

[Shri Hathi]

(5) A copy of the Dock Workers (Regulation of Employment) Second Amendment Rules, 1968, published in Notification No. S.O. 3700 in Gazette of India dated the 19th October, 1968, under sub-section (3) of section 8 of the Dock Workers (Regulation of Employment) Act, 1948. [Placed in Library. See No. LT-2225/68].

(6) A copy of the West Bengal Mining Settlements (Health and Welfare) (Conservancy) Rules, 1968, published in Notification No. PH/2937/2R-42/67 in Calcutta Gazette dated the 5th September, 1968, under sub-section (3) of section 34 of the West Bengal Mining Settlements (Health and Welfare) Act, 1964, read with clause (c)(iv) of the Proclamation dated the 20th February, 1968, issued by the President in relation to the State of West Bengal. [Placed in Library. See No. LT-2226/68].

(7) A copy of Notification No. S.O. 581 (Hindi and English versions) published in Bihar Gazette dated the 11th September, 1968, adding Manufacture, marketing and distribution of Petroleum products to the First Schedule to the Industrial Disputes Act, 1947, under sub-section (3) of section 40 of the said Act, read with clause (c)(iv) of the Proclamation dated the 29th June, issued by the President in relation to the State of Bihar. [Placed in Library. See No. LT-2227/68].

UTTAR PRADESH SUGARCANE (PURCHASE TAX) (SECOND AMENDMENT) RULES AND NOTIFICATION UNDER ESSENTIAL COMMODITIES ACT

THE MINISTER OF STATE IN THE MINISTRY OF FOOD, AGRICULTURE, COMMUNITY DEVELOPMENT AND COOPERATION (SHRI ANNASAHIB SHINDE) : I beg to lay on the Table :

(1) A copy of the Uttar Pradesh Sugarcane (Purchase Tax) (Second Amendment) Rules, 1968 (Hindi and English versions) published in Notification No. 1355-S/XVIII-C-1643-68 in Uttar Pradesh Gazette dated the 17th August, 1968, under sub-section (3) of section 15 of the U.P. Sugarcane (Purchase Tax) Act, 1961, read with clause (c)(iv) of the Proclamation dated the 25th February, 1968, as varied by Proclamation dated

the 15th April, 1968, issued by the President in relation to the State of Uttar Pradesh. [Placed in Library. See No. LT-2228/68].

(2) A copy of Notification No. G.S.R. 1594 published in Gazette of India dated the 28th August, 1968 under sub-section (6) of section 3 of the Essential Commodities Act, 1955. [Placed in Library. See No. LT-2229/68].

ANNUAL REPORT ON COAL MINES LABOUR WELFARE ORGANISATION ETC.

THE DEPUTY MINISTER IN THE MINISTRY OF LABOUR, EMPLOYMENT AND REHABILITATION (SHRI S. C. JAMIR) : I beg to lay on the Table :

(1) A copy of the Annual Report on the activities of the Coal Mines Labour Welfare Organisation for the year 1966-67. [Placed in Library. See No. LT-2230/68].

(2) A copy of the Apprenticeship (Amendment) Rules, 1968, published in Notification No. G.S.R. 1553 in Gazette of India dated the 31st August, 1968, under sub-section (3) of section 37 of the Apprentices Act, 1961. [Placed in Library. See No. LT-2230/68].

(3) A copy of the Report of the Indian Government Delegation to the Sixth Session of the I.L.O. Asian Regional Conference held at Tokyo in September, 1968. [Placed in Library. See No. LT-2232/68].

NOTIFICATION UNDER REPRESENTATION OF THE PEOPLE ACT

THE DEPUTY MINISTER IN THE MINISTRY OF LAW (SHRI M. YUNUS SALEEM) : I beg to lay on the Table a copy of Notification No. S.O. 3390 published in Gazette of India dated the 18th September, 1968, under sub-section (2) of section 9 of the Representation of the People Act, 1950. [Placed in Library. See No. LT-2233/68].

12.40 HRS.

DEPOSIT INSURANCE CORPORATION (AMENDMENT) BILL—Contd.

MR. SPEAKER : The House will now take up further clause by clause consideration of the Deposit Insurance Corporation

(Amendment) Bill. The time allotted is two hours. We have already spent 2 hours and 40 minutes. So, hon. Members have to be brief. I find that there are no amendments to it. So, I will put it to the vote of the House. The question is :

"That clause 6 stand part of the Bill".

The motion was adopted.

Clause 6 was added to the Bill.

Clause 7.—(*Insertion of new sections 13A, 13B, 13C and 13D*).

MR. SPEAKER : There are some amendments to this clause. Are they being moved ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. C. PANT) : I beg to move :

Page 6, line 19,—
for "1967" substitute
"1968" (43)

Page 6, line 24,—
for "1967" substitute
"1968" (44)

Page 7, line 3,—
for "1967" substitute
"1968" (45)

SHRI S. KUNDU (Belasore) : I beg to move :

Page 6, line 18,—
for "thirty days" substitute
"ninety days" (19)

Page 8, lines 27 and 28,—
for "such period or periods as may be specified in that behalf by the Reserve Bank from time to time".
substitute—
"three times" (20)

SHRI K. NARAYANA RAO (Bobbili) : I beg to move :

Page 6, line 18,—
for "next following" substitute
"after" (46)

SHRI S. KUNDU : Mr. Speaker, Sir, there is a provision in the Bill... (*Interruption*).

12.41 HRS.

[MR. DEPUTY-SPEAKER in the Chair.]

SHRI NATH PAI (Rajapur) : Now you will follow it. This came up during your reign yesterday.

MR. DEPUTY-SPEAKER : So far as the Minister is concerned he is well prepared.

SHRI NATH PAI : Let us hope so.

SHRI S. KUNDU : Sir, after this Bill is passed, co-operative banks will also come within its ambit. When the hon. Minister placed this Bill before the House he said that they will see that the Reserve Bank does not act arbitrarily or in a coercive manner to liquidate or suspend the various co-operative banks in the country. He also said that there should not be such fear in the minds of the State Governments and that the State Governments should co-operate seeing that the co-operative banks would come within the ambit of this scheme.

This clause gives power to the Reserve Bank to take action against a co-operative bank in case of a lapse on its part. But I feel that unless we specify in the Bill itself the number of lapses—one, two, three or four—after which the Reserve Bank will be called upon to take action, the Reserve Bank will sit upon it and decide on its own whenever it chooses and may take action against certain banks and may not take action against certain other banks. Therefore in place of the words :—

"such period or periods as may be specified in that behalf by the Reserve Bank from time to time."

I have specifically said "three times". That means that maximum of three lapses are allowed and beyond that the Reserve Bank will not sit idle but will take action. This is a very sensible amendment and I would plead with the Government to accept it. If you do not specifically mention this in the Bill and leave it only to the rules, nobody knows what will happen when the rules are drawn up because the rules will be drawn up by the Department and not by the Parliament. Therefore I would strongly plead with the hon. Minister to accept this amendment.

As to amendment No. 19, I do not press it.

MR. DEPUTY-SPEAKER : You are withdrawing amendment No. 19.

SHRI S. KUNDU : Yes. But I would plead with the Government to accept amendment No. 20.

MR. DEPUTY-SPEAKER : Has the hon. Member the leave to withdraw amendment No. 19?

SOME HON. MEMBERS : Yes.

Amendment No. 19 was, by leave, withdrawn.

SHRI K. NARAYANA RAO : My amendment is very formalistic. I just want to insert the word "after" for the words "next following". In the Principal Act in the corresponding provision, section 20, in the same context the words used are "from the date of commencement of the Act". Here the words are "next following". The difference is that whereas thirty days after the date of commencement of the Act is the period contemplated in this particular amendment, the original Act contemplated thirty days inclusive of the date of commencement. Whether this distinction has been deliberately designed or whether it is a drafting error, I do not know. I do not think there is much importance in this. Only from the drafting point of view I am submitting this.

SHRI K. C. PANT : Mr. Deputy-Speaker. Sir, the amendment moved by my hon. friend, Shri Kundu, relates to a clause which specifies the circumstances in which the Reserve Bank may require the winding up of the cooperative bank. His amendment suggests that instead of leaving the discretion to the Reserve Bank to specify the period or periods during which any irregularity has to be rectified and if any irregularity is committed thrice, automatically the cooperative banks should be wound up.

I have two things to say to my hon. friend, Shri Kundu. The first is that there are all kinds of irregularities. Some of them are serious irregularities; some of them are very mild irregularities and some of them are technical irregularities. I am sure, he will appreciate that if a cooperative bank commits three technical irregularities, on that ground alone, it would not be quite fair to wind up the cooperative bank. On the other hand, there may be serious irregularities one of which is sufficient to ask the cooperative bank to be wound up. I am sure, he will appreciate this and, I am sure, he will agree that it is better to leave the discretion to the Reserve Bank considering this particular aspect of the matter.

The second point that I would like to bring to his notice is that in respect of the commercial banks, the discretion has been given to the Reserve Bank and it would not be quite fair to discriminate between the treatment accorded to commercial banks and cooperative banks in this matter.

So far as the amendment of my hon. friend, Shri K. Narayana Rao is concerned, I confess, to begin with I was attracted by it and it seemed to me an improvement in drafting. But when I consulted the legal drafting experts, I was told that this has been deliberately done and that "after" is supposed to be much vaguer in legal terminology than "next following". Even in the earlier enactment of which he spoke, the language is very precise. It says, "after date of commencement". But this is only "after". It does not specify. I hope, he will withdraw it in the light of the clarification of the legal experts who have told me "next following" is necessary from the legal point of view.

MR. DEPUTY-SPEAKER : Now, I put Government amendments No. 43, 44 and 45 to the vote of the House. The question is :

Page 6, line 19,—
for "1967" substitute—
"1968" (43)

Page 6, line 24,—
for "1967" substitute—
"1968" (44)

Page 7, line 3,—
for "1967" substitute—
"1968" (45)

The motion was adopted.

SHRI K. NARAYANA RAO : Sir, in the light of the explanation given by the hon. Minister, I withdraw my amendment No. 46.

MR. DEPUTY-SPEAKER : Does he have the permission of the House to withdraw his amendment?

SHRI GEORGE FERNANDES
(Bombay South) : No.

MR. DEPUTY-SPEAKER : Then, I put both the amendments No. 20 of Shri S. Kundu and No. 46 to the vote of the House.

Amendments No. 20 and 46 were put and negatived.

MR. DEPUTY-SPEAKER: The question is:

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

The motion was adopted.

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

Clause 8 was added to the Bill.

Clause 9—(Amendment of section 15)

SHRI GEORGE FERNANDES: I beg to move:

Page 9, line 21,—

after "sub-section (1)," insert—

(i) after the first proviso the following further proviso shall be inserted, namely:—

"Provided further that the rate of premium payable by an insured co-operative bank shall be equal to fifty per cent of the rate of premium payable by a banking company as defined in the Act;" and

(ii) (35)

SHRI K. NARAYANA RAO: I beg to move:

Page 9, line 23,—

for "figures" substitute—

'figure' (47)

श्री जार्ज फरनेन्डीज: अध्यक्ष महोदय, कल जब इस विधेयक पर बहस चल रही थी तब कोआपरेटिव बैंक के बारे में काफी आरोप प्रत्यारोप इत्यादि हुए। मैं मानता हूँ कि ऐसी परिस्थिति है जिसे कोआपरेटिव संस्थाओं के बारे में आरोप किया जा सकता है जहाँ-जहाँ इन संस्थाओं का इस्तेमाल राजनीतिक कार्यों अथवा किन्हीं व्यक्तियों के स्वार्थ के लिए किया जाता है। जिस सूबे से मैं आता हूँ, महाराष्ट्र में आप जानते हैं, वहाँ कोआपरेटिव संस्थाओं का काफी फ़ैलाव है। अगर मेरा खयाल गलत न हो तो चीनी उद्योग में वहाँ पर बहुत ही बड़े पैमाने पर कोआपरेटिव संस्थाएँ काम करती हैं।

और शायद महाराष्ट्र में जितनी चीनी तैयार होती है उसमें से 50-60 फ़ीसदी से

भी अधिक चीनी यह कोआपरेटिव कारखानों के जरिए तैयार होती है। दूसरे सूबों में भी चीनी कोआपरेटिव संस्थाओं के जरिए तैयार की जाती है और मैं नहीं समझता हूँ कि ऐसा कोई भी आरोप इन संस्थाओं पर लगायेगा कि उत्पादन बढ़ाने में अथवा दूसरे कोई काम में उनका जो हिस्सा है वह दूसरों से कुछ कम है। कोआपरेटिव संस्थाओं में बदमाश और चोरी होती है और उस पर रोक लगाने के कुछ और तरीकों को सरकार को ढूँढना चाहिए।

अब जहाँ बैंकों को, कोआपरेटिव बैंकों को इस विधेयक के अन्तर्गत लाकर उनसे प्रेमियम लेने का बात होगी, उनकी जो डेपोजिट्स हैं उन पर बीमा उतारने के लिए मेरा यह मुझाव है कि कोआपरेटिव संस्थाओं को देश के दूसरे क्षेत्र के, निजी क्षेत्र के जो बैंक हैं, उनके साथ न रक्खा जाय। आप जानते हैं कि कैसे लोग कोआपरेटिव बैंकों को बम्बई में बनाते हैं? खुद अपने अनुभव के आधार पर मैं बतलाना चाहता हूँ कि बम्बई शहर में 12000 टैक्सीज हैं। इन टैक्सीज पर और टैक्सीज से सम्बंधित हमारे जो उद्योग धंधे हैं उनके कोई इस वक्त 15 करोड़ रुपये की पूंजी लग चुकी है। लेकिन आपको यह जान कर आश्चर्य होगा कि टैक्सीज के क्षेत्र में अगर कोई टैक्सी वाला पैसा चाहेगा तो कोई भी बैंक, निजी क्षेत्र का अथवा सरकारी क्षेत्र का, चाहे स्टेट बैंक हो, वह भी टैक्सी वालों को पैसा देने से इन्कार कर देता है। यह एक बहुत ही अहम प्रश्न है कि जितने छोटे आदमी हैं उनको बड़े बैंक पैसा नहीं देते हैं। छोटा दुकानदार हो, कोई छोटा आर्टिजन हो, जो कोई अपना कारखाना बनाना चाहेगा तो ऐसे लोगों को बड़े बैंकों से पैसा नहीं मिलता है चाहे बीमा उतरे या न उतरे। कल उप-प्रधान मंत्री ने कहा कि गोडनका को पंजाब नेशनल बैंक करीब 2 करोड़ रुपये देना है गरज यह कि पैसे वालों को निजी क्षेत्र के बड़े बैंक पैसा देते हैं लेकिन छोटे आदमियों को, गरीब आदमियों को इन बैंकों से कुछ नहीं मिलता है। यह छोटे आदमी

[श्री जार्ज फरनेन्डीज]

अपना सहकारी बैंक बनाते हैं। बम्बई के टैक्सि वालों ने एक अपना बैंक बनाया। शायद हिन्दुस्तान में अपनी किस्म का यह पहला बैंक है, बम्बई लेबर कोऑपरेटिव बैंक, इसे ट्रेड यूनियंस ने मिलकर बनाया। उन्होंने अपने पैसे को जो अब तक वह पूंजीपतियों के बैंकों में रक्खा हुआ था, वहाँ से अपने पैसे को हटा कर यह अपना उन्होंने बैंक खड़ा किया। 10 महीनों में उस बैंक के पास 25 लाख रुपया पड़ा है। बम्बई, शहर की इस वषत 250 मोटर टैक्सिज को इस बैंक ने पैसा दिया। इस तरह वह सरमायेदार जो कि उन गरीब टैक्सि वालों को 40-50 फ्रीसदी के हिसाब से पैसा कर्ज देते थे उनमें यह धंधा हटा देने का काम इस कोऑपरेटिव बैंक ने वहाँ पर किया है। दरअसल हकीकत यह है कि छोटे आदमियों ने मिल कर अपने हितों के संरक्षण के लिए ऐसा छोटा कोऑपरेटिव बैंक बनाया है। आज आप छोटे बैंकों पर जो नियंत्रण डालना चाहते हैं तो मेरा मंत्री महोदय से अनुरोध है कि इस तरह के छोटे कोऑपरेटिव बैंकों पर आप इतनी सख्ती व दिक्कत न डालें जितनी कि निजी क्षेत्र के बैंकों पर आप डालते हैं।

कल यहाँ इस डिपॉजिट इश्योरेंस कारपोरेशन (अमैडमेंट) बिल पर विचार करते समय उनकी कुल आमदनी पर उनके कुल फंडस पर काफ़ी लम्बी बहस चली। मंत्री महोदय ने फरमाया कि अभी मौका नहीं आया है कि प्रीमियम के रेट के बारे में कुछ विचार करें। मैंने यह बतलाया कि उनकी पूंजी के अलावा जो पूंजी उन्होंने लगाई है एक करोड़ को उसके अलावा डिपॉजिट इश्योरेंस फंड में कोई 9 करोड़ रुपया पिछले पांच, छै सालों में प्रीमियम के रूप में जमा किया पड़ा है। जो रिस्क रेशियो है उस पर कल यहाँ बहस हुई तो मेरा कहना है कि ऐसा कोई रिस्क नहीं है क्योंकि जो पैसा जाता है वह लौट आता है। मेरे एक प्रश्न का उत्तर देते हुए मंत्री महोदय ने खुद यह बतलाया है कि स्टेट बैंक की भी हम रकम इसलिए डिपॉजिट करते हैं क्योंकि वह सेफ रिस्क है

और वह कभी डूबने वाला बैंक नहीं है। जो दूसरे बैंक हैं वह पांच पैसे फी सौ रुपये के पीछे लेने का काम आप करते हैं। जैसे स्टेट बैंक को कोई भी रिस्क न रहते हुए आप उनसे पैसा लेते हैं और चूँकि सेफ रिस्क है इसलिए निजी क्षेत्र के बैंकों से आप पांच पैसे लेते हो लेकिन यह जो कोऑपरेटिव सैक्टर के छोटे बैंक हैं उन पर आप उतना ही प्रीमियम मत लगाया करें। उनसे आप उतना प्रीमियम न लिया करें जितना प्रीमियर कि आप निजी क्षेत्र के बैंकों से लेते हैं। इसलिए मेरी यह तरमीम है कि कोऑपरेटिव बैंकों पर उसका आधा प्रीमियम लगाया जाय।

एक आखिरी वाक्य कह कर मैं अपनी बात समाप्त करूँगा। कोऑपरेटिव सैक्टर के जो बैंक हैं उन पर रिजर्व बैंक का नियन्त्रण है, राज्य सरकार का नियन्त्रण है, रजिस्ट्रार आफ कोऑपरेटिव्स का नियन्त्रण है और सूबे का जो एपैक्स कोऑपरेटिव बैंक रहता है उसका भी उन पर नियन्त्रण रहता है इन तमाम संस्थाओं और जो एक सरकारी संस्था है जिसमें कि वह आपका रिजर्व बैंक है, उनके जगह जब नियन्त्रण रहता है तो कोई ऐसा बड़ा रिस्क उनमें रहे गा ऐसा मुझे नहीं लगता है। इसलिए मैं चाहता हूँ कि मंत्री महोदय मेरी तरमीम को स्वीकार करें।

MR. DEPUTY-SPEAKER : Mr. Narayana Rao, have you anything to say on your amendment ?

SHRI K. NARAYANA RAO : Sir, it is a common thing. I will briefly state what I mean. The other day when a capital 'A' was printed instead of a small 'a' in the Bill, I pointed it out and the House was given permission to correct it grammatically. Now, we have to say in the context of this particular section whether 'figures' will be appropriate or 'figure' will be appropriate. The reference is to 13, Sir. If the reference is to 13, I want to know whether the necessary word is 'figure' or 'figures'. That is my only point. I suggest that 'figure' is the appropriate word. It is now up to the House to correct it, Sir.

MR. DEPUTY-SPEAKER : It can be corrected even now.

SHRIMATI TARKESHWARI SINHA (Barh) : The hon. Member Shri George Fernandes said about reducing premium of these co-operative banks. (*Interruption*). So many other hon. Members raised it. Even Shri Patodia raised this. This is a suggestion which has come from all sections of the House.

SHRI LOBO PRABHU (Udipi) : No, no... I oppose it.

SHRIMATI TARKESHWARI SINHA : His spokesman raised it. I certainly remember that Mr. Patodia raised it. Perhaps Mr. Lobo Prabhu was in a dreamland, I don't know. He raised it and also Shri George Fernandes said about it. It is really a fact that the money belonging to the cooperative society would be different in its character than money belonging to a private bank or individual bank or a bank of a group of people and therefore this matter must be given due consideration by the Government that the premium rates of the cooperative banks should be lower than premium rates charged by this corporation.

SHRI S. KUNDU : When this matter was raised, I specifically requested the Minister to reply to it. I gave a suggestion yesterday that you reduce the premium of the cooperative banks and balance the loss with slight rise on the premium of all commercial banks so that there will be no loss of total revenue of your corporation. Then I suggested that if you are actually going to see that the deposits are stabilised in the cooperative banks you also see that rate of interest does not go up there. The interest of the cooperative banks is much higher than other banks. If the cooperative Banks send premium to this corporation then they will charge it on their lending interest. You are not going to give any benefit to the peasants, unless you give relief by reducing these charges of insurance on the cooperative banks. He may consider this suggestion and give a reply.

SHRI LOBO PRABHU : Sir, I wish to say that my interest is not any the less than that of the hon. Member who has preceded me. I would like to put in one sentence the important principle of insurance, namely, where the risk is greater the premium also should be higher. When the risk is high in the cooperative sector there

is no use asking that there should be a lower premium.

श्री जार्ज फरनेन्डीज : कोभापरेटिव का पैसा कभी स्पेकुलेशन में नहीं जाता है जैसे कि पंजाब नेशनल बैंक ने गोइन्का को पैसा दिया या युनाइटेड कमर्शियल बैंक का पैसा बिड-लाज को दिया जाता है।

MR. DEPUTY-SPEAKER : There might be other types of risks—I don't know.
13 Hrs.

SHRI LOBO PRABHU : I am not concerned with the sociological implications of this. I am simply concerned with the principle of relating the premium to the risk. If my hon. friends say that the risk in the co-operative societies is less, I would concede, but if it is not, they are making a very big mistake in lowering the premium and not relating the premium to the risk.

SHRI K. C. PANT : Yesterday, I went into this question at great length. I am sorry that at that time Shrimanti Tarkeshwari Sinha was not present. Otherwise she would have found that I had taken the indulgence of the House to explain this particular point at some length as to why we could not reduce the premium rates at this stage. Today, I would not repeat all those arguments. I would only say this that in venturing into the co-operative sector, the corporation is venturing into a sector of which it has had no experience. The liability is a little indeterminate at this stage until it has made a thorough study and so on, this will be so.

Judging from the speeches of Shrimati Tarkeshwari Sinha and other friends in the House yesterday, I think it was quite clear that they thought that the co-operative sector was not functioning as well as it might and they did create certain doubts as to the uncertainty of the liability or the risk that the corporation might be attracting by entering into this field. I accepted that criticism and I accepted that there were areas in the co-operative sector which were weak. As such, there can be no doubt that the liability which the corporation takes on itself by entering into the co-operative field is at least equal to the liability which it has taken on itself by entering into the commercial banking field. Therefore, it stands to reason that the premium cannot possibly be lower than for commer-

[Shri K. C. Pant]

cial banks. Therefore, on this ground alone, and purely on the rational basis and the principle of insurance to which Shri Lobo Prabhu has referred, I hope the amendment will not be pressed.

As regards Shri K. Narayana Rao's amendment, I would only quote from the Concise Oxford Dictionary, which defines figure as a numerical symbol, especially one of the ten in Arabic notation. It refers to figures and defines them as number between 9 and 100. Therefore, it should be figures and not figure in the Bill, because the number in the Bill comes between 9 and 100.

MR. DEPUTY-SPEAKER : I shall now put amendments No. 35 and 47 to the vote of the House.

Amendments Nos. 35 and 47 were put and negatived.

MR. DEPUTY-SPEAKER : The question is :

"That clause 9 stand part of the Bill".

The motion was adopted.

Clause 9 was added to the Bill.

13.03 HRS.

The Lok Sabha adjourned for lunch till Fourteen of the Clock.

The Lok Sabha reassembled after Lunch at Seven Minutes past Fourteen of the Clock.

[MR. DEPUTY-SPEAKER in the Chair]

DEPOSIT INSURANCE CORPORATION (AMENDMENT) BILL—*contd.*

MR. DEPUTY-SPEAKER : The question is :

"That clause 10 stand part of the Bill."

The motion was adopted.

Clause 10 was added to the Bill.

Clause 11—(*Amendment of Section 17.*)

SHRI S. KUNDU : I beg to move :

Page 9, line 37,—

add at the end—

"to his nominee as the case may be or" (21)

This is a very important amendment in the sense that if this is not accepted, the difficulty which is faced by many depositors to withdraw their monies will remain as it is faced now. Therefore according to the present Bill, certain amendment is suggested to the old section 17. The old sec-

tion 17 has laid out certain procedure in the case of liquidation or winding up of a bank as to how the depositor will get his money. That procedure, as the hon. Minister must have found out, has led to a lot of litigation and unnecessary trouble. I know of certain banks which though have been liquidated during the last 10 or 12 years and still the depositors have not got their money. For instance, you will remember that at the time of the Second World War, before and after, there was a mushroom growth of banks throughout India and in the small town from which I come, with a population of 30,000 or 40,000, there were as many as 12 banks. I remember that in the course of 5 to 6 years all these banks vanished and they ran away with the deposits of the people. They almost loot the poor people. I know of one Bank—the Puri Bank—which was liquidated and was in great trouble. The depositors are still facing a lot of difficulties for getting back their deposits, because lots of legal paraphernalia have to be passed through by them. Once I deposit my money and suppose I am not there or I am dead or I have gone to some other place, it is impossible to get back the money; even my nominee would not get it, because there is no such clear provision in the Act. I have to go to a district judge and get a legal heir certificate and then come and canvass it before the liquidator and after the liquidator accepts my nominee's credentials, he will give the money. A lot of litigation thus follows. Therefore, what I have suggested here is this: the clause says: "amount payable under section 16 in respect of the deposit of each depositor (a) directly to the depositor or to the depositor through such agency as the Corporation may determine." "Such agency as the Corporation may determine" finishes everything. The Corporation sometimes thinks the proper agency is that which is decided through a prolonged legal proceeding in the district court or the high court. They do not decide anything sometimes. It goes on hanging fire. So, I have substituted: "directly to the depositor or to his nominee as the case may be." In almost all the rules of the bank, there is a clause that if such and such a nominee presents, he or she will get the money, once that nomination is there. These directors or the managers of the Corporation have to go and find out the agency who is the nominee in this case;

there is a very small omission here. I do not think this is a deliberate omission. I think it is just an oversight. Unless we here say "directly to the depositor or his nominee", there will be difficulty. Even in the case of a nominee, they will have to go to the district court and other places to get a legal heir certificate. I would, therefore, request the hon. Minister to accept this amendment.

SHRI K. C. PANT : Sir, Clause 11 seeks to amend section 17 of the Act, which lays down the manner of payment by the Corporation in case of winding up an insured bank. The payment is to the depositor and not to any other agency, but through such an agency. The hon. Member misinterpreted that particular part. It is not payment to another agency. You say that nominee means that the payment is made to some other agency; it is through some agency.

SHRI S. KUNDU : It will be decided by this Corporation.

SHRI K. C. PANT : Through the agency. The notes on clause 11 says as follows :

"A new sub-section (3) has been added to section 17 to make it clear that if the Deposit Insurance Corporation finds it necessary to use the agency of a liquidator for making any payment, the liquidator shall be bound to make the necessary payments, . . . etc.

So, the need for that is obvious.

The other point is whether a new condition cannot be introduced so that the nominee may receive the payment and the hon. Member has cited instances of difficulties faced by the persons in getting payment of their deposits, etc. He will readily appreciate that when a man goes to make a deposit and enters into an agreement with the bank, at that point of time, if there is provision in that agreement that the payment can be made to a nominee. Corporation can accept that. But surely the Corporation cannot import into this agreement something new now so that even if the bank is not obliged, as is now suggested, through the Corporation, it should be done; I hope he will readily agree that that is not workable. Therefore, the provision is there to go to the bank and deposit it in the first place; it is not the

function of this Corporation to introduce this idea.

MR. DEPUTY-SPEAKER : I will now put amendment No. 21 to the vote of the House.

Amendment No. 21 was put and negatived.

MR. DEPUTY-SPEAKER : The question is :

"That clause 11 stand part of the Bill."
The motion was adopted.

*Clause 11 was added to the Bill.
Clauses 12 to 14 were added to the Bill.
Clause 1—(Short title, Commencement, etc.)*

SHRI K. C. PANT : I beg to move :

Page 1, line 4.—
for "1967" substitute—
"1968" (41)

Page 2, line 1.—
for "1967" substitute—
"1968" (42)

SHRI GEORGE FERNANDES : I beg to move :

Page 1,—
after line 8, insert—

"Provided that the Act shall be enforced uniformly all over the country within one year of its enactment." (29)

उपाध्यक्ष महोदय, आप जानते हैं कि इस विधेयक पर आज और कल जो बहस हुई है, उसमें हमने इसका पूरा पूरा विरोध किया है और इस सम्बन्ध में अपने तर्क पेश किये हैं। सरकार ने हमारी किसी भी तरफ़ीम को, स्वीकार करने से इन्कार कर दिया है।

जहां तक इस कानून को अमल में लाने का सम्बन्ध है, केन्द्रीय सरकार पूरे तौर पर राज्य सरकारों पर निर्भर है। मंत्री महोदय ने कहा है कि कई सूबों ने इस बारे में सहयोग देने का आश्वासन दिया है। लेकिन मैं जानता हूँ कि कई सूबों ने इस कानून का बहुत सख्त विरोध भी किया है। और वे कोई शर-काप्रेसी दलों की ओर से चलने वाली सरकारों वाले सूबे नहीं हैं। महाराष्ट्र को सरकार बहुत ही तगड़े कांग्रेसी नेताओं की ओर से चलाई जाती है। उसने इस विधेयक का विरोध किया।

[श्री जार्ज फरनेडीज]

है। उसका कहना है कि केन्द्रीय सरकार को किसी भी तरह कोआपरेटिव सेक्टर की संस्थाओं के सम्बन्ध में अपने अधिकार का प्रयोग करने का प्रयाम नहीं करना चाहिए।

इस तरमीम को पेश करने में मेरा खास मकसद यह है कि अगर सरकार ने इस विधेयक को अमल में लाना ही है, तो फिर यह विधेयक सारे देश में एक-माथ अमल में आये और यह नमाम कोआपरेटिव बैंकों या कोआपरेटिव संस्थाओं पर एक-माथ लागू हो। वना क्या होगा? जिस मूवे की सरकार यह मान लेती है कि इन विधेयक को वहां पर अमल में लाया जाये, वहां के कोआपरेटिव बैंकों को प्रोमियम देना पड़ेगा। लेकिन जिस मूवे की सरकार यह कहती है कि हम अपने कानून में कोई तरमीम नहीं करेंगे और न ही इस कानून का चलने देंगे, तो वहां के कोआपरेटिव बैंकों डाग प्रोमियम देने का प्रश्न पंदा नहीं होगा।

इसका परिणाम यह होगा कि यह नया बोज —वह बोज किन्ना है, यह मुझे पता नहीं है, लेकिन आखिर कुछ नया बोज तो होगा ही— उस मूवे के बैंकों पर नहीं पड़ेगा, जिसकी सरकार इन विधेयक को मानने से इन्कार करती है।

मेरी इस तरमीम को स्वीकार करने का यह भी लाभ होगा कि अगर केन्द्रीय सरकार यह चाहती है कि इस कानून को किसी भी हालत में अमल में लाना चाहिए और कोआपरेटिव बैंकों में डिपॉजिट रखने वाले लोगों को तत्काल कानून का संरक्षण देना चाहिए, तो उस पर भी यह बंधन रहेगा कि चूंकि उसने इस विधेयक को एक साल में अमल में लाना है, इसलिए यह जल्दबाजी करके और राज्य सरकारों को समझा कर इस विधेयक को पूरे देश पर एक-माथ अमल में ला पायेगी।

इसके अलावा राज्य सरकारों पर भी कुछ थोड़ी-सी नैतिक सखी आ जायेगी कि जब संसद कहती है कि एक साल में सारे देश भर में इस कानून को अमल में लाना है,

तो कुछ असर तो अध्यक्ष महोदय, अलग अलग मूवों को राज्य सरकारों का भी पड़ने वाला है। इसलिए सरकार के हित में यह है, डिपॉजिट के बारे में मैं यहां पर नहीं कह रहा हूं। लेकिन सरकार के हित में मेरा अनुरोध है कि इस तरमीम को स्वीकार किया जाय।

SHRI K. C. PANT : My hon. friend said that the Congress Government at some States have opposed. That will conclusively prove that no politics are involved in this.

श्री जार्ज फरनेडीज : मैंने कभी ऐसा आरोप किया ही नहीं।

श्री कृष्ण चन्द्र पंत : आपने कहा कि महाराष्ट्र सरकार जहां का कांग्रेस की मजबूत सरकार है, उन्होंने इसका विरोध किया। तो पालिटिक्स की बात इसमें कोई नहीं है।

श्री जार्ज फरनेडीज : इसलिए मैंने कहा कि पालिटिक्स इसमें नहीं है।

SHRI K. C. PANT : At least on one point, we agreed. And I am very happy about it.

Now, the point is that there are certain powers with the States and there are certain other powers with the Centre. And it is a question of the Centre not to intrude upon the States' powers about which they are sensitive. And the Centre does not want to do it either. In respect of certain areas of functioning of the cooperative banks etc., the jurisdiction of the State Governments applies, and in those areas, unless the concerned State Government passes the necessary legislation, this Act cannot become operative and therefore unless different State Governments pass their enactments at different periods of time, obviously, this cannot be applicable at the same time.

Therefore, we have to respect the powers of the States also in this matter and it is only through persuasion and through pointing out the advantages of this particular enactment for the cooperative banking sector that we hope to get their concurrence and we hope that they will fall in line. I would be happy if they accept this line of approach and if all of them agree. We can in fact apply the provisions of this Bill throughout the country at the same time. But, it is upto the State Governments and not upto us to get this done.

MR. DEPUTY-SPEAKER: I will now put amendment No. 29 to the vote of the House.

Amendment No. 29 was put and negatived.

MR. DEPUTY-SPEAKER: I shall now put amendment Nos. 41 and 42 to the vote of the House.

The question is:

Page 1, line 4,—
for "1967" substitute—
"1968" (41)

Page 2, line 1,—
for "1967" substitute—
"1968" (42)

The motion was adopted.

MR. DEPUTY-SPEAKER: Now, the question is:

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

The motion was adopted.

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

Enacting Formula

Amendment made:

Page 1, line 1,—
for "Eighteenth" substitute—
"Nineteenth". (40)

(Shri K. C. Pant)

MR. DEPUTY-SPEAKER: The question is:

"That the Enacting Formula, as amended, stand part of the Bill.

The motion was adopted.

The Enacting Formula, as amended, was added to the Bill.

The Title was added to the Bill.

SHRI K. C. PANT: Sir, I beg to move:

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

MR. DEPUTY-SPEAKER: Motion moved:

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

SHRI LOBO PRABHU: I could not add very much to this Bill of which so much has been said. Many of them are quite irrelevant. There are two instances over since I mentioned the case of Palai Bank being an instance of the irresponsibility or lack of responsibility of the Reserve Bank in so far as it failed to apply the Banking Regulations Act, 1949, in so far as it did not scrutinise the reports, in so far as it did not make the proper inspection and in

so far as their officer posted there did not do his duty. I have, on that account, received since last evening many enquiries as to what Government is going to do because this is a case first where Government has failed to gain the confidence of the people in the Reserve Bank's ability to enforce discipline and to watch over the banks. Some time ago I raised a question whether this Act should not be applied retrospectively. The answer was in the negative. But I would like to point out to the Finance Ministry on this occasion that if they expect to revive the confidence of the people in banking; and particularly in the Reserve Bank, they would not be losing very much if the Act was retrospectively applied to a few banks which came under liquidation and banks which were under the custody and under the watch of the Reserve Bank. I would say that this would be fair and expedient. Though it is not part of the Bill, I hope this suggestion will be considered by government as part of the extension they are now giving to the Act.

The second reason for my speaking now is that the Minister, while paying a compliment for my administrative experience, was rather doubtful if I knew anything about the part played by the Reserve Bank. He implied that the Reserve Bank was above reproach, that it was bad long ago but since 1960 when it began to reduce the number of banks from 450 to 97, the Reserve Bank is doing very well. I do not know; this House is always standing out against monopoly; this House is always for small units; so I do not know whether it is an achievement of the Reserve Bank that it has destroyed small banks and created these giants. Ultimately, from 30 I suppose it will come down to big 10 or big 4 and so on which is not a healthy tendency.

SHRI INDRAJIT GUPTA (Alipore): That is what Piloo Mody wants.

SHRI LOBO PRABHU: This achievement is not something about which the Reserve Bank need be proud of, whatever may be the views of Piloo Mody.

I would like to point out that the Reserve Bank has not come out in such flying colours all along. We had the Mundhra case where the Reserve Bank obviously overlooked its duties and watch over other banks. I think the Minister does not require

[Shri Lobo Prabhu]

to be reminded that only yesterday we discussed the case of Shri Goenka, in whose case also the Reserve Bank has similarly defaulted. Now, to entrust the Reserve Bank with the control of over one thousand co-operative institutions and banks and to entrust it with, what is more, lakhs of co-operative societies—I have already made the point that the banks are not going to be stronger than the co-operative societies—is I think a very hazardous thing; it is hazardous for the Reserve Bank, hazardous for the Corporation and also hazardous for the co-operative societies. It has not been realised that if you give this kind of insurance to co-operatives, they will not improve; on the other hand, they will become more irresponsible. So, my prayer is that, although the intentions of the government may be good, these intentions have not been carefully examined and that this Bill may not be brought into force at once.

Shri George Fernandes wanted a period of one year for the complete application of this Bill. I would also say that they may keep it in abeyance for one year. Then they can see the reactions to this Bill. So, even if it is enacted, it may not be brought into force at once, although I would rather prefer that it is not enacted now.

MR. DEPUTY-SPEAKER: The hon. Minister.

SHRI K. C. PANT *rose*—

श्री जार्ज फरनेन्डीस : मैं व्यवस्था का प्रश्न उठा रहा हूँ। मैं 340 के अन्तर्गत इसके ऊपर रोक लगाना चाहता हूँ। कल यहाँ पर एम० एम० बैनर्जी ने बैंक कर्मचारियों की हड़ताल का प्रश्न उठाया था... (व्यवधान) ...जब बैंकों के बिल पर यहाँ बहस चल रही है, हम लोगों ने कल मंत्री महोदय से निवेदन किया था कि आप ऐसा कुछ एलान कीजिए कि बैंक कर्मचारियों की हड़ताल टाली जाय...

SHRI INDRAJIT GUPTA: The strike has taken place this morning.

श्री जार्ज फरनेन्डीस : वहाँ बैंक कर्मचारियों की हड़ताल चल रही है और यहाँ यह विधेयक आप पास कर रहे हैं। मैं इसलिए यह चाहता हूँ कि आप मेरे प्रस्ताव को 340 में स्वीकार कीजिए। उसको मतदान में डालिए। सदन

को आज स्थगित किया जाय और सरकार को कहा जाय बैंक कर्मचारियों के मामले पर सरकार तत्काल अपनी घोषणा करे।

MR. DEPUTY-SPEAKER: Strictly speaking, we are not discussing any banking legislation as such. This relates to deposit insurance for the benefit of the creditors, those who have put in their money in banks.

श्री जार्ज फरनेन्डीस : उपाध्यक्ष महोदय, बैंक कर्मचारी अगर वाहर हैं तो क्रेडिटर्स का क्या होगा। हम चाहते हैं कि मंत्री महोदय उसके बारे में बयान दें।

MR. DEPUTY-SPEAKER: Bank *hartal* or whatever it is was brought to the notice of the House and the Minister yesterday. Beyond that I cannot permit anything. I cannot adjourn the proceedings of the House.

SHRI S. KANDAPPAN (Mettur): When Shri S. M. Banerjee raised it yesterday, you said that the Minister has taken note of it. Is the House not entitled to know from the Minister what is their reaction? The strike is actually going on. Are we to be kept in the dark?

MR. DEPUTY-SPEAKER: I will not come in the way if the Minister wants to express his reaction, but I would not say anything about it.

SHRI S. KANDAPPAN: When you made that remark yesterday, we thought that he would be making a statement today.

श्री जार्ज फरनेन्डीस : आप उनको स्टेटमेंट देने के लिये मजबूर कीजिये, उनको हुक्म दीजिये कि वे कुछ बयान दें—इस हड़ताल के गिनसिले में, बैंक कर्मचारियों के मामले में उनकी क्या राय है, सरकार की क्या राय है। आप इस विधेयक को पाम कर देंगे, लेकिन उसको अमल में लाने के लिये कर्मचारी नहीं होंगे तो क्या होगा?... (व्यवधान) ...

SHRI INDRAJIT GUPTA: Banks have been closed.

SHRI S. KUNDU: You can direct the Government to make a statement.

MR. DEPUTY-SPEAKER: This subject that has been raised is not on the Order

paper at all. He wanted to raise it just to bring it to the notice of the House that the bank employees were on strike. That purpose has been served. (Interruption).

SHRI SHRI CHAND GOYAL (Chandigarh) : I have also to add to the point raised by Shri Fernandes and Shri Indrajit Gupta. The matter may not be wholly relevant but when the matter was brought to the notice of the House and, through the House, to the notice of the Minister and the Minister has failed to make any statement about what steps have been taken to prevent the strike, we are justified in bringing the matter to the notice of the House. I think, you will also appeal to the Minister to make a statement as to what they are going to do with regard to the bank employees' strike.

MR. DEPUTY-SPEAKER : You are taking advantage of a provision in the procedure. You wanted to bring it to the notice of the House as well as of the Minister. You have done that. I am not in a position to ask the Minister to make a statement.

SHRI S. KANDAPPAN : That was done yesterday and you clearly said that the Minister had noted it. Today we want to know what is their reaction.

श्री जार्ज फरनेन्डीज : सरकार की इसके बारे में क्या नीति है, हम मंत्री महोदय से इसके बारे में बयान चाहते हैं।

MR. DEPUTY-SPEAKER : It is not proper now to continue this. The hon. Minister.

SHRI PILOO MODY (Godhra) : On a matter of personal explanation.

श्री इन्द्रजित गुप्ता ने मेरे ऊपर आक्षेप डाला है।

He has said that I am in favour of the big four banks. He has misquoted me and misrepresented me. I am only in favour of the big four parties.

SHRI S. KANDAPPAN : Political parties.

SHRI PILOO MODY : Yes.

SHRI K. C. PANT : Sir, my hon. friend, Shri Lobo Prabhu has raised the question (Interruption)

श्री स० कृष्णु : थर्ड रोडिंग पर हम भी बोलेंगे।

MR. DEPUTY-SPEAKER : You had enough opportunity. Now he has started replying. In between I cannot permit you.

SHRI S. KUNDU : After the amendments have been disposed of I am entitled to speak. Why should he get up and why should he be allowed to get up and speak ?

MR. DEPUTY-SPEAKER : It is not proper. (Interruption). You were not vigilant enough. You were engaged in something else. I called him once. He got up and sat down. Now when he has started replying, I cannot permit you.

श्री रामावतार शास्त्री (पटना) : उपाध्यक्ष महोदय, आज हमारे इस अधिकार का हनन कर रहे हैं। आज कलिय दोजिवेक थर्ड रोडिंग पर हमारा बोलने का अधिकार है या नहीं ?

SHRI S. KUNDU : How can you usurp our rights. (Interruption) ?

MR. DEPUTY-SPEAKER : I also gave an opportunity for a personal explanation.

SHRI S. KUNDU : Where have you given the opportunity ?

SHRI K. C. PANT : My hon. friend, Shri Lobo Prabhu, has raised the question of confidence in the commercial banks. I would only like to say that if you see the figures of deposits after the Palai Central Bank failed, you will find that the total deposits have gone up from year to year. This denotes the growth of confidence in the banking structure than otherwise. I would also say that the Reserve Bank has also been playing its part in strengthening the confidence in the commercial banks. (Interruption).

SHRI DHIRESWAR KALITA (Gauhati) : On a point of order, Sir. Will you not allow others to speak ?

MR. DEPUTY-SPEAKER : I have already ruled about that. To those who were vigilant, for instance, Shri Lobo Prabhu, I gave an opportunity. At that time others were very much agitated about the bank employees' strike and they missed the opportunity. I called the Minister not only once but twice.

I will not permit; I am within my rights.
(Interruptions)

The question is :

"That the Bill, as amended, be passed."
The motion was adopted.

SHRI S. KUNDU : You cannot shut us out like this. You cannot do like this.
(Interruptions)

14.35 Hrs.

DELHI AND AJMER RENT CONTROL (NASIRABAD CANTONMENT RE- PEAL) BILL

THE DEPUTY MINISTER IN THE
MINISTRY OF DEFENCE (SHRI M. R.
KRISHNA) : Sir, on behalf of Shri Swaran
Singh I beg to move :

"That the Bill to repeal the Delhi and
Ajmer Rent Control Act, 1952, as in
force in the Cantonment of Nasirabad,
as passed by Rajya Sabha, be taken into
consideration."

Prior to the integration of Ajmer which
was a Part 'C' State with Rajasthan this
Act was in operation in that area. After the
integration, the Rajasthan State passed the
Act known as Rajasthan Premises (Control
of Rent and Eviction) (Amending and
Extending) Act of 1957 and they said that
this Act will also be enforced in the area
of Nasirabad Cantonment from 27th Novem-
ber, 1957. When this State Act was ex-
tended to Nasirabad Cantonment, a case
was filed in the High Court of Rajasthan
and the High Court of Rajasthan ruled that
the Rajasthan Act cannot be applied to the
Nasirabad Cantonment since the Canton-
ments are governed by a specific Act passed
by Parliament. Therefore, the Rajasthan
Government wanted the Central Govern-
ment to repeal the present Act so that the
State Act could be extended to Nasirabad
Cantonment also.

Sir, this Bill is a repealing Bill, it is very
simple and its scope is very much limited.
This was passed by the Rajya Sabha on
13th February. I hope this House will pass
the Bill without any opposition to it.

MR. DEPUTY-SPEAKER : Motion
moved :

"That the Bill to repeal the Delhi and
Ajmer Rent Control Act, 1952, as in
force in the Cantonment of Nasirabad, as
passed by Rajya Sabha, be taken into
consideration."

SHRI LOBO PRABHU (Udipi) : Mr.
Deputy-Speaker, Sir, I must begin by dis-
appointing the Minister because I am not
able to help him in passing the Bill just like
that. This Bill is a very important Bill be-
cause it involves many questions. I do not
know how the Ministry of Defence has
become involved in rent control. This is a
Bill which should have been taken up by
the Ministry concerned with rent control
because this is repealing not an Act of Can-
tonment but an Act passed by the Ministry
of Law or the Ministry of Home Affairs.
The Bill which they are trying to repeal
today applies not only to the Cantonment
of Nasirabad but also to the Municipality
of Ajmer and all land within one mile of
that Municipality and the Municipality of
Beawar which, presumably, is also in the
State of Rajasthan and, therefore, subject to
the Rajasthan Act.

My first point is that this Bill has been
put up by the Ministry which is only tran-
siently concerned with it. This Bill does
not apply to all the other areas which have
become subject to the Cantonment Act of
Rajasthan State.

My second point, which I have moved as
an amendment and which is rather impor-
tant, is that, instead of the word 'is', the
word 'was' should be used in this legisla-
tion because this Bill must be given a re-
trospective effect. The position is that, after
the amending Act was passed in 1957, the
Ajmer Act came into effect. Then many
transactions took place and much litigation
took place under the Ajmer Amending Act,
and in 1962 when the High Court held that
the Ajmer Extending Act was illegal, the
position reverted to what it was before
1957 and the Delhi and Ajmer Act came
into effect. What we are concerned with is
to legalise the gap between 1957 and 1962
when the Rajasthan Extension Act applied.
For that reason this Bill must have a re-
trospective effect and must go back to 1957.
The State Government itself is not compe-
tent to legalise this position because this is
a Central Act and we have to extend it
back to 1957 if the State Government is
to apply their Act for that gap of time.
There were two Acts which came into
effect during this period, 1957 to 1962. I
hope, I am sufficiently clear. (Interrup-
tions). This is my first point.

Now I come to the general question of
rent control. I have to examine the Delhi