

खत्म करो। लेकिन इसका भरोसा नहीं है। . . . (व्यवधान) . . . आप कोई कार्यक्रम नहीं बनाते हैं। सिद्धान्त पर उठकर सामाजिक और आर्थिक कार्यक्रम बनाओ, पिछड़े वर्ग के लोगों को विशेष अवसर और समान अवसर दो, उसमें योग्यता की कसौटी नहीं बल्कि अवसर की कसौटी बनाओ तो फिर बनेगा देश, बनेगा समाज और मिटेंगे ढोंग लेकिन यह इस बातचीत से नहीं होगा।

15.38 hrs.

DRUGS AND MAGIC REMEDIES  
(OBJECTIONABLE ADVERTISEMENTS)  
AMENDMENT BILL\*

(Amendment of Section 2)

श्री यशपाल सिंह (देहरादून) : मैं प्रस्ताव करता हूँ कि भेषज तथा चमत्कारी उपचार (आपत्तिजनक विज्ञापन) अधिनियम, 1954, में आगे संशोधन करने वाले विधेयक को पेश करने की अनुमति दी जाए।

MR. CHAIRMAN : The question is :

"That leave be granted to introduce a Bill further to amend the Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954."

*The motion was adopted.*

श्री यशपाल सिंह : मैं विधेयक पेश करता हूँ।

CONSTITUTION (AMENDMENT)  
BILL\*

(Amendment of Article 83 and substitution of Fourth Schedule)

श्री यशपाल सिंह (देहरादून) : मैं प्रस्ताव करता हूँ कि भारत के संविधान में आगे संशोधन करने वाले विधेयक को पेश करने की अनुमति दी जाए।

MR. CHAIRMAN : The question is :

"That leave be granted to introduce a Bill further to amend the Constitution of India".

*The motion was adopted.*

श्री यशपाल सिंह : मैं विधेयक पेश करता हूँ।

MR. CHAIRMAN : Shri Umanath. Absent. Shri Salve. Absent.

15.40 hrs.

PUBLIC UNDERTAKINGS (COMPULSORY APPROVAL OF AGREEMENTS)  
BILL—Contd.

MR. CHAIRMAN : We now take up further consideration of the following motion moved by Shri S. S. Kothari on the 22nd August, 1968:—

"That the Bill to provide for compulsory scrutiny and approval by a Central Authority of agreements entered into by public undertakings and matters connected therewith or incidental thereto, be taken into consideration."

बहुत से लोग बोलने वाले हैं। मैं यह रिक्वेस्ट करूँगा कि माननीय सदस्य जितना कम समय लें उतना अच्छा है।

श्री कंबरलाल गुप्त (दिल्ली सदर) : इस बिल पर कितना समय था और कितना हो गया ? इस पर कितने बोलने वाले हैं ?

सभापति महोदय : इसके लिए एक घंटा रक्खा गया था, लेकिन 2 घंटे 29 मिनट आलरेडी हो चुके हैं।

SHRI RANDHIR SINGH (Rohtak) : Shri Kanwar Lal Gupta's Bill is very important and we want to speak on it. This Bill should take hardly 10 or 15 minutes more, and the Minister should reply.

सभापति महोदय : इस पर 17 लोग बोल चुके हैं और 4 और बोलने वाले हैं।

श्री कंबरलाल गुप्त : आप समय बतला दीजिये, मैं उस वक्त हाजिर हो जाऊँगा।

\*Published in Gazette of India Extraordinary, Part II, Section 2, dated 5-12-69,

**सभापति महोदय :** मैं इसमें दो दो तीन तीन मिनट सबको दूंगा और उसके बाद मिनिस्टर साहब को बुला लूंगा ।

**SHRI LOBO PRABHU (Udipi) :** There is no gain-saying the fact that Government incurs considerable loss from bad contracts, there is no gainsaying the fact that in no such loss has responsibility been fixed and the loss been recovered from any one concerned. To that extent, Mr. Kothari's Bill is fully justified and was overdue and we have to think in terms of doing something to reduce the losses and to improve the agreements. If that is the position, it is necessary for the House and for the Minister to examine a little the structure of the administration responsible for the agreements.

First, there is the technical sanction. At a certain level, the technologist has to say that this project is good, that this import is necessary. Secondly, you come to a stage of financial sanction where the financial official has to say that this investment is justified, that this is the best place from where a particular equipment can be purchased. Third comes the drafting stage where the lawyer has to say whether the agreement is correctly drafted, that it has no loopholes and it serves the interests of the country. Fourthly, there is the administrative sanction where all these aspects are considered and the head of the department takes responsibility for the agreement. What I have to suggest in the short time at my disposal is this, that at each of these different stages there should be responsibility fixed. The technologist, the financial officer, the drafting assistant and the administrative head have all to assume a responsibility and not only to assume a responsibility but become liable to the very salutary rule that existed that where a Government servant allows a loss to be incurred which was within his means to prevent, he is personally responsible for making good that loss.

That being the background, I support Mr. Kothari's Bill to this extent that if at any of these four stages any officer feels any doubt about the particular contribution that he is making to agreement, he should have the right to appeal to a cell in the Finance Ministry for approving his particular

proposal. Unless he has this right to say: please refer this as I am not quite confident whether what I am proposing is right, he may find it difficult to stand up to the rule of surcharge which provides for recovery of losses. I hear that Mr. Kothari is likely to withdraw it; whether it is withdrawn or not.....

**SHRI S. S. KOTHARI (Mandsaur) :** It depends upon the Minister's reply; that assumption is wrong.

**SHRI LOBO PRABHU :** I do not wish that it should be withdrawn. But I should like the Minister to give this assurance that there would be a cell in the Finance Ministry to which reference can be made by any of the four authorities concerned which are responsible for the drafting of a contract.

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P. C. SETHI) :** The Bill moved by Shri Kothari came up for detailed discussion last time and the original Bill seeks to provide compulsory scrutiny and approval by a central authority of the agreements or contracts. Later on according to an amendment which was proposed Mr. Kothari has located this authority in the Finance Ministry. Certainly to the extent Mr. Kothari's proposal enhances the empire of the Finance Ministry I should be the one person who should welcome it. One should not view it that way; it should be viewed in all its aspects.

Before putting forth certain arguments from this point of view, I want to thank the hon. Members who have participated in the debate. Most, at least eight, of the Members who spoke have more or less opposed the Bill.

**SHRI S. S. KOTHARI :** How many supported ?

**SHRI P. C. SETHI :** I shall give that. Shri N. K. Sanghi, N. K. Somani, Shrimati Sharda Mukerjee, Shri Jaipal Singh, Shri P. C. Verma, Shri C. Panigrahi, Shri N. Ahirwar and Shri R. D. Bhandare were more or less opposed to the Bill. Those who extended their support to the Bill, some of them partially, were as follows. Mr. Onkarlal Bohra gave partial support as also Mr. Raja Ram who wanted

some amendments to be adopted. Mr. Himatsingka gave general support and Shri Randhir Singh gave partial support. Shri Ram Avatar Shastri supported it and while Mr. Nambiar also supported it he wanted certain changes. Shri Maharaj Singh Bharati also gave support with certain modifications.

**SHRI LOBO PRABHU :** You have left me out.

**SHRI P. C. SETHI :** He spoke just now and I shall refer to his points in the end of my speech. While initiating the debate Shri Kothari gave two illustrations about the contracts—the Trombay unit of the Fertiliser Corporation and the Neyveli Lignite Corporation.

As far as this particular contract of the Fertilizer Corporation is concerned, it is true that it came in for adverse comment by a Parliamentary Committee. But, later on, I have come to know that the Department of Petroleum and Chemicals have constituted an inquiry into the affair under the Commissions of Inquiry Act. Therefore, the whole matter is under an inquiry. I am quite sure this commission would do justice to this problem and, after receiving the report of this commission, the department concerned would be able to take a view about it.

As far as the Neyveli Lignite Corporation is concerned, which comes under the Ministry of Mines and Metals, it came under the Colombo Plan aid in the first instance. Therefore, this was taken up at a later stage. Because the plant came under the Colombo Plan for assistance the collaboration was extended for some time and in the nature of things it was necessary.

Shri N. K. Sanghi referred to the delay in the finalisation of contract by the IAC in the matter of purchase of aircraft. Here the question that has to be considered and decided is what type of aircraft we should go in for. There is no question of any delay in finalising the contract.

Then so many hon. Members said that the public sector is making a huge loss. There were 83 concerns in the public sector. Out of them 13 are promotional and financial institutions, 55 are running companies and the rest are at the developmental stage or

in the construction stage. Therefore, we should really take into account the functioning of only those 55 public sector companies.

Shri Maharaj Singh Bharati was very eloquent in his speech when he referred to the public sector companies. To the extent his suggestions are constructive and useful we will give them serious thought and consideration. I may say that out of the 55 public sector concerns and 10 promotional and developmental undertakings, and also two financial institutions (excluding L.I.C.) it is not as if all of them are running at a loss. 39 of them have made a profit of Rs. 49 crores. Yet, nobody talks of those 39 concerns which have made a profit. The remaining companies have made a total loss of Rs. 84 crores. Hon. Members should appreciate that out of the loss of Rs. 84 crores one single unit, namely, Hindustan Steel, is responsible for a loss of Rs. 38 crores to 40 crores. Therefore, almost the entire profit made by these 39 companies has been eaten away by one company itself. Then, there are certain other projects which have not been able to utilize their capacity to the full, either on account of recession or on account of the gap in planning that came in between. Therefore, these are the difficulties.

Here I would like to say that apart from the loss we will have to consider the useful role performed by the public sector plants. Although it is not very much related to the Bill before the House as such, it is necessary for me to go into them. These companies have given a depreciation of Rs. 121 crores. They have given an interest of Rs. 74 crores. They have given to the Government Rs. 19 crores in the form of taxes. The manufacturing concerns in the public sector were responsible for an export of Rs. 47.62 crores in 1967-68 and Rs. 68 crores in 1968-69. Their export performance is improving and they are giving us valuable foreign exchange. Then there are other companies in the public sector which are also giving us valuable foreign exchange to the tune of of another Rs. 65 crores. They are Shipping Corporation, Air India and companies of that nature. Thus, the valuable foreign exchange earned by them is quite substantial and they are very helpful to the Indian economy as such because they have given the basic infra-structure to our economy.

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We would certainly welcome useful suggestions and healthy criticism. All the suggestions will be carefully considered. Wherever those suggestions will result in improvement in the functioning or profitability of those undertakings, we will implement them.

During the course of the debate, Shri-mati Sharda Mukerjee also made a point about the management aspect of certain companies. Certainly, Government have already accepted this point. But as far as the management aspect is concerned, there has been a lack of talent, and that is why we are now, as far as the Bureau is concerned, drawing up a panel of all the various categories; four schedules have been defined and under these four schedules, we will draw up a panel from a salary of Rs. 2,000 to Rs. 4,000—A, B, C, D, etc.,—and these would be not only from the people in Government service but talents from outside the Government service, and people from the private sector and other people who have got faith in the working of the public sector, and the people will be empanelled. To that extent, we shall try to gather the proper number of people.

But here, I would also like to point out that there are some difficulties. For example, the best talents are being paid by the private sector huge salaries, which the public sector companies do not pay. So, it would be for the consideration of the House and for the Government whether the salaries which are being given in the private sector should be restricted or the public sector companies should also be allowed to open their door for such people of high talents and they should be given higher salaries which may be even higher than those given to the Secretariat people or other high Government officials. This would be a point which would need consideration. But, apart from this, the other public enterprises have also taken into collaboration—the Institute of Management, one at Calcutta, and another at Ahmedabad, and the Administrative Staff College of India and the National Productivity Council and other institutes in the country, measures for co-ordination and

training of managerial personnel—

SHRI S. S. KOTHARI : Sir, how is this all relevant to the Bill ? He is drawing a picture of the public enterprises in general.

SHRI P. C. SETHI : You did not interrupt when these points were raised by the Opposition Members. I am referring only to those points which have been raised by the hon. Members. I cannot leave those points unchallenged. I cannot help it.

MR. CHAIRMAN : You go on. He has got the right of reply.

SHRI P. C. SETHI : Sir, then there were a few other points raised by some hon. Members. Shri Jaipal Singh pointed out the need for appointment of the local people. Already, instructions are there from the Home Ministry that as far as people who are below the range of Rs. 500 in the Class III and Class IV categories are concerned, the local people should be given preference. And to that extent that is being followed. But sometimes practical difficulties come in. For example, when the construction staff was retrenched in Bhilai, or from other public sector projects, it was argued that while some people are retrenched, they are not absorbed in the new projects. For example, Bokaro is coming up in Bihar State, and it is the anxiety of the local people that the local people at least for Class III and Class IV posts should get employment. But while we have some retrenched employees in the Bhilai steel plant and other steel plants, and if they are transferred there, then to that extent the local people there would object, while, on the other hand, there is pressure both from the House and outside the House that those people who are being retrenched should be given a place and should be absorbed. This contradiction is there. But to the extent possible, we are certainly giving all possible opportunities to the local people as far as the Class III and Class IV jobs are concerned. Certainly for technical posts and other higher posts, it would not be possible to limit the employment to the local area. It would have to be on an all-India basis and a selective basis.

Shri Rajaram also made a point with regard to the State participation in the

public sector projects. As far as State participation is concerned, it cannot be made compulsory, but there are certainly a few public sector enterprises where the State Governments are partners, for example, the Praga Tools Ltd., Central Fisheries Corporation Ltd., National Newsprint and Paper Mills Ltd., Sambhar Salt Ltd., Tungabhadra Steel Products, National Projects Construction Corporation Ltd., Fertiliser Company (Kanpur) Ltd., and the Indian Telephone Industries. These are some of the projects where the State Governments are also partners in these ventures and to that extent they are joint ventures between the Central Government and the State Governments.

16 hrs.

Having met all these points which were raised during the course of the debate I would now like to come to the pros and cons of the Bill before the House. This Bill says that agreements or contracts entered into by public sector projects should be scrutinised and approved by some central authority, possibly the Finance Ministry. Shri Lobo Prabhu has also suggested this to a limited extent in respect of the technical, financial, drafting and legal aspects and said that there should be a cell in the Finance Ministry to examine these.

The House is well aware of the fact that there is a demand both within and outside the House that an industrial concern, whether a public sector one or a private sector one, should be run as an industrial concern. If an industrial concern is to be run as an industrial concern, where purchase or sale is concerned, where there is a contract for purchase or sale of a few lakh tonnes of iron ore for a public sector project, it would not be desirable or possible to have these contracts examined in the Finance Ministry.

SHRI LOBO PRABHU : The Bill says, above Rs. 10 lakhs.

SHRI P. C. SETHI : To that extent you will have to see what the types of contracts are that Shri Kothari has in view. I am quite sure that he must be having in view either foreign collaborations or capital projects. If that is the case, then first of

all I would submit that there is an autonomous body which has been given a certain authority. The manager has authority to enter into contract up to a certain sum and the board of directors has authority to enter into a contract up to a certain amount. As far as capital projects are concerned, even in bigger enterprises projects over a crore of rupees come to the ministry concerned for examination and approval. If there is any foreign collaboration or agreement and the out go of foreign exchange is involved, such contracts do come to the Finance Ministry where they are being examined and then final approval is given.

If we take the responsibility about all the contracts, then if legal issues are involved—there are various clauses in the agreement and to that extent legal issues are involved—the Finance Ministry by itself cannot take the responsibility and the contract will have to be examined by the Law Ministry first and after the approval of the Law Ministry will come to the Finance Ministry. To that extent the autonomy of the public sector units would be diluted and we would not be working the public sector projects on the principle that they should function like an industrial unit. Then, all this will involve delay and red-tape with the result that these things would not be possible.

Then, Shri Rajaram made the point that whenever these contracts come to the Finance Ministry, they should be okayed in two days. Now, clearance cannot be done in two days in that manner because it will have to go to the Law Ministry.

But I would like to say that not only the public sector projects should work like an industrial project in the private sector but I would even go to the extent of saying, as Shri Lobo Prabhu has pointed out, that the responsibility for the various aspects of the contract which have been entered into by the public sector projects should be located and they should work in a manner where the principle of hire and fire is involved. If you hire a person for a particular job and he does not perform his duties properly or does not come up to the mark or there are lacunae left in the various aspects that Shri Lobo Prabhu has pointed out, the public sector projects should have the authority to fire out that man. To

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that extent I certainly agree and the public sector projects must function in that manner. Besides this I would also like to say that after the comment of the Parliamentary Committee, when this matter came up before the Government, we have issued from the Bureau general instruction to the public sector projects about the lines of approach they should take in entering into these agreements or contracts. But I would like to say, certainly, the answerability and the responsibility of entering into a particular contract should vest upon those on whom we have delegated authority and, to the extent, they fail, we should, certainly, be in a position to take a view and punish them wherever any lacunae are found.

Having said this, I would again like to emphasize that, as far as the contention of Mr. Kothari is concerned, the contention seems to be that because all these things have come to light and the various Parliamentary Committees which have gone into various contracts have made remarks about them, he does not want these lacunae to remain. To that extent, the principle or the objective that he has in mind, I certainly appreciate and I agree. But to the extent I am advancing arguments that it will involve delays and all that, I would, certainly, examine the points mentioned by Mr. Lobo Prabhu, that is, the four aspects of the contract, technical, financial, drafting and final responsibility. To that extent, we will examine these points and, certainly, the public sector undertakings can take the legal advice from whatsoever person, according to the quantum of the contract in which they are entering into, but the final responsibility should vest with them. Wherever they fail, we should take cognizance of it and we should penalise them. As far as these particular aspects are concerned, I can only say that, keeping in view various suggestions that have been made, we will examine to what extent general guide-lines through administrative instructions should be given to public sector undertakings.

Having said that, I would appeal to the hon. Member to withdraw the Bill. His main objective is not to centralise the whole thing. His main objective is to improve

the whole thing wherever lacunae are found. To the extent that his suggestions and the suggestions received from the other hon. Members are found feasible, we can improve upon the whole thing by issuing administrative instructions. We shall, certainly examine and see to what extent administrative instructions or guide-lines can be issued to the public sector undertakings.

In view of the position that I have indicated, I would appeal to the hon. Member to consider and withdraw the Bill.

SHRI S. S. KOTHARI (Mandsaur) : Mr. Chairman, Sir, while I should like to thank the hon. Minister for having appreciated the spirit in which I have brought the Bill and also the fact that he has agreed to one or two points about which I was also very particular, the principle of hiring and firing, and the other that wherever lacunae are discovered, the persons who deliberately bring about those lacunae and make defects in agreements deliberately with a view to joining those concerns later, are punished and that, when such cases of corruption are brought to their notice or they come out as a result of enquiry made by the Public Undertakings Committee and other Committees, the Government will take steps to punish the guilty—also, a Commission of Inquiry has been appointed in the case of Trombay Fertiliser Project which in my opinion is a very serious case of corruption—he has not convinced me with regard to the basic points which I have made in my Bill.

We all agree that autonomy is necessary. May I draw your attention to a distinction between liberty and licence? Liberty is necessary but, when it degenerates into licence, it becomes a danger to society. Similarly, autonomy is necessary in the case of public sector undertakings because with autonomy alone public sector undertakings can function efficiently. In the day-to-day management, they must have autonomy. That happens to be in the case of private sector also. But when it is a question of certain basic matters, such as, entering into foreign collaborations or entering into agreements where considerable amounts of money are involved, those things should

be carefully scrutinised. A Managing Director or a person in the private sector who has put in his money, who has great stakes, goes into great detail, scrutinises those agreements and only when he is convinced that the agreements are almost as fool proof as they can be that decisions are taken. Mr. Somani who is not here now said something about the private sector. He has probably studied the American industry; he has not studied what is happening in his own house. In the private sector, if any defective agreement was entered into by the Manager, he would be fired. Besides the effective proprietor—you may call him Chairman or Managing Agent—goes through the agreements, scrutinises them and sees that no lacunae remain. But, with regard to the public sector enterprises, who is the proprietor? It is the people of India who are the proprietors of these public undertakings. But people of India, obviously, cannot act by themselves. They have to act on the legislative side through the Parliament and on the executive side through the Government. Through the Cabinet or through the Government we have to ensure that these agreements are properly looked into.

Now may I submit that it can be provided that when draft agreements are referred to the Finance Ministry for scrutiny, a time limit may be prescribed within which the Finance Ministry must scrutinise the agreements and return them. As one of the hon. Members Mr. Rajaram suggested, if it is not two weeks, they may take two months. But proper scrutiny, in my opinion, is necessary.

I have given various quotations from the reports of Public Undertakings Committee. I have pointed out only two cases—Trombay and Neyveli—just to illustrate. There are many other instances. Therefore, it is not a case where it is only isolated instances where such things have occurred. Then I would not have brought this Bill before this hon. House, but it is because a number of cases have come to light as a consequence of the investigation or scrutiny by the Public Undertakings Committee of the various Public Undertakings, that I was prompted to bring forward this Bill.

There is one important aspect I would like to refer. That is with regard to project agreements that we have been entering into with Communist countries. It appears that regarding Russia as the Big Brother, the Government of India has just signed on the dotted line without enquiring whether those agreements are one-sided or whether the technology which is being supplied by them is outdated. This has particularly happened in the case of Indian Drugs and Pharmaceuticals Ltd. The Committee has stated at one place—this is with Russia—

“The detailed project report prepared by the collaborators did not indicate the time schedule of construction, capital cost estimates and estimated cost of production.”

Without these basic data, how did the Government of India enter into an agreement? When the Secretary of the Ministry of Petroleum & Chemicals was examined by the Public Undertakings Committee and was asked, he said that it was on the basis of their report. To quote again:

“They were accepted on the basis of faith.” That means that agreements involving this project of crores of rupees were entered into on the basis of faith without considering whether the detailed project report contained details about the time schedule of construction, capital cost estimates and estimated cost of production. In my humble opinion, the detailed project report was worth just a scrap of paper if these basic data were not included in that report. This is the sort of agreement that the Government have entered into and the consequence has been that this project is in a financial and technical mess. The Public Undertakings Committee further observes:

“At this stage when the projects are a *fait accompli*, the Committee can only hope that proper scrutiny would be carried out in future to see that the project reports are complete in all respects before accepting them.”

The Russians have passed on to this country outdated technology and semi-obsolete machines and this Government have gleefully accepted them without any scrutiny. Probably it was done on account of the domineering

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influence of Mr. Nehru, at that time. Shri Jawaharlal Nehru may have said "Well, if the Russians offer something, we must accept it."

SHRI P. C. SETHI : Sir, I repudiate what the hon. Member is just now saying. It is not correct. He must be saying it on hearsay basis.

SHRI S. S. KOTHARI : I am saying it on the basis of the Public Undertakings (Forty-sixth) Report. The Minister may kindly go through this Report. I have got with me all the passages, I have quoted, earmarked, and I will hand this over to him.

SHRI P. C. SETHI : I said about that part of the speech of the hon. Member where he said about Jawaharlal Nehru.

SHRI S. S. KOTHARI : There are many other cases : machines come from Russia which are second-grade, which are semi-obsolete, which belong to a technology which is out dated in the world—for instance, this surgical plant of the IDPL is one. The Antibiotics plant of the IPDL is another. The product produced is only a very small percentage of the installed capacity. The technology is out-dated. And, Sir, in certain cases also there is no demand for the product which is produced, in these various projects. This is a very important point. Whether the contract is with Russia or America, I make no distinction. The Government of India must see to it that the technology obtained is first-class technology, that it is not out-dated, that there are proper penalties provided in case of non-compliance of the agreements. May I point out again, Sir, one thing in this connection? It is in the report of the I.D.P.L. It says :

"It appears that the collaborators were themselves not sure of the technology to be offered by them and therefore kept on suggesting modifications from time to time."

"There was also no penalty provision in the contracts for late delivery of equipments and machinery. Government have not given any convincing

explanation for entering into such deficient agreements with the Russian Collaborators."

And then,

"The Committee hope that in future Government will avoid such lacunae in the agreements with foreign collaborators and ensure that the interests of the country are safeguarded in all respects."

This is a very important point which I wanted to mention. Will the Government with its paraphernalia of so many Deputy Secretaries, Under Secretaries and Joint Secretaries, look into these agreements? Will they see whether these projects are technically feasible, that there is proper demand for these products, that the machines are not obsolete, the process of manufacture is not out-of-date, etc.? In certain cases, collaborators have advanced very much in technology by two or three grades and they offer obsolete technology to us. The same thing happened in the case of the MIG factory for instance. The planes and the models that they are producing are out-dated. The Russians for their own use have developed advanced models.

SHRI P. C. SETHI : May I interrupt the hon. Member for a minute? May I say that the hon. Member himself speaking against his Bill?

SHRI S. S. KOTHARI : The point is, these agreements, when they are entered into, have to be properly scrutinised and examined against any lacunae anywhere....

MR. CHAIRMAN : Who is to scrutinise it? The Chairman or the Secretary or Under Secretaries and all that—who is to scrutinise?

SHRI S. S. KOTHARI : The autonomous body which first scrutinises them and then the Government also does it. I will come back to my point. That is, in the final stage of the agreement, it should come to Finance Ministry. That was the point.

SHRI G. VISWANATHAN (Waidi-wash) : Mr. Chairman, you are putting inconvenient questions.



SHRI S. S. KOTHARI : Coming back to the point, it was stated by one of the hon. Members that audit parties set up by the Auditor General would also conduct a propriety-cum-efficiency audit. But that is only a post-mortem. What is necessary is that foreign collaborations are properly scrutinised at the stage when they are undertaken. Therefore, if there is a Central Cell in the Government—this is the point I am making—that authority should scrutinise the agreements in the final form.

SHRI P. M. SAYEED (Laccadive Minicoy and Aminidivi Islands): Sir, there is no quorum in the House.

MR. CHAIRMAN : The Bell is being rung... Now there is quorum. He may continue.

SHRI S. S. KOTHARI : May I submit that it is public money which is being lost in millions? Neither Government nor its officers in the Bureau of Public Undertakings appear to be concerned about it. They do not even want to take the powers that this wholesome Bill is giving them which would ensure that proper agreements are entered into and are very properly scrutinized.

The basic point that I am trying to emphasise is that in the final stages the contracts should be scrutinized by the central authority envisaged in the Bill. I am reminded of the German who remarked that after observing the chaotic and irresponsible functioning of this Government, he was convinced that God does exist because only God is running the administration in this country, not this Government.

The Minister of State, Mr. Sethi, is not prepared to accept this Bill. Let the Government be warned that next time there are defective agreements we are going to hold him and his ministry specifically responsible for those defects because he has not agreed to accept the provisions of the Bill...

SHRI P. C. SETHI : That is what I cannot agree to. I do not want to take that responsibility.

SHRI S. S. KOTHARI : ... which would provide for a kind of automatic internal

check which only means that what is done by one officer is judged by another and it is done in the automatic course. The agreement which is finalised by a public undertaking comes in its final draft form to the central authority which would check it, scrutinise it and finalise it. If that is done and if lacunae remain, it is the Government which will be responsible for the loss which would occur.

May I say that the Government would have done a great service to the public sector, to itself and to the country by accepting this Bill which, after the amendments I have made, has become flexible, and instead of inconveniencing the Government would only add to the security and safeguarding of public interest and public moneys which are the sacred trust with this Government.

Since the Minister says that he agrees with the spirit of the Bill and he would try to see how best he can issue administrative instructions to ensure that proper agreements are entered into and since the Minister has requested that I withdraw the Bill, I bow to his wishes and I withdraw the Bill with all good spirit.

MR. CHAIRMAN : Has the hon. Member the leave of the House to withdraw the Bill...

HON. MEMBERS : Yes.

*The Bill was, by leave withdrawn.*

MR. CHAIRMAN : We shall now take up the next Bill—Constitution Amendment Bill of Shri Kanwar Lal Gupta.

16.20 hrs.

CONSTITUTION (AMENDMENT) BILL

(Amendment of articles 75 and 164)

श्री कंवर लाल गुप्त (दिल्ली-सदर) : सभापति महोदय, मैं आपकी आज्ञा से सदन के सामने कांस्टीट्यूशन अमेण्डमेन्ट बिल, 1968 प्रस्तुत करता हूँ। इस विधेयक में