

SHRI P. K. DEO : There is no question of time for this. There is air invasion of India by Pakistan.

MR. SPEAKER : I will pass this on to the Prime Minister.

SHRI P. K. DEO : Do not take it lightly.

17.51 hrs.

AIR CORPORATIONS (AMENDMENT) BILL

THE MINISTER OF TOURISM AND
CIVIL AVIATION (DR. KARAN SINGH) :
I beg to move :

"That the Bill further to amend the Air Corporations Act, 1953, as passed by Rajya Sabha, be taken into consideration."

As the hon. Members are aware, the Air Corporations Act was first passed in 1953 and has been amended only once in 1962. In the course of the last decade we have felt the necessity to make a number of improvements and amendments to this Act in the light of experience gained in the functioning of the Corporations, and also in the light of the Administrative Reforms Commission Report.

If the hon. Members would bear with me, there are three main purposes which this Act seeks to achieve. The first is the possibility of expanding the Board of Directors of these Air Corporations from 9 to 15, because we feel that there should be more functional directors. One of the reasons is that people who have spent many years in the undertaking should be able to sit on the Board also and we feel it will give us more flexibility in the proper functioning of these Corporations.

Secondly, this Act seeks to enable a subsidiary corporation to be set up by the two Air Corporations, and that is necessary because, as you know, the new trend over the last five or seven or ten years in the world is that all the great air companies are going into the hotel business. There is a symbiotic rela-

tionship between tourism and air transport. Therefore, it is essential—I have got a list of about 30 different airlines which have gone into the hotel business, and we feel it is essential—that Air India which has been able to make a mark in the last 17 to 18 years in the highly competitive field of international air transport should enter into the hotel business.

Also, Air India is in the process of setting up an Air Charter Company. Because, as you know, international air fares have virtually collapsed. There is a chaotic situation today in the field of international air fares and it is necessary that in order to safeguard our interests we should have a charter company, which we intend to set up. Therefore, the second purpose of this Bill is to enable the setting up of subsidiary corporations wholly owned by the parent companies.

Thirdly, in the light of the recommendations of the Administrative Reforms Commission, we are strengthening the autonomous functioning of these Corporations, by enabling them to incur expenditure of a higher degree than what was previously allowed without Government sanction. Previously they were allowed to incur expenditure up to only Rs. 15 lakhs. As you know, the value of the money has fallen considerably and the total volume of air business has increased tremendously. We are, therefore, increasing it to Rs. 40 lakhs.

There are two or three other smaller clauses. There used to be an advisory committee which never really played any useful role. When we have the Consultative Committee attached to the Ministry and we also have a broader board of directors, we do not consider it necessary to have yet another advisory committee.

There is another proposal with regard to the approval of the Central Government for regulations of the Corporation being relaxed.

This Bill, in other words, seeks to bring up-to-date in the light of experience gained the Air Corporations Act and to introduce certain much-needed useful amendments. The Bill has had the distinction of being passed twice by the Upper House. It was passed once but it lapsed because of the dissolution of the Lok Sabha. It has been passed again

by the Rajya Sabha and I would commend this useful piece of legislation to the honourable House.

SHRI R. S. PANDEY (Rajnandgaon) : You are going to have a board of directors and you are going to increase the number from 9 to 15. Are you going to increase the number of Members of Parliament? No. Then I am sorry.

MR. SPEAKER : There are only three minutes left. With your permission, we may adjourn.

17.57 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Friday, December 3, 1971/Agrahayana 12, 1893 (Saka).