ऐसी हालत में क्या किया जाय ? जो सरहद्दी इलाके हमारी तरफ़ के पाकिस्तान से मिले हुए हैं वहां आये दिन पाकिस्तान की तरफ़ से हमारे लोगों पर हमले होते हैं। जब इस के बारे में पार्लियामेंट के अन्दर सवाल-जवाब होते हैं तो यह बतलाया जाता है कि वहां पर लूट होती है और पशुओं की चोरी होती है, इस का क्या इलाज हो, यह तो मामूली बात है। बार्डर पर ऐसा होता ही है। आज आप जो संकशन तीन बढ़ा रहे हैं, मुझे खतरा है कि आज पंजाब के अन्दर जो हालत हो रही है और खास तौर से आज के हालात में जब कि इंडो-पाकिस्तान रिलेशनस् खुशगवार नहीं हैं और खराब हैं, और पिछले चार साल के अन्दर जो तजुर्बा हासिल हुआ है उस से इस बात का खतरा है कि इस ऐक्ट का जो असर हम चाहते हैं, वह असर न हो। यह ठीक है कि बार्डर पर फ़ौज रहती है, पुलिस खड़ी रहती है, लेकिन उधर से आदमी आते हैं और हमारे गांवों में से एक नौजवान लड़की को भी ले गये। वजह यह है कि हमारे वहां गांवों में कोई आर्गनाइजेशन नहीं है, कोई वालंटियर फ़ोर्स नहीं है जिससे जनता अपनी स्वयं रक्षा का प्रबन्ध कर सके। हम

इस पर चिन्ताते हैं, पुलिस से कहते हैं, थाने वालों से कहते हैं, डी० एस० पी० से कहते हैं और एस० पी० से कहते हैं और चीफ़ मिनिस्टर से कहते हैं, बहुत जोर देते हैं तब उस के बाद वापिस आती है। लेकिन आखिर-कार इस से क्या नतीजा निकलता है ? सिवाय इसके कि वावजूद आप की फौज, पुलिस होने के, आप के तमाम इंतज़ामात के होने के आप लोगों का प्रोटेक्शन नहीं कर सकते और उस के लिए ज़रूरी है कि बार्डर के गांवों में वहां लोगों का अपना एक आर्गनाइजेशन हो, अपना वालंटियर फ़ोर्स हो, वह फ़ौजी ट्रेनिंग ले और वहां हर आदमी बन्दूक, पिस्तौल आदि रख सके और सरकार इसके लिए उस को लायसेंस दे, तब आप देखेंगे कि वह अपनी रक्षा अपने आप कर सकेंगे। अगर आप यह कहें कि हम तो गरीब हैं, गवर्नमेंट के पास इतना रुपया नहीं है कि उन को बन्दूक और पिस्तौल खरीद कर दें, तो मैं पूछता हूँ कि आखिरकार फिर प्रोटेक्शन कैसे हो, न वह बन्दूक और पिस्तौल रख सकते हैं और न आप उन को दे सकते हैं। न आप उन के बास्ते फ़ौज रख सकते हैं, न आप तार से हद बन्दी कर सकते हैं, और न ही कोई दीवार खड़ी कर सकते हैं, तब आखिर लोग वहां पर किस के रहम पर रहें ? लोग वहां पर अपनी शक्ति पर डटे हुए हैं। और मैं बहुत अदब के साथ उन को बतलाना चाहता हूँ कि आप जो यह ऐक्ट पास कर रहे हैं उस से उन के जो अपनी शक्ति द्वारा वहां रहना चाहते हैं, रास्ते में रुकावट पड़ेगी और मैं अर्ब करूंगा कि आज पंजाब की हालत बदली हुई है और वह वक्त चला गया जब दो वर्ष पहले वहां पर कम्यूनल आर्गनाइजेशन से खतरा उत्पन्न हो गया था और यह पंजाब सेफ्टी ऐक्ट लागू करना पड़ा था। अब खतरा दूसरे किस्म का है। यह ठीक है कि आप की फौज उन की रक्षा के लिए है, लेकिन जब तक

[लाला अचिंत राम]

खुद गांवों के लोगों में शक्ति न हो अपनी रक्षा करने की तब तक काम नहीं बनता। अगर आप जनता की इस शक्ति को मारते हैं और उन को आर्गेनाइज नहीं होने देते और उन को अपना वालंटियर फ़ोर्स नहीं बनाने देते और आप अखबार में यह छा कर हुक्म सादिर कर देते हैं कि कोई वालंटियर फ़ोर्स नहीं बनने पाये, कोई मिलिटरी ट्रेनिंग नहीं लेने पाये, तो उस का नतीजा क्या होगा? लोगों के अन्दर जो कुछ भी शक्ति है वह और भी मर जायगी। मैं चाहता हूँ कि हमारे राजा जी पार्लियामेंट की ओर से इस बात का आश्वासन देंगे कि बार्डर के जितने गांव हैं वहां पर लोग अपनी हिफ़ाजत के लिए कुछ करना चाहें, तो उन को इस बात की इजाजत हो कि वह कर सकें ताकि उन के अन्दर जो शक्ति है और अपनी रक्षा स्वयं करने की भावना है, वह बनी रहे।

(English translation of the above speech)

[Lala Achint Ram (Punjab): Sir, section 3 now before you was previously a part of the Punjab Safety Act. I think that in 1949 when this Safety Act was passed, the conditions in the Punjab were different and, if I do not mistake, I would say that then a communal atmosphere was prevailing in the Punjab and communal and political organisations like that of Sardar Mohan Singh, which were engaged in training volunteers and wanted to collect people and give them military training were being started. The Government apprehending danger from such activities thought that if such freedom was allowed, disturbances would break out in the Punjab and in view of such communal conditions we had to enforce Safety Act there. But now after a lapse of about two years, I think, the circumstances are quite different from those prevailing at that time. Just now some friends and my friend Shri Kunzru have said that it should be made clear as to what is the need of this Act in the present circumstances and I also have been much desirous that this thing should have been explained to us so that we could know something about it, but I regret to say that I have not been able to compre-

hended as yet as to what is the need of this Act now. Though we shall cast our votes in favour of it and shall pass it, it is to be seen what was the condition of the Punjab at that time when this Act was enforced there in 1949? At that time communal organisations had raised their heads and volunteer organisations were being formed and Akali Dal was being organized and so a danger was being felt, but are the same conditions obtaining today as were prevailing two years ago? I would say that the circumstances are quite different today. For instance, Indo-Pakistan relations have worsened and in such circumstances such volunteer organisations should have been backed up and made self-supporting for their own defence and the work should have been done according to the changed circumstances of 1951. The atmosphere today is quite different. It is true that under the circumstances then prevailing the people welcomed it. But what effect would this Punjab Security Act and especially section 3 of it, which is being presented today, have upon the people? I admit that we shall pass this Act by voting for it and I myself am associated with it, but I think whether this Act fits in the changed circumstances of today or not. I want to tell the hon. Members of the Parliament, who are present here, that I am a resident of a border province and specially belong to the border area, that the conditions there are quite different. You know that our border stretches to hundreds of miles and it is quite impossible for the Government to post their armies at every foot and inch of it, nor is it possible to build a wall right from Srinagar up to Ferozapore, nor can you put up a wire fencing throughout the whole length of it, because this also is not practicable. So what should be done in such a state of affairs? Our people living in the border areas adjoining to Pakistan are frequently attacked upon from the Pakistan side. When questions are put in the Parliament we are told that looting takes place there and the cattle are lifted, how can it be prevented, this is a normal thing, such things do occur in border areas. I fear that section 3 which you are adding now and this Act as a whole would not have the desired effect in the situation which is developing in the Punjab now-a-days and particularly when the Indo-Pakistan relations are not so amicable. I can say this from my own experience of the last four years. It is right that the army is posted on the border and the police stands by, but still men came from across the border and abducted a

young girl from our village, this is because there are no such organisations in our villages and there is no volunteer force with which the people could arrange for their own protection. Then we cry out, report to the Police, go to the Police Station, complain to the D. S. P., request the S.P. and make representations to the Chief Minister and press them hard and only after that she is restored. But in the end what is the result of it? In spite of your army, the Police and all your arrangements you cannot protect the people and for that it is necessary that the people in the villages in the border areas should have their own organisation, their own volunteer force, they should be given military training and every man there could keep a fire-arm and the Government should grant him a licence for that, then you will see that they would be able to defend themselves. If you say that we are a poor people and the Government do not possess so much money as to provide them with rifles and pistols, then I would like to know as to how are they to be protected at last? They cannot be allowed to keep fire-arms nor can you supply these to them, nor can you post armies for them, nor put up a wire fencing or a wall upon the border. Then on whose mercy should the people live there? The people are living there on their own strength, and I beg to submit that this Act, which you are passing now, would be putting an obstacle in the way of those who want to live there upon their own strength and I would submit that the conditions in the Punjab have changed now-a-days and gone are the days when two years back the danger had arisen there on account of communal organisations and this Punjab Safety Act had to be enforced. Now the danger is of a different type. It is true, that your army is there to protect them, but unless the people in the villages are themselves able to defend themselves it cannot be done away with. If you kill this spirit of the people and do not allow them to organise themselves and let them organise their own volunteer force and you enforce this order by publishing it in the newspaper that no volunteer force should be allowed to be formed and nobody should be allowed to take military training, then what would be the result of it? Whatever strength is there among the people would vanish. I want that the hon. Shri Rajagopalachari should assure the people on behalf of the Parliament that the people living in the villages situated on the border should be allowed to take whatever measures they think fit for their own protection so that the

strength and the spirit of self-defence could be maintained in them.

**Shri Rajagopalachari:** The whole argument is that conditions now are different and that we should allow private armies, if I may so put it. I submit, Sir, it would be a most dangerous thing to make the beginnings of any private army: when once the law permits such a thing, nobody knows to what use it will be put. It is not as if when a State is in danger we should allow private armies—the other hand, unless we control these things even the military will be finding it difficult to control the situation.

I find the section is necessary so far as Mr. Achint Ram's argument goes. Otherwise, as was pointed out by previous speakers, I have removed all vague phrases and kept a concrete section in the Act so that it may furnish room for finding out those who infringe and those who do not infringe. I have reduced the punishment; I propose that two years be made into one year—consequently it will follow that it will be bailable, but that is a different matter.

**Mr. Deputy-Speaker:** The question is:

For the words "organised and trained or organised and equipped either for the purpose of enabling them to be employed for the use or display of force or in such manner as to arouse reasonable apprehension that they are organised and either trained or equipped for that purpose" substitute the words "for the unauthorised use or display of force".

The motion was adopted.

**Mr. Deputy-Speaker:** The question is:

In sub-section 2, for the words "two years" substitute the words "one year".

The motion was adopted.

#### Section 4.

**Shri Rajagopalachari:** The amendment reads:

In line 5 of this section before the word "practice" add the word "unauthorised". In the last line of this section before the word "use" where it occurs for the second time add the word "organised".

The effect of it would be this. The section would now read as follows:

"The District Magistrate, if satisfied that it is necessary so to do in the interests of the security of the State or for the maintenance of public order, may, by order in writing, prohibit in any area specified in the order, either

[Shri Rajagopalachari]

absolutely or subject to exceptions in the order the unauthorised practice of, or participation in, any exercise, movement, evolution or drill which is either of a military nature or involves the use, or preparation for the organised use, of weapons of offence."

This would allow ordinary social bodies to continue. It will even allow normally defensive weapons to be carried about but no training in organised use of weapons will be permitted. The intention is to prevent the abuse of defensive weapons.

**Mr. Deputy-Speaker:** Except with the permission of the authorities.

**Shri Rajagopalachari:** That is implied in the phrase "unauthorised".

**Pandit Thakur Das Bhargava:** So far as these amendments go, they do permit lawful use of weapons to continue. Any organisation which is doing some kind of defensive work can continue that work which is not made illegal by the use of the words "organised use" or "unauthorised practice". Both these things are countenanced by the law even today and at present organisations can be formed. We have got our fundamental rights also to form associations. These are not banned. What is banned is the raising of private armies as opposed to a Government Army. Such activities as go to the very root of the security of the State are not allowed. Otherwise, every legitimate activity is allowed.

**Mr. Deputy-Speaker:** The question is:

In line 5 of this section before the word "practice" add the word "unauthorised". In the last line of this section before the word "use" where it occurs for the second time add the word "organised".

The motion was adopted.

#### Section 5.

**Shri Rajagopalachari:** I have moved the following amendments to this section:

In sub-section (1), omit the words "make or". For the words "a movement prejudicial to the security of the State or the maintenance of public order" substitute the words "any organisation declared unlawful by Government".

In sub-section 3, for the word "contravenes" substitute the words "pub-

licly wears, carries or displays any article in contravention of".

My attention was drawn to the fact that those who make these uniforms may sometimes be quite innocent. I grant that possibility. I also grant that even if they be not quite innocent, we need not worry very much about it. After omitting "make or" the section will read "No person shall have in his possession..." By omitting the words "a movement prejudicial to the security of the State or the maintenance of public order" and substituting "any organisation declared unlawful by Government", it is not left to be decided later on as to whether it is prejudicial to the security of the State or not, but the organisation should be declared as unlawful by Government.

By omitting 'contravenes' and substituting "publicly wears, carries or displays..." I have made it concrete and definite. It should be public.

**Mr. Deputy-Speaker:** The question is:

In sub-section (1), omit the words "make or". For the words "a movement prejudicial to the security of the State or the maintenance of public order" substitute the words "any organisation declared unlawful by Government".

In sub-section 3, for the word "contravenes" substitute the words "publicly wears, carries or displays any article in contravention of".

The motion was adopted.

#### Section 6.

**Shri Rajagopalachari:** The amendments to this section are:

After the words "in writing" add the words "from time to time" and for the words "during such period" substitute the words "for such period not exceeding two months".

Omit the explanation to this section.

I want to add "from time to time" because it should link with the later provision. I have accepted the limitation of two months for the validity of the order.

**Mr. Deputy-Speaker:** "From time to time" is unnecessary.

**Pandit Thakur Das Bhargava:** The General Clauses Act is there yet these words will elucidate the matter further

**Shri Rajgopalachari:** I agree that they are unnecessary. But when notice of an amendment has been given, I thought why I should not make a concession. The principal point is to restrict the period to two months.

By omitting the explanation, I reduce the powers of Government to that extent.

**Mr. Deputy-Speaker:** The question is:

After the words "in writing" add the words "from time to time" and for the words "during such period" substitute the words "for such period not exceeding two months".

Omit the explanation to this section.

The motions were adopted.

### Section 7.

**Shri Rajgopalachari:** The amendments are:

In sub-section (1) for the words "the interests of the general public" substitute the words "the security of the State or the maintenance of public order".

In sub-section (1) (d), omit the words "or do both" and for the words "authority or person" substitute the word "magistrate".

Instead of "the interests of the general public" I am substituting "the security of the State or the maintenance of public order". In regard to the other amendment, it was felt that persons who have been ordered to report themselves find it inconvenient to go and report themselves to police people and it was suggested that we should substitute police by magistrate. I readily agreed to it.

**Mr. Deputy-Speaker:** Which magistrate?

**Shri Rajgopalachari:** Such magistrate as may be specified in the order.

**Pandit Thakur Das Bhargava:** In regard to this section, it has been made quite clear by the hon. Home Minister that the power of detention which exists in the Central Government or in the States does continue as before and as was just now pointed out by Pandit Kunzru, that power is not mentioned here because that power need not be mentioned as it does continue. This Section 7 gives the State extra power and the liberties of the people of Punjab are more restricted now as compared to the rest of India.

But that is the real purpose of the Act, because if there is an emergency and if the armies are on the border, then it is but necessary that in that sort of circumstance we should rather agree that there may be this curtailment of the liberties. I am bound to say that the provisions of the previous Punjab Safety Act were much more rigorous than the Act which Rajaji has been pleased to put before this House. After these amendments are passed, the rigour of this Act will be still further modified to a certain extent. All the same we must not run away with the idea that we are enjoying same liberties as the rest of India. Because there is an emergency, we have agreed that for some time these liberties may be restricted.

It was pointed out that other States have similar provisions. But I must submit that the Constitution has made a world of difference between the previous Safety Acts and this Safety Act. The Punjab Safety Act was in some respects declared illegal by the Supreme Court—not this section but other sections. My own fear is even this section in its original form—without the amendment proposed now—may have been declared illegal. Since the words used here are the ones used in the Detention Act, I am satisfied it will not be declared illegal. Therefore, we have agreed to this amendment. Further, Sir, a great improvement has been made by Rajaji by his agreeing to accept the word "Magistrate" in place of the word "authority". It was most humiliating in olden times for congressmen to go to the police officers every second day and report themselves personally.

**Shri B. Velayudhan:** What about the others—Socialists for instance?

**Pandit Thakur Das Bhargava:** It is humiliating for everybody to be asked to report himself every alternate day.

For all these reasons, I support this amendment. I do not press the amendment that I have moved to section 7.

**Shri Rajgopalachari:** Were the provisions for Advisory Councils in the old Act?

**Pandit Thakur Das Bhargava:** Yes, they were in the Punjab Safety Act.

**Mr. Deputy-Speaker:** The question is:

In sub-section (1) for the words "the interests of the general public" substitute the words "the security of the State or the maintenance of the public order".

[Mr. Deputy-Speaker]

In sub-section (1) (d) omit the words "or do both" and for the words "authority or person" substitute the word "magistrate".

The motions were adopted.

**Mr. Deputy-Speaker:** Now there is Mr. Velayudhan's amendment in which he suggests the omission of sections 6 and 7.

**Pandit Thakur Das Bhargava:** My contention is that when these amendments have been adopted, that amendment is negated automatically.

**Shri Santhanam:** But the omission must be put.

**Mr. Deputy-Speaker:** The question is:

"Omit section 6 of the Act."

The motion was negated.

**Mr. Deputy-Speaker:** The question is:

"Omit section 7 of the Act."

The motion was negated.

**Shri R. Velayudhan:** I was not given even an opportunity to speak.

**Mr. Deputy-Speaker:** The hon. Member was not in his seat when I called him.

**Shri Rajagopalachari:** Mr. Velayudhan has been in time. He has proposed these amendments and you have taken them in time. He need not therefore, be dissatisfied as he suffered no disadvantage by reason of his absence.

#### Section 8.

**Shri Rajagopalachari:** The amendments to this section are:

In sub-section (1), omit the words "or on premises in his occupation or under his control" and the words "unless he proves that he was unaware of the nature of the document".

In sub-section (2) for the words "allows" substitute the words "intentionally permits".

The object of the proposals that I am making is this. A person in whose possession a thing is found subjects himself to punishment. But it was felt that the mere finding of the articles in the premises in his occupation or under his control should not by presumption of law mean that he had intended to hold them. The accused is absolved of the burden of

proof by the omission of the words "unless he proves that he was unaware of the nature of the document".

In sub-section (2) it was felt that the use of the word "allow" extended the scope of the section. Intentionally permitting would be different from allowing.

The amendments which I have moved would ease the position for those who are innocent, but still charged.

**Pandit Thakur Das Bhargava:** I welcome these amendments. In so far as the original provision in the Act stood, it laid the burden of proof of innocence on the accused. The effect of this amendment would be that the burden of proof will not be on the accused and it will be the business of the prosecution to prove possession, which in this case means not physical possession, but conscious possession. Supposing a person puts some stolen property in my pocket without my knowing that the property or stolen property has been so put. The prosecution has to prove, not my physical possession alone, but my conscious possession of it.

I need hardly say that the amendments proposed by the hon. Minister are certainly definite improvements and innocent persons will be saved from harassment will escape being enmeshed.

**Mr. Deputy-Speaker:** The question is:

In sub-section (1), omit the words "or on premises in his occupation or under his control" and the words "unless he proves that he was unaware of the nature of the document".

In sub-section (2) for the word "allows" substitute the words "intentionally permits".

The motions were adopted.

#### Section 9.

**Shri Rajagopalachari:** I have moved the following amendments:

In sub-section (2) (a), between the words "the State" and "the maintenance of law and order" add the word "or" and omit the words "the public safety or the public revenues".

In sub-section (2), omit the word "forthwith".

Then the word "forthwith" may be omitted in the operative part so that it will read "may impose a collective fine on the inhabitants of that area".

5 P.M.

Then in sub-section (6) clause (ii) which reads as follows may be omitted, that is:

"Without prejudice to the generality of the foregoing power, and in particular, the District Magistrate may forthwith recover such fine payable by any person by seizure and sale of his entire movable property and uncut or ungathered crops."

That is deleted.

I also delete altogether the explanation to section 9. That also is a deletion in favour of the persons charged, because all the inhabitants of the area, whether they are there or are only landlords living elsewhere, would have been included. I have omitted that.

So that, all the amendments that I have proposed are in favour of the subject, if I may use that word, and of reducing the powers of Government in this respect.

**Mr. Deputy-Speaker:** In favour of the citizen. The question is:

In sub-section (2) (a) between the words "the State" and "the maintenance of law and order", add the word "or", and omit the words "the public safety or the revenues".

In sub-section (2) omit the word "forthwith".

In sub-section (6) omit the numbering '1' and omit clause (ii).

Omit the explanation to section 9.

The motions were adopted.

#### Section 10.

**Shri Rajagopalachari:** The amendment to this section is:

Omit section 10.

**Dr. Tek Chand:** I take it that we are dealing with section 10. I welcome the motion of the hon. the Home Minister with regard to this matter. This clause was first introduced in India in the Defence of India Rules passed during the first World War. After that, it was introduced in the Rowlatt Acts, and then repeated in the Defence of India Act and Rules during the second World War; then incorporated in the Safety Act of 1945 enacted in the Punjab and also in similar Acts in some other Provinces. Its provisions were very humiliating and objectionable. The police want to

arrest a person and ask him to get himself photographed or put his thumb impression on a piece of paper or furnish specimens of his hand-writing. If he does not do so he is liable to be convicted and imprisoned. This provision which is a heritage from previous Acts has been repeated in the President's Act!

When we were discussing it informally, I put it to Rajaji to explain the necessity for the provision now, whatever it might have been its justification in previous days, and I am free to say, that he had an answer for it. This clause is a direct descendant of the old Defence of India Act and the Rowlatt Act, and should not have been re-enacted by the President. The necessity has now gone, and I am very glad that the hon. the Home Minister has agreed to the suggestion made in the original resolution moved by Pandit Thakur Das Bhargava, myself and other members, and that this clause is going to be deleted. We should all welcome it.

**Sardar Hukam Singh (Punjab):** I also rise to endorse the observations that have been made by my hon. friend Bakshi Tek Chand. I can recollect those days of 1925 when legislation on the lines of section 10 were being enforced and I remember of one or two cases in Mianwali Jail where people were subjected to certain tortures because they refused to give their photos. I have also given an amendment because this is very humiliating and insulting and the provision might be abused. It is certainly very good of the hon. the Home Minister that he agreed to delete it. I need not go into this matter that this was a reminiscence of the Rowlatt Act certain portions of which were retained, and the provision which is contained in this section is certainly one of those clauses that were passed then and which led to so much agitation in the country. There was no necessity that such a provision should be retained in our law at the present day and it is very good that it has now been deleted.

**Mr. Deputy-Speaker:** The question is:

Omit section 10.

The motion was adopted.

#### Section 11.

**Mr. Deputy-Speaker:** The question is:

Omit section 11.

The motion was adopted.

Section 12.

**Shri Rajagopalachari:** Regarding section 12 I wish to explain the position. The section is divided into two sub-sections. I propose by my first amendment to omit the entire sub-section (1).

Then with regard to sub-section (2) there are some changes in the language. The amendments read:

Omit sub-section (1) and omit the figure and brackets "(2)".

In sub-section (2) (a) insert the word "or" after the word "state" in line 3 and omit the words "or the interests of the general public" in line 4.

This amendment is just what we did in the previous section.

**Dr. Tek Chand:** If I may venture to say so, the amendment suggested by the hon. the Home Minister is a great improvement upon the original Act as passed by the President. Sub-section (1) of the Act was wholly unnecessary. Sub-section (2) has become necessary because under section 98 of the Criminal Procedure Code as it stands, the power is limited only to certain offences like receiving stolen property, or having in your possession counterfeit coins and things of that kind, and the particular offences which are made punishable under this Act, are not covered by section 98. In the Punjab Public Safety Act as well as in the Act as passed by the President, sub-section (1) had been introduced: That enlarged its scope considerably and had the effect of subjecting persons to double harassment. Therefore the omission of sub-section (1) and the omission of the words "or the interests of the general public" in sub-section (2)—which were very vague and were liable to be misused in certain cases—restricts the section only to acts which are prejudicial to the security of the State or the maintenance of public order. With regard to those it was necessary to invest the Magistrates, with the power to search. For these reasons I support the motion of the hon. the Home Minister.

**Mr. Deputy-Speaker:** The question is:

Omit sub-section (1) and omit the figure and brackets "(2)".

In sub-section (2) (a) insert the word "or" after the word "State" in line 3 and omit the words "or the interests of the general public" in line 4.

The motions were adopted.

Section 13.

**Shri Rajagopalachari:** In section 13 I propose a change, again in favour of the persons charged. The section reads:

"Notwithstanding anything contained in the Code of Criminal Procedure, 1898, all offences punishable under this Act shall be cognizable and non-bailable."

That is the original section. I suggest that the non-bailability may be restricted to offences where the punishment provided is more than one year's imprisonment, the rest being bailable. The amendment is:

In this section, before the word "non-bailable" add the words "where the punishment provided is more than one year".

**Pandit Thakur Das Bhargava:** This is very welcome. As a matter of fact these provisions now are just as if they were ordinary offences. In the Defence of India Act during the war the previous Government enacted a measure and provided that in every possible case the offence was non-bailable and the Public Prosecutor had to be heard. He had to be called, and unless he was heard the court could not pass any order for releasing the accused on bail. Any order for releasing an accused on bail could only be passed when the Public Prosecutor was heard. This Act has not imposed that restriction but so far as the amendment goes, all offences have been made bailable except those in which the punishment is more than one year. In this Act there is only one offence which is punishable with imprisonment for a period of more than one year and that is about sabotage. So far as that is concerned, I do not think any person will be able to justify that, even in that case the offence should be bailable. I support this amendment.

**Mr. Deputy-Speaker:** The question is:

In section 13 before the word "non-bailable" add the words "where the punishment provided is more than one year."

The motion was adopted.

Section 14.

**Shri Rajagopalachari:** The amendment reads:

Omit this section.

It is well understood that no man should be punished twice. But this provided that in some cases there may be a choice left to proceed under the

Schedule.

one or the other. In any case since it was the desire of Members by amendments that section 14 should be deleted, I have agreed to it and therefore I move that this section be deleted in the Resolution.

**Sardar Hukam Singh:** Of course, there was no harm if it could be said that the accused would be tried under one of those offences. So far as these words stood, there was apprehension that he might get a double punishment and that he might be tried twice which was not warranted by the Constitution and under any law. Therefore, it was necessary that this should be deleted. We brought it to the notice of the hon. Home Minister and he has agreed to delete it. This change is a very wholesome one.

**Dr. Tek Chand:** The section as it stood in the Act was meaningless, if I may say so. It was provided in our Constitution and is indeed a fundamental principle of criminal law that no man shall be punished twice for the same offence. But the wording of the Act is that even if a person has been tried and convicted once for a particular offence mentioned in the clause, he could be "prosecuted" again. Now what is the good of prosecuting him, if he cannot be convicted and punished again. You prosecute him a second time but as soon as the prosecution is started the Court will be confronted with the problem that even if it found the accused guilty, it cannot convict and punish him a second time. It would be a meaningless proceeding causing unnecessary harassment. It is admitted that the court is bound to acquit him under the general law. It seems that the word of the old Act had been copied in the President's Act mechanically. But now that this matter has been examined it has been found defective. It is an unnecessary and meaningless provision and the hon. Minister is moving for its deletion. We thank the hon. Home Minister for this change.

**Shri Rajagopalachari:** I only wanted to say that we need not blame the draftsman because in some of the special Acts, the offence, to use a common term, may not be a criminal offence and this provision was occasionally put in. Here all the offences are of a criminal nature and therefore the omission of this clause is justified.

**Mr. Deputy-Speaker:** The question is:

Omit section 14.

The motion was adopted.

**Shri Rajagopalachari:** Part (f) of the Schedule reads thus:

"any industry, business or establishment engaged in the production or supply to the public of any commodity of general use."

I propose that instead of the words "commodity of general use" it should be "commodity essential to the community."

**The Minister of State for Transport and Railways (Shri Santhanam):** May I suggest that the word 'public' is there already and it will be a repetition to say 'essential to the community'. I think it does not read very well.

**Shri Rajagopalachari:** It reads all right. The sub-clause will read: "in the production or supply to the public of any commodity essential to the community."

**Dr. Tek Chand:** These are the words used in certain other Acts. In some other Acts, the words 'essential for the existence of the community'. In the proposed amendment, the words are 'essential for the community', which have the same meaning. I think the amendment as worded is quite sufficient.

**Mr. Deputy-Speaker:** The question is:

Schedule.

In the schedule, in part (f), for the words "of general use" substitute the words "essential to the community."

The motion was adopted.

**Pandit Thakur Das Bhargava:** I have already moved this Resolution in which section 1 appears: It runs as follows:

That in sub-section (3) of section 1, the following be added at the end, namely:

"and shall remain in force up to 12th September, 1952".

In regard to this amendment, I very respectfully submit for the consideration of the hon. Home Minister that section 357 (2) of the Constitution runs as follows:

"Any law made in exercise of the power of the Legislature of the State by Parliament or the President or other authority referred to in sub-clause (a) of clause (1) which Parliament or the President or such other authority

[Pandit Thakur Das Bhargava]

would not, but for the issue of a Proclamation under article 356, have been competent to make, shall, to the extent of the incompetency, cease to have effect on the expiration of a period of one year after the Proclamation has ceased to operate except as respects things done or omitted to be done before the expiration of the said period, unless the provisions which shall so cease to have effect are sooner repealed or re-enacted with or without modification by Act of the appropriate Legislature”.

If no provision is there in this Act, I would submit that this Act would only cease to have effect after the expiration of a period of one year after the Proclamation has ceased to operate. There the power of making a provision that it may cease earlier has specifically been conferred on the Legislature also, but all the same if you kindly refer to Section 357, it would appear that at least for 6 months the Proclamation can remain in force and after the Resolution is passed, this state can be continued up to a period of three years under this section. I am conscious that our Government is not going to keep Punjab in such a state of things for a long period. At the time when this Act was enacted, an assurance was given that as soon as possible, conditions will be made normal, conditions so far as constitutional machinery and laws are concerned will be restored, but I do not know if before the elections, the view of the present Government is to have recourse to normal conditions. Anyhow, whatever it may be so far as the elections are concerned, this means that if the new legislature comes into existence and begins to work, say, by April, then it means that it will be in force for six months and will continue for another year according to section 357. Even if this Proclamation is not renewed by a Resolution, it would mean that this will be in operation for 18 months at least. Now that we are enacting a law and it is in our power, to limit the period, I would respectfully beg of the hon. Home Minister—he was pleased to accept many other amendments—to kindly agree to this amendment also, so that the operation of this Act may be limited to one year. Even the period of one year is fairly long and even after elections these laws will continue. I am bound to submit that while we agree to this Act and to these amendments, it does not follow that we are not conscious how our liberties in the Punjab have been restricted by this Act. Ordinarily if the emergency really was not there

and if I was not convinced—as a matter of fact the two armies of Pakistan and ours are on the frontier and God forbid anything untoward may happen—I would never have agreed to any curtailment of the liberties of the people of the Punjab. In these circumstances, as we are placed, we have not only willingly but readily agreed to the proposals of the Government. Therefore, I do not think that for a long period this tension between Pakistan and India will continue. I am very hopeful that before long, as soon as the General elections are over, normal conditions will be restored. I would therefore submit for the consideration of the House to see that the period is limited to one year and that these conditions are not allowed to be prolonged for a period longer than is necessary. I would therefore beg of the hon. Home Minister and the House kindly to consider the whole question in a sympathetic spirit and see that any prolongation of the conditions, which are not necessary to be continued is in derogation of the liberty of the people of the Punjab. I therefore submit that this amendment may be accepted.

**Mr. Deputy-Speaker:** We may once for all dispose of all amendments and then decide. Mr. Gokulbhai Bhatt's amendment may also be moved.

**श्री बट्ट :** मेरा पहला संशोधन पंडित ठाकुर दासे भार्गवजी के संशोधन के समान है।

I beg to move:

In the Resolution, before item No. 2 insert the following:

(1) for sub-section (3) of section 1, the following be substituted, namely:

“(3) It shall remain in force for one year”.

मेरा दूसरा संशोधन इस प्रकार है।

I beg to move:

(2) After sub-section (3) of section 1, insert the following new sub-section:

“(4) The State Government may by notification published in the Official Gazette direct that all or any of its provisions, shall come into force in the whole of the State of Punjab or in any area in the State of Punjab on such date as may be specified in the notification and may by like notification direct that the same shall

cease to be in force on such date as may be specified in the notification."

म नहीं समझता कि इस के ऊपर कोई क्यादा बहस करने की जरूरत है और मुझे आशा है कि माननीय गृहमंत्रीजी जरूर इस पर विचार करेंगे।

(English translation of the above)

**Shri Bhatt:** My first amendment is similar to that of Pandit Thakur Das Bhargava. I beg to move:

In the Resolution, before item No. 2 insert the following:

(1) for sub-section (3) of section 1, the following be substituted, namely:

"(3) It shall remain in force for one year."

My second amendment runs thus. I beg to move:

(2) After sub-section (3) of section 1, insert the following new sub-section:

"(4) The State Government may by notification published in the Official Gazette direct that all or any of its provisions shall come into force in the whole of the State of Punjab or in any area in the State of Punjab on such date as may be specified in the notification and may by like notification direct that the same shall cease to be in force on such date as may be specified in the notification."

I do not think that any further discussion is required on this point. I hope that the hon. Minister of Home Affairs would surely take it into consideration.

**Mr. Deputy-Speaker:** Amendments moved:

In the Resolution, before item No. 2 insert the following:

(1) for sub-section (3) of section 1, the following be substituted, namely:

"(3) It shall remain in force for one year."

(2) After sub-section (3) of section 1, insert the following new sub-section:

"(4) The State Government may by notification published in the Official Gazette direct that all or

any of its provisions shall come into force in the whole of the State of Punjab or in any area in the State of Punjab on such date as may be specified in the notification and may by like notification direct that the same shall cease to be in force on such date as may be specified in the notification."

**Shri Rajagopalachari:** I have considered the matter.....

**Sardar Hukam Singh rose—**

**Mr. Deputy-Speaker:** Has he got any amendment?

**Sardar Hukam Singh:** I want to support the amendment of Pandit Thakur Das Bhargava.

**Pandit Thakur Das Bhargava:** It is a joint amendment.

**Mr. Deputy-Speaker:** I will ask the hon. Minister to speak and then...

**Dr. Tek Chand:** I have also got to say a few things. If you will permit me, Sir, now, I shall explain; or if you so feel, I shall speak afterwards. I am in your hands entirely.

**Shri Rajagopalachari:** I think it would be better if I explain my position.

**Mr. Deputy-Speaker:** The hon. Minister may explain his position first.

**Shri Rajagopalachari:** Probably, the hon. Members will have something definite to say after I have explained. If you will permit me, I will then be able to answer.

The position is this. We have the Constitution under which the President has been authorised to declare an emergency. He has done it. If the emergency lasts, the President re-issues the proclamation which was the basis of Pandit Thakur Das Bhargava's argument. The period will be prolonged. If the period is to be prolonged by the re-issue of a proclamation, we assume necessarily that a state of emergency also continues in which case there is no justification for saying that this law is not necessary.

**Pandit Thakur Das Bhargava:** The present situation is not co-extensive—

**Shri Rajagopalachari:** I am just taking it from all aspects. We may ordinarily assume that the emergency will end and the President's proclamation will cease to be valid after some time. Now, this will probably be even before one year so that it is not necessary to limit it to one year. If the state of

[Shri Rajagopalachari]

emergency ceases to exist and the proclamation is withdrawn, then, this will be in force up till then and one year from that date. Practically, it would be same as the hon. Members want. Difference would arise if the proclamation is continued and a state of emergency continued when it may be for a little longer period and then it will be for one year after that. I submit, if we assume that a state of emergency exists, there is justification for this also. But, hon. Members will remember that we do not wish the state of emergency to continue. We, therefore, hope that the emergency will not be continued and this will cease to have effect from one year thereafter. So that the one year period that is proposed by those who want to limit its operation is really covered almost exactly or approximately by the life which the Constitution itself gives to this. The only change would be if a state of emergency is renewed by a proclamation, when, the position would be, we would have to re-enact this Act so to say instead of simply continuing it as it is. It would have again to go through the process of re-enacting the President's Act. I submit, therefore, that I am unwilling for these reasons to accept the proposed amendment.

**Dr. Tek Chand:** I have listened with great respect and attention to what the hon. the Home Minister has said. I may be pardoned for submitting that his remarks are based upon a misapprehension. He thinks that the Constitution has been suspended in the Punjab, and that the President has been given the power to pass Acts of his own, like the Act which we are considering, because a "state of emergency" has been declared in the Punjab. That is not the case. If that were the position, there would have been a proclamation under article 352 of the Constitution, which is the article dealing with a case where the President is satisfied that a grave emergency exists to the security of the country as a whole or of any part of India. That is not the provision under which action has been taken in the Punjab. Here action has been taken under article 356 which says that "if the President on receipt of a report from the Governor of a State or otherwise is satisfied that a situation has arisen in which the Government of the State cannot be carried on in accordance with the provisions of the Constitution etc." This is quite different from a "state of emergency". That is what has happened here. The President found out for some reason or other, the Assembly could not function properly and no Ministry could be formed

and therefore action under Article 356 was necessary. That is very different from the position which might arise in any part of the country where a 'state of emergency' exists. It seems, therefore that the very basis of the arguments of the hon. Home Minister is non-existent, if I may say so.

Secondly, I wish to point out, as has been done by Pandit Thakur Das Bhargava, already, that though the present proclamation under which the President is acting will remain in force for six months in the first instance, it is liable to be extended by him without any reference to the House, to further periods extending in all to three years, and under article 357, Acts passed by the President shall continue in force for one year thereafter. Therefore there is a possibility of this Act remaining on the statute book for a period of three or four years more. That, I submit, is the position which the House should take into consideration.

I shall now place before you two or three other considerations. The Punjab Safety Act, which expired on the 13th of September, was enacted by the Punjab legislature in 1949 for a period of two years only. There is, however, no limit of time for the duration of the Act passed by the President at a time when the Constitutional machinery is not functioning in the State and the Assembly has been suspended. Should you have such an Act for a period longer than two years? Again take the Defence of India Act under which similar provisions existed. The provision there was that they would continue to exist for six months after the war and not longer. Even the notorious Rowlatt Act which was passed in 1919 was for a limited period. Now, standing as it is, there is no time limit in this Act. If you read it with article 357, it is liable to remain in force for 4½ years. I would therefore request the hon. Home Minister to see whether it is desirable to have this Act for such a long period as three or four years. If the state legislature had been functioning the maximum period for which it would have passed the Act, in all probability would have been for two years like the previous Act of 1949. They would not have enacted it for more than two years. They would have said, that the original Act was for two years and so we extend it for two years or very probably one year. They would never have given it a longer life. So far as I can recollect,— I speak subject to correction,—the Safety Act passed in other states are also for limited periods—one or two

years—and they are renewed as the situation requires. If the legislature is then functioning, however, it will have the power to renew it for such period as it thinks fit. And if the Constitution remains suspended, well, the President can pass another Act—just one line—saying that this Act, which expires on such and such date, shall be extended for one more year. Therefore, I would request the hon. Home Minister to consider these points and fix some definite time limit for the duration of the Act.

**Shri Rajagopalachari:** I may explain that there are two emergencies. One is the emergency under which the President is acting, under article 356. There is no ministry and no legislature. In that case the maximum period is three years. That is one thing. But that is not likely and I thought that as soon as the elections are over that emergency would cease, and there is not much difference in the period that is proposed by my hon. friend and the period that I am proposing. The other emergency would be the emergency with reference to the safety of the State. That will be considered by the Legislature where there is a Legislature and by the President where there is no legislature.

In any case, I do not wish to argue the matter further and if the hon. Member who spoke last really represents the body of opinion on the other side, so to say, i.e. they want two years, I have no objection to accepting the two years period.

**Sardar Hukam Singh:** I support the motion of Pandit Thakur Das Bhargava. We have welcomed these modifications. But it is certain that we do not welcome this Act. We are against it. This is a stigma on the name of the Punjabis. There is a difference in the approach to this question. It is considered, perhaps, by the administrators that the Punjabis fight and that they create trouble. The administrators may think that the Punjab is a backward area or that there is much trouble there, that there are murders and dacoities and other things and because of these difficulties there, this measure is needed.

**Dr. Tek Chand:** But in these matters the Punjab has been beaten by several other provinces.

**Sardar Hukam Singh:** I am coming to that. Well, if you take the figures with regard to these crimes, you will find that the Punjab is excelled by other provinces in these respects. Now, my own approach is different. The administrators perhaps think that

these difficulties can be tided over by these coercive and restrictive measures. But I feel that if you trust the people more and more and remove these restrictions, perhaps they might become conscious of their responsibilities and things might improve. This is a vicious circle that is going on. The administration says that because there are these difficulties therefore it is necessary to have such legislation, that it is necessary to continue such legislation. But my submission is that the administration does not improve, and therefore, these difficulties continue. Unless the administration moves in the matter and improves, these difficulties would not be removed.

Then again, we do say that these measures, such as the one that we are modifying to-day should cease as soon as possible. We have passed these amendments and we welcome these modifications. But it is a fact that we have suffered this enactment because we had no choice. We would have opposed it tooth and nail, but if we had the opportunity. It may not be understood that we welcomed that enactment as a whole. It does bring recollections of the foreign rulers. Such measures were needed then. But they are being continued even now. The ordinary man does not feel that there has been some change in the circumstances even after the advent of freedom. Therefore, my point is, because we are very anxious that such restrictions and such restrictive measures should be brought to an end as soon as possible, this period must be restricted to one year, and after that it may come here again and we will see whether anything is necessary or not.

**Mr. Deputy-Speaker:** I will put the motion to the House.

**Shri Rajagopalachari:** I am accepting the amendment, that it should not be the 12th September 1952, but 12th September 1953.

**Pandit Thakur Das Bhargava:** As far as I am concerned I would like the original amendment suggesting the period of one year to be accepted. I do not want the people of the Punjab to be considered more backward than the people of other provinces and after hearing the arguments of the hon. Minister I am convinced as a matter of fact, that it is best that the period is fixed as one year. I would therefore request him most respectfully to kindly agree to this period of one year as he has been agreeing to many other suggestions. Let us not mar the atmosphere in which we have willingly curtailed our own powers and liberties.

**Shri Rajagopalachari:** With all respect to the hon. Member I may say that I am quite prepared to accept everything that is reasonable and I do not think that I was anything but reasonable in the course of all this discussion or in the procedure that I have followed. I have even now said that I would accept two years. But there is no real point in this one year or two years, because the emergency period will not last for more than a little time and...

**Pandit Thakur Das Bhargava:** And that is all the more reason why my suggestion should be accepted.

**Shri Rajagopalachari:** Well, that way every argument can be reversed. When I say there is not much difference between what I say and what the hon. Member or the other side says, then he asks, "why not accept what I say?" But I submit in the interest of the State as a whole, there is no meaning in passing an Act like this and asking the President to go on operating over and over again. The thing will be repealed by the President in the normal course. I am willing to accept the period of two years, but as that does not appeal to the others, so we come to the original proposition.

As regards the second amendment of Shri Bhatt, namely, that not only should the Act be limited in its period, but it should be further limited by a series of notifications territorially as well, I would submit to the hon. Member to consider this. Very probably, if this amendment becomes the law it will only mean a lot of printing and time wasted in the Secretariat in putting the notification over and over again. I would therefore beg of him to withdraw his second amendment. We will consider this question of one or two years. I would beg of Pandit Thakur Das Bhargava, just as he asked me to accept his amendment if there is not much difference between his and mine, I would request him to agree to two years proposed by Dr. Tek Chand so that we may conclude this discussion in the sweetest manner possible.

**Shri Bhatt:** I beg for leave to withdraw my amendments.

The amendments were, by leave, withdrawn.

**Mr. Deputy-Speaker:** Now, is there any difference as regards the Long Title?

**Pandit Thakur Das Bhargava:** There is some, but I do not want to move my amendment.

**Mr. Deputy-Speaker:** Then let it go.

पंडित ठाकुर दास भार्गव : जनाब,  
डिप्टी स्पीकर साहब, जब इस साररेखी-  
ल्यान के एमेन्डमेंट्स खत्म हो चुके हैं...

[**Pandit Thakur Das Bhargava:** When all the amendments of the resolution have been disposed of.....]

श्री भट्ट : वह आप को इस वक्त  
ज्यादा बोलने के लिये नहीं कहते ।

[**Shri Bhatt:** He does not ask you to speak any more now.]

**Shri Rajagopalachari:** It would be better if you speak in English so that Shri Velayudhan and I could follow.

**Pandit Thakur Das Bhargava:** I thought I should speak in Hindi and express my innermost feelings but since Rajaji's orders are binding on me I will speak in English.

In the present circumstances in which the country, especially the Punjab, is placed I for one expected our Government could arm the whole of the Punjab, would have volunteer forces so that in any contingency Punjab could defend not only itself but the whole of India. We are hearing a good many things from Pakistan. There the slogan of jihad is on everybody's lips and at the same time so far as our leaders are concerned they are cool-headed and do not allow any panic to grow in this country. It is all very good for us and the country. All the same I would submit and here I am voicing the feelings of all Punjabees, that they do want in any contingency arising that they should be able to defend their country and not depend upon the armed forces alone. Under these circumstances we would have expected that along with this Bill there would be another Bill providing for compulsory military training or compulsory recruitment of all young men in this part of the Punjab. But we are not having any Bill of that sort. On the contrary when this piece of legislation goes out into the country it is to a certain extent bound to be misinterpreted. These sections about organised or quasi-military organisations are not against volunteer organisations and yet they are bound to be misinterpreted by some people and the idea will gain currency that Government does not want that our people should resist aggression and they are emasculating

the people like the old Government. I would very humbly request the Government that by its action they should show to the people of the Punjab that they mean business.

In June last I went to some parts of Jammu and asked the people in the villages whether they had arms. They replied that previously they had arms but since one brigade had come there their arms had been taken away. When protection to the people was afforded by the presence of a brigade it was not necessary to give arms to the people. But the psychological effect is very bad. They told me that on the other side of Jammu in Pakistan every person had arms. I would therefore submit that so long as this war of nerves lasts, so long as the armies of the two countries are pitched against each other on the borders at least we should see that every person feels the strength which arms alone give to him and so far as the Punjab is concerned the Government of the day should see that the martial spirit, which is the chief characteristic of the people of the Punjab is preserved. I would therefore beg the Government to make arrangements, so far as the Punjab and other border provinces are concerned, so that such a situation is created that people may feel the confidence which a free people feel in their own country.

Then the question arises whether this Act is really one that we should have accepted. I am quite alive to this question of collective fining and the widening of the definition of the word sabotage so as to make it punishable for two years, a position which ordinarily no one would accept for any province. It is not that I do not understand the difference between the present law and the law as we are enacting. So far as sabotage is concerned even after the explanation about strikes, etc. the freedom of every labourer in the Punjab will be restricted a great deal. But because of the grave problems before us we have enacted this. All the same in my humble opinion there is an emergency of a different nature from that which the Home Minister construed it to be. There is an emergency even in our own districts which are not full border districts. Many Pakistanis come to these places for purposes of spying. We have arrested many of them and made them over to the police. Yet they come every day. In these circumstances it is but proper that we should arm our government with plenary powers to see that the security of the State is not in any way jeopardised or the public order disturbed.

I would therefore submit that while accepting this I appeal to the Minister that he may be pleased not to prolong the period beyond one year. I am very sorry that my request has not been accepted. However we find in our Rajaji the paternal solicitude of a father in this House and he is perhaps a grandfather to some of the Members here. Whatever he says we accept as good and sound advice, even though we may have our differences. And I am one of those who do not want to conceal our differences in regard to any question of law. We have accepted his advice and taken it in good grace. I would submit for his consideration that so far as the provisions of the Act are concerned they can be abused and that he should make arrangements for the administration of the law in such a manner that they may not be abused. I know that so far as the Defence of India Act's provisions are concerned they were abused and there were many cases in which innocent persons were hauled up. I do not want to see a recrudescence of those conditions. Now it is our Government and our own people. We do not want that a single person should suffer on account of the wide powers given to the executive. So long as the Congress Government is there, so long as our leaders are there I have no doubt that the provisions will not be misused. But the spirit of these leaders and their feelings do not permeate to all the officers in the States. They have not reacted to the noble motives or feelings of our leaders and hence there is so much trouble in the land. If the Centre alone had to administer the law perhaps, though I am imbued with the belief that eternal vigilance is the price of liberty and I would not like to arm the executive with autocratic powers, yet in my feeling of weakness that our leaders should get all the powers I would even agree to such a law. But they should know that their prototypes are not there in the state. There are people of all kinds and the same mentality prevails which prevailed many years ago. Not many officers have imbibed the spirit of the Central Government so that they do what they should as subordinates of the Government. Realistic as I am I submit for the consideration of the Government that they should see that in the administration of these powers not much latitude is allowed to the executive, especially in the Punjab, because we have no ministry or popular government there. I am not here to decry this or that, but I must submit that it should not be assumed that as a matter of fact there was an emergency of the kind assumed by the Home Minister in the

[Pandit Thakur Das Bhargava]

Punjab. In the Punjab when the constitutional machinery failed, it failed because our leaders wanted that it should not continue—otherwise it would have continued. Even today a Ministry can be formed if the persons who formed the ministry and who are as stalwart supporters of the Congress as other Congressites claim to be are allowed to form it there are people who can form the Ministry and they are in a majority. But I would very much condemn those who would form such ministry in defiance of the wishes of the Congress as long as they belong to the Congress.

Therefore, so far as the normal conditions are concerned those that obtain in other parts of India are exactly the same, much the same, as those obtaining in the Punjab. There is not much difference. As pointed out by Bakshi Tek Chandji, there is not much of murder, dacoity or burglary, etc., in the Punjab. The administration is going on smoothly. I should rather say there is much less panic now than there was some years ago when the forces of Pakistan and India were matched against each other. Now there is not much panic; there is some, but not much because the conditions are settled and the four years of Congress rule have produced the effect and people have got more confidence. So, as I have already said, normal conditions in the Punjab are not so very different from those obtaining in other border States or in other parts of India. On account of Pakistan tension I regard this as an emergency measure and I will not be surprised if such laws are enacted for the whole of India. Because we want to be fool-proof; we want that so far as these emergency conditions are concerned, a State may be armed with powers which will not allow the security of the State to be threatened or public order to be disturbed. This is the only reason. Otherwise, so far as I am concerned, I would not have agreed to any of the provisions given in this Bill which go against the ordinary law of the land.

I would in the end also thank the hon. Home Minister for the manner in which he has approached the subject and tried to accommodate the view point of those who differed from him in many respects.

**Mr. Deputy-Speaker:** I am afraid we cannot go on to the half-hour discussion today because this has to be finished today. Now, there is the other amendment of Mr. Velayudhan that the whole Act be dropped—in legal language, that the Act be repealed,

ed, that is a Resolution that the Act be repealed. What I propose doing is that first of all I will put his amendment before the House. He may speak not only on his motion but also on the others which we have passed. Then other hon. Members may take part. We must close this discussion today, otherwise the whole thing will become infructuous. In the end, his amendment will be put to vote first and then the Resolution as substituted will be put to vote.

**Shri Rajagopalachari:** It may be put to the vote, or if Mr. Velayudhan agrees he may even withdraw it seeing what has been done with reference to various clauses. That will save time because we must remember that unless we pass this today it would be of no use. And as I have been called grandfather, I would advise Mr. Velayudhan to withdraw his omnibus Resolution.

**Mr. Deputy-Speaker:** Hon. Members coming from the Punjab find there is necessity for it at least for one year. The hon. Member coming from the South thinks otherwise.

**Sardar Hukam Singh:** Members do not say that. There is a necessity with regard to modifications and not to the Act. That should not be misunderstood. We never wanted that this Act should be there. We are opposed to it but we have agreed to the modifications.

**Mr. Deputy-Speaker:** Hon. Members from Punjab could have tabled this amendment.

पंडित ठाकुर दास भार्गव : मोत से  
जहमत भली, जहमत से भला बुझार ।

[Pandit Thakur Das Bhargava: We should choose the lesser evil.]

**Shri R. Velayudhan:** Let me at the outset submit that I would have accepted the hon. Home Minister's advice to curtail my speech or not to move this amendment if he were not the Home Minister of India.

**Shri Rajagopalachari:** I hope he has not misunderstood me. I did not advise him as the Home Minister of India but as a grandfather.

**Shri R. Velayudhan:** Therefore I move this amendment, not taking any constitutional view of it but because it is my wholehearted feeling that this legislation which is very important not only for the Punjabi speaking people but for the whole of India should not go unchallenged or unopposed.

[PANDIT THAKUR DAS BHARGAVA in the Chair]

I ask whether this House has realised the importance of this Resolution? It touches the very civil liberty the very democratic way of living of the people who number about a crore and a half. Of course, Punjab is under President's rule today and this House has given him the power. Yet I may submit that at the time of granting that power I have opposed that Resolution and I was not a party to it. And today when this oppressive legislation came before the House I thought it my duty to oppose it because I believe in democracy and in fair rule by the Government.

Regarding my amendment, I have put it only from a commonsense point of view, from the point of view of ideals which I believe in, ideals of democracy. In the Preamble it is stated that it is a prolongation of the legislation that was already passed in 1949. Of course, that is an extension of the notorious Preventive Detention Act that was passed by this Parliament some years before.

**Mr. Chairman:** I do not want to interrupt the hon. Member but he should know that the present Act is not an extension of the Preventive Detention Act of 1949; so far as Punjab was concerned, there was a Punjab Safety Act which has been repealed by this Act. It can be stated that it is a substitute Act, but it has no relation with the Detention Act.

**Shri R. Velayudhan:** I presume that almost all the States in India have passed Acts like the Punjab Safety Act. But this House had given the lead to it by passing the Preventive Detention Act some years ago. Therefore, it was a kind of hydra-headed dragon that had gone throughout India—not only in the Punjab but in all the States of India. Of course, we realise that this Act was passed by the Punjab Legislature before and we are now amending it with certain modifications according to the present circumstances. But as Pandit Thakur Das Bhargava himself said, Punjab is already in a settled condition. Punjab is not backward. It can lead other States as it had done in the past. What was the special emergency for the continuance of this Act in this modified form? Of course, the Home Minister will cite the strained Indo-Pakistan relations. We realise that those relations are not happy, but at the same time we should take stock of the situation in the country. The General Elections are coming within two months' time and by this Act not

only the whole of Punjab but the whole of India is disturbed. I would have understood it had this Act applied to areas within an area of 60 miles from the border. That is a reasonable thing. That is how a man with commonsense can understand. But here is a police Act, when there is no popular Government in Punjab. It is brought in the name of the defence of India and in the name of the strained Indo-Pakistan relations. I know the Government have lost confidence in the people, in their democratic spirit, as otherwise they would not have brought such a legislation. When Punjab Government was taken over by the President, I should have thought that this Parliament would have moved for removing all oppressive legislations in that State. Instead of that, we are bringing more and more oppressive legislations and shackling the people of Punjab.

6 P.M.

**Shri Bharati (Madras):** We are not bringing any new legislation. It is only modelled on the old thing. Why do you say that it is something new?

**Shri R. Velayudhan:** Let me proceed, Sir. We as trustees of the people of Punjab have no right, no moral justification, to bring such legislation. What does this Act signify? It signifies that the people of Punjab are to be governed by rules which are just like the rules observed in a Central jail or a police *thana*. We all remember how in 1922 Mahatma Gandhi said that "the whole of India is a prisonhouse". If we pass laws like this, or like the laws that prevail in the country today, my submission is that India is in no way better than the prisonhouse that the Father of the Nation described in 1922. You will excuse me if I express my views frankly. I believe in certain things and hold certain views and I want to stand for them and fight for them. This kind of legislation, at a time when we are facing the General Elections, should not be the work of a responsible and democratic Government under the leadership of our revered leader Pandit Jawaharlal Nehru. We would expect him to remove all these oppressive legislations, to give us all civil liberties, to give us freedom of movement, to give us freedom to hold public meetings and conduct propaganda for elections. You are not going to stop the elections in Punjab. You are having them. At the same time, you enact this Bill. The other day I mentioned the example of my State of Travancore-Cochin where even Press Conference are not allowed to be held. It is a funny thing that

[Shri R. Velayudhan]

in any State in India such a thing should be done.

**Mr. Chairman:** We are discussing the Security of the State of Punjab Act and not of Travancore-Cochin.

**Shri R. Velayudhan:** I was only giving an illustration.

**Shri Bharati:** A false illustration.

**Shri R. Velayudhan:** I can prove it is correct. I do not make statements like the hon. Member who does not stand for truth. This obnoxious Act is one of the examples of Congress administration.

**Mr. Chairman:** It is much less rigorous than the previous Act.

**Shri R. Velayudhan:** Of course, this Parliament has a Congress majority and it is passing these oppressive Acts one after another and then asks the people to obey them and asks the people to be peaceful.....

**Shri Bharati:** Asking people to be peaceful is not the object of this Resolution.

**Shri R. Velayudhan:** ...when they themselves are undemocratic, when they themselves are exercising dictatorial powers, when they themselves have established a kind of semi-dictatorship in all the States. I need not go into clause after clause. The Act prohibits everything; the civil liberties of the people; freedom of movement; everything. Even a police constable can remove a man from his house and take him to another place.

**Mr. Chairman:** There is no provision in this Bill or perhaps in any other Bill whereby a constable can remove a man from his home and take him to an unknown destination. I would request the hon. Member to confine himself to the provisions of the Bill.

**Shri Bharati:** He is drawing freely on his imagination.

**Shri R. Velayudhan:** I stand corrected, but the provisions of this legislation are to be enforced through the police. The District Magistrate is not going to remove a man from one place to another. He will only order the police to remove him.

**Mr. Chairman:** Surely, the District Magistrate is different from a police constable. I would request the hon. Member to consider that we must close this sitting at 6.30 and other hon. Members are also anxious to speak. He promised to be brief.

**Shri R. Velayudhan:** I will not take more time nor will I trouble you with my speech if this solitary criticism of a solitary Member is disturbing the minds of the Members of this House.

**Mr. Chairman:** The hon. Member is not correct in saying that he is the solitary Member who has criticised. This is not the only criticism.

**Shri R. Velayudhan:** I said 'solitary criticism'. If this Bill comes into practical operation, it will be nothing but martial law in Punjab. Punjab has seen martial laws in the past. As a student, I have been several times thrilled by the news of martial law being enforced in Punjab. Lahore was put under martial law when Lala Lajpat Rai undertook his fast in 1919.

**Shri B. Das (Orissa):** Were you born then?

**Mr. Chairman:** Lala Lajpat Rai never undertook any fast.

**Shri R. Velayudhan:** What I mean to say is this. We had those thrills at that time, because this kind of oppressive legislation and martial law were imposed by a foreign Government. But today it is a Government of the people of India. It is a Government which was put into power by the people, that is taking these dictatorial powers to suppress the people. It should not go unchallenged; it will have to be opposed; it will have to be fought against.

Sir, if the Government is going to proceed in this way, I think; Sir, India is inviting not non-violence in which the Father of the Nation instructed us, but our Government is inviting violence. Our Government is inviting a bloody revolution.

**Sardar Hukam Singh:** I want to intervene at this stage to clear up an impression that might be created in the country that the Punjab Members are in favour of the enactment of this legislation. I want to make it clear that we are opposed to this measure. We did make certain suggestions to the hon. Minister and I should on this occasion point out that he agreed to certain modifications suggested by us. We welcome them. But I want to make it clear beyond any possibility of doubt that we do not like this enactment.

A remark was made by an hon. Member that this is only a replacement of an old legislation that was already there, and nothing new is being done. But that does not change the situation. If a piece of bad legislation was handed down to us by a

foreign ruler, it is not creditable on our part to continue them. We have not effected any change as to make the people of the Punjab to feel that the foreigner has left. It is therefore no argument to say that the legislation was already there and we are only adding certain old sections and removing certain others.

Fortunately or unfortunately the fact remains that our country is very vast. There is great diversity of culture, manner and usages of the residents of different provinces, with the result that one fails to understand or appreciate the mode of life of the other. I want to stress this fact, because those who are at present administering the country come from different parts. But I find that one is not able to appreciate the culture and usage or customs of the other. Some are so frightful that they feel that even a *lathi* should not be left in the hands of a Punjabi. It is a common practice that when a Punjabi goes out he carries a *lathi* with him. He does not consider it to be objectionable. Of course occasions might arise when he might use it. A *lathi* to a Punjabi is just like a walking stick in the hands of a gentleman. But it has been held to be a weapon of offence. It can cause grievous injuries and even murders. Virility and fortitude are virtues of a Punjabi. If however you are going to make carrying of a *lathi* an offence you are going to make the citizens of this country docile and thereby doing a disservice to the country. These very virtues would be very useful for the defence of the country and as circumstances stand at present every effort should be made to encourage them. The Government should take particular steps to see that these qualities are maintained and not marred. I am afraid this legislation that we have modified today, even in the present form is a step towards demoralising them. Already we know that there is, as has been said by yourself, a cry of *jehad* from the other side. As regards our people on the border we are proud that they are showing a very good morale. But if we deprive them of the arms we are only weakening the country. In answer to a question it was said that 2,700 arms have been taken away from the people of three districts, Ferozepore, Gurdaspur and Amritsar, during the last few months. Then again, we are, under the sections that we now legislate, banning and disallowing them to come together even with *lathis* so that there might be no display of force. This would lead to their demoralisation and that would weaken our country, so far as I can make out.

Anyhow we have now agreed to pass this legislation in a modified form. We have suggested certain modifications. But these restrictive provisions can also be abused. Therefore my last prayer to the hon. the Home Minister is that the Government should see that they are not abused and the lawful rights and liberties of persons and associations who hold views different from the party in power are not restricted in any manner, so as to make them feel that the coming elections were not fair and free and they were fettered in the exercise of their lawful rights. This is the appeal that I want to make.

**Shri Rajagopalachari:** I am not saying merely anything formal when I say I am very grateful to all the Members, especially the Members from the Punjab who have assisted in the progress of this resolution to its proper end. The first thing I would like to mention when winding up the debate is this. The hon. Member who spoke last said that Punjabi Members should not be taken to like this legislation, that they really do not like this legislation. I entirely agree with him. Not only Punjabi Members, even Government does not like this legislation. It is an emergency legislation. The emergency is nothing that is attributed to the Punjab people, but it is an emergency that has arisen in the circumstances of the country. We have to meet it, and we have this President's Act. If the Legislature had been there, the Legislature would have passed this Act,—unwillingly—but it would have passed it because it is necessary.

I want hon. Members to remember that probably in every State in India now there are Acts of the Legislature of this kind. Only, in the case of the Punjab the President's Act has greatly cut down the provisions of the emergency and safety legislation compared to what is prevailing in all the Provinces. The Punjab Act as now passed by the President is much less rigorous than the other Public Safety Acts throughout India. And, as now amended today by this resolution, as it is going to be, it will be much less stringent even than the President's Act as it was originally enacted by the President. So the Punjab friends should not imagine that they are in a worse position in regard to the Safety Act than other provinces are. As a matter of fact the position throughout India is one in this respect. We have got independence but independence has its responsibility with it and also its apprehensions and fears along with it. So every State whether it be Travancore at the other end or the Punjab at this end is anxious to have

[Shri Rajagopalachari]

certain powers. The Government in every State is anxious to have certain powers, to preserve that independence against any onslaughts and any conspiracies. It is not only the Punjab that has got this. It is only the Punjab that has, so to say, revised and amended the form in which Public Safety Acts prevail all over the country.

Then again, I do not want hon. Members to be carried away by my friend, Shri Velayudhan's eloquence about the whole of India being in a prison. Any one who heard his voice and his manner and what he said could not possibly imagine that we are living in a prison of any kind. We are living in a land where probably the freedom of speech and freedom of eloquence are exercised to the utmost by hon. Members who are not guided by their grandfather. I want hon. Members to consider this from a practical point of view. Much has been said that placing this on the Statute Book would mean that India would be reduced to prison life and that everybody would lose his freedom that everybody would be in fear and they would lose their manliness. This Act or its father was enacted in 1949 and it expired only in September 1951. During this period from 1949 to September 1951, I ask how much manliness was lost and how much feeling that we were living in a free land was lost? It was a worse act than the present President's Act as amended by this Resolution and it was prevailing from 1949 to September 1951. In how many ways has it been misused by the authorities in the Punjab? Have innocent people been put to suffering or oppression on account of the Public Safety Act that prevailed? Let us not allow ourselves to suffer from nightmares. Mere repetition of old slogans can produce a nightmare. The Public Safety Act which was there from 1949 till September 1951 did not harm anybody. When we were able to stand that, why should we have a nightmare about an innocent shorn lamb that I am producing now. Why should we think that it will bring oppression to the poor and innocent people? Let us go by experience. No one need be afraid of oppression by Government. No one will allow himself to be oppressed or can be suppressed. Let us have the provisions that are necessary for the safety of India. Hon. Members should remember that it is unnecessary for me to issue or for the Home Minister of India, whoever it may be, to issue instructions that this Act should not be misused. That would be casting a slur on the administration. It is

totally unnecessary, they cannot be misused. The provisions of this Act will not be misused, but it may be taken for granted that whoever may be in charge of the Government of Punjab, whether it be a Ministry or whether it be the President now or the Central Government advising the President, these provisions will not be misused to oppress the innocent people but it will be used to safeguard the safety of Punjab in the first instance and the safety of India in the second instance. It will be used against those who are enemies of India, those who are enemies of the freedom of India and of its progress, those who operate from abroad as well as those who operate from inside. This Act is intended to protect the safety of India and not to oppress anybody whatsoever and it may not be used to oppress anybody.

The hon. Member who spoke first rightly said that the Punjab is capable of defending herself and India. I quite agree. If only we did not have certain difficulties and dis-unities and things like that, I have no doubt in my mind that the manly men and women of the Punjab will certainly defend the Punjab as well as the whole of India should any aggression take place. I have no doubt about that. But, let it not be imagined from now on that we should each flaunt a rifle in our hands in order to be strong. We should have the rifle in our hearts and be ready for any emergency. If the army gives the direction to the people to fight, the people, I am sure, will fight in the Punjab and defend the freedom of India. But, it is unnecessary to add to the war scare sought to be created by some abroad, by drilling and by equipping our common people unnecessarily. We have no fear in our hearts. We can walk about as Punjabis even now do with a simple *lathi* in our hands. We need not carry a rifle at all in order to show that we are courageous and that we can defend the country.

The hon. Member who spoke last referred to *lathis*. It is not the intention of this Act, nor is it the purpose of any of the provisions of this Act to prevent any person from carrying his usual *lathi* with him. What is sought to be provided in some sections is against drilling the people for the use of *lathis* in an organised manner. Surely, we do not want private armies of that kind. Nobody wants such armies. It is only that which is prevented here by this Act. No person who is carrying his *lathi* need drop it or put it aside on account of this Act. He can continue to carry it. Only he

could not use it against people unnecessarily and when it is not wanted.

I do not think I need detain the House with anything else. I hope the House will pass the Resolution as amended and disperse with a sense that we have done nothing wrong.

**Mr. Chairman:** Let me now proceed to put the various amendments to the House. In regard to the amendment of Mr. Velayudhan, I find that the amendment is that the whole Act be repealed. It would have been in accordance with constitutional practice if he had given notice of an amendment to omit particular sections one by one. He has given notice of only two sections, section 6 and 7, and has also given a general notice that the whole Act be repealed. He has been allowed to move the amendment. I shall place the amendment before the House.

The question is:

"That the whole Act be dropped."

The motion was negatived.

**Mr. Chairman:** Now, I will proceed to put the amendment of the hon. Home Minister in regard to the Resolution. Before I put it to the House, I would ask the hon. Home Minister if he is agreeable to my adding the last line to his last amendment. The last amendment was that the Act shall remain in force for two years. There is no notice so far here. May I take it that he wants to add:

In sub-section 3 of section 1, add the following at the end;

"and shall remain in force up to 12th September, 1953."

It will read like this:

"(3) It shall come into force on the 13th day of September, 1951 and shall remain in force up to 12th September, 1953."

**Shri Rajagopalachari:** I beg to move:

In sub-section (3) of section 1, add the following at the end,

"and shall remain in force up to 12th September, 1953."

**Mr. Chairman:** I will first put this amendment to the House. The question is:

In sub-section (3) of section 1, add the following at the end,

"and shall remain in force up to 12th September, 1953."

The motion was adopted.

**Mr. Chairman:** Now, I will put the amended amendment of the hon. Home Minister to the House.

The question is:

For the original resolution, substitute the following:

This House resolves that in pursuance of sub-section (4) of section 3 of the Punjab State Legislature (Delegation of Powers) Act, 1951, the following modifications be made by the President in the Punjab Security of the State Act, 1951, laid on the Table on the 21st September, 1951, by enacting an amending Act:

#### Section 1.

In sub-section (3) of section 1, the following be added at the end, namely:

'and shall remain in force upto 12th September, 1953.

#### Section 2.

In sub-section 1, omit the words "impair the efficiency or".

In sub-section (3), for the word "reason" substitute the words "reasonable grounds".

In sub-section 4, for the word "three" substitute the word "two".

#### Section 3.

For the words "organised and trained or organised and equipped either for the purpose of enabling them to be employed for the use or display of force or in such manner as to arouse reasonable apprehension that they are organised and either trained or equipped for that purpose" substitute the words "for the unauthorised use or display of force".

In sub-section 2, for the words the word "practice" add the word "one year".

#### Section 4.

In line 5 of this section before the word "practice" add the word "unauthorised". In the last line of this section before the word "use" where it occurs for the second time add the word "organised".

#### Section 5.

In sub-section (1) omit the words "make or". For the words "a movement prejudicial to the security of the State or the maintenance of public order" substitute the words "any organisation declared unlawful by Government".

In sub-section 3, for the word "contravenes" substitute the words "publicly wears, carries or displays any article in contravention of".

[Mr. Chairman]

**Section 6.**

After the words "in writing" add the words "from time to time" and for the words "during such period" substitute the words "for such period not exceeding two months".

Omit the explanation to this section.

**Section 7.**

In sub-section (1) for the words "the interests of the general public" substitute the words "the security of the State or the maintenance of public order".

In sub-section (1) (d), omit the words "or do both" and for the words "authority or person" substitute the word "magistrate".

**Section 8.**

In sub-section (1), omit the words "or on premises in his occupation or under his control" and the words "unless he proves that he was unaware of the nature of the document".

In sub-section (2), for the word "allows" substitute the words "intentionally permits".

**Section 9.**

In sub-section (2) (a), between the words "the State" and "the maintenance of law and order", add the word "or", and omit the words "the public safety or the public revenues".

In sub-section (2), omit the word "forthwith".

In sub-section (6), omit the numbering 'i' and omit clause (ii).

Omit the explanation to section 9.

**Section 10.**

Omit section, 10.

**Section 11.**

Omit section, 11.

**Section 12.**

Omit sub-section (1) and omit the figure and brackets "(2)".

In sub-section (2) (a) insert the word "or" after the word "state" in line 3 and omit the words "or the interests of the general public" in line 4.

**Section 13.**

In section 13 before the word "non-bailable" add the words "where the punishment provided is more than one year".

**Section 14.**

Omit section, 14.

**Schedule.**

In the schedule, in part (f), for the words "of general use" substitute the words "essential to the community".

The motion was adopted.

**Mr. Chairman:** The House stands adjourned to 9 A.M. tomorrow.

*The House then adjourned till Nine of the Clock on Saturday, the 29th September, 1951.*