

(Direct Election to the House of the People) Bill

[Dr. M. S. Aney]

it. After listening to the speech of Mr. Kamath, I feel the draftsmen have not been sufficiently vigilant in knowing the implications of the provisions of this Bill. He has actually shown that clause 4 is defective and the Minister also has admitted it.

Shri Hathi: I have not admitted anything.

Mr. Speaker: He further clarified that according to the General Clauses Act, State includes Union Territories also.

Dr. M. S. Aney: Anyhow, I believe Mr. Kamath's speech has given them an opportunity to consider this aspect. Whenever they come before the House, they have to examine the draft very carefully and not take it for granted that that is the final one.

A very good suggestion has been made by Mr. Kamath that Goa and these 3 islands—Daman, Diu, etc.—should form one group and they should be taken up at the same time by amendment of the same statute if possible. This piecemeal treatment of these three islands, separate from Goa, is a matter on which he laid great stress, because we know there are feelings of the people in this matter. In this matter, I personally think that the Government should be guided more by the views of the people than their own theoretical considerations. This Bill introduces the principle of direct election, for which I congratulate the people of the islands concerned.

Shri Hathi: Separate treatment was being given to Dadra and Nagar Haveli upto now because they were not elected, but only nominated. Now we have brought them on a par with the treatment we are giving to Goa.

Mr. Speaker: The question is:

"That the Bill be passed."

The motion was adopted.

11.47 hrs.

GOLD (CONTROL) BILL

The Deputy Minister in the Ministry of Law (Shri Jaganatha Rao): On behalf of Shri T. T. Krishnamachari, I beg to move....

Shri S. M. Banerjee (Kanpur): The Deputy Minister of Finance is present, Sir. Why should he not move this Bill?

Shri Hari Vishnu Kamath (Hoshangabad): On a point of order, Sir. Is it not obligatory that when a Minister of that particular Ministry is present in the House, he alone should move the Bill for consideration? Can he be passed over or superseded by another Minister belonging to another Ministry?

Mr. Speaker: Who is bossing over? There is no outside authority that is bossing over. It is the internal arrangement of the Ministers.

Shri Bhagwat Jha Azad (Bhagalpur): It is not a question of arrangement. The Deputy Minister of Finance is present in the House. A new precedent is being established in the House.

Shri Hari Vishnu Kamath: At least you may rule that this would not be a precedent. Otherwise, tomorrow a foreign affairs Bill may be moved by the Home Minister, and so on.

Shri Jaganatha Rao: On behalf of Shri T. T. Krishnamachari, I beg to move:

"that the following amendments made by Rajya Sabha in the Bill to provide, in the economic and financial interests of the community, for the control of the production, supply, distribution, use and possession of, and business in, gold and ornaments and other articles of gold and for matters connected therewith, be taken into consideration:—

'Enacting Formula

- (1) That at page 1, line 1, for the word 'Fifteenth' the word 'Sixteenth' be substituted.

Clause 1

- (2) That at page 1, line 5, for the figure '1964' the figure '1965' be substituted."

Sir, this Gold (Control) Bill was passed by Lok Sabha on the 24th December, 1964 and transmitted to Rajya Sabha. The Enacting Formula and Clause 1 had reference to the "Fifteenth year" and "1964" respectively. When under rule 92 of the Rules of Procedure of this House, clause 1, the Enacting Formula and the Title are put to vote, the amendments which have been approved by Rajya Sabha to clause 1 and the Enacting Formula have to be passed by this House.

Mr. Speaker: Motion moved:

"That the following amendments made by Rajya Sabha in the Bill to provide, in the economic and financial interests of the Community, for the control of the production, supply, distribution, use and possession of, and business in, gold and ornaments and other articles of gold and for matters connected therewith, be taken into consideration:—

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Shri M. E. Masani (Rajkot): Mr. Speaker, Sir, now that this Gold (Control) Bill has come before the House again, even though for a formal amendment, those of us who hold the view that this is a bad Bill, a Bill that should never have been passed...

Mr. Speaker: Now, Shri Masani should understand.....

Shri M. E. Masani: Sir, I can oppose the motion for consideration.

Mr. Speaker: Consideration of what?

Shri M. E. Masani: Of whatever it is. Whatever is before the House can be opposed.

Sir, I will not take much of your time. I only want to say this, that this is a bad Bill. Even in the nine months that have passed, the objectives of the Bill have been proved to be a failure. We were told that with the coming into force of this Bill, the price of gold would be controlled. It is a matter of common knowledge that the price of gold has shot up since the Bill was passed by the Lok Sabha and sent to the Rajya Sabha. Sir, this is a useless Bill. All it has done is to carry on a vendetta against honourable people, the goldsmiths throughout the country, who are being persecuted. Even now, if the Bill could be stopped from being passed, it would be a service to the country.

Shri S. M. Banerjee: Sir, I support Shri Masani and I hope that Government will kindly consider whether even at this stage this Bill should be withdrawn. Sir, it was brought in to serve two purposes: to stop smuggling of gold and to reduce the price of gold.

Mr. Speaker: I would like Shri Banerjee to consider my position. Does he think that all these things can come in now? They should not take advantage of the fact that I am just tolerating all that they want to say. Here it is only a question of changing 1964 to 1965. This House has already taken a decision on the Bill. The Bill has been passed by this House and also the other House. Now it has come back only for the limited purpose of changing 1964 to 1965.

Shri Hari Vishnu Kamath: One year makes a lot of difference!

Shri S. M. Banerjee: I only want to say that this Bill has proved to be hopeless.

Mr. Speaker: That is not before us.

Shri S. M. Banerjee: It provides food for re-thinking. Let them reconsider the whole thing again. The country is passing through an emergency. What has happened to gold control? The goldsmiths have not been rehabilitated. Not only that gold control has not been effective, 15,000 to 20,000 people in Calcutta who were making sandesh are now out of employment.

Mr. Speaker: I do not know how sandesh . . .

Shri S. M. Banerjee: It is question of rehabilitation. It is a question of DIR on sandesh. Kindly advise them to withdraw this Bill.

Mr. Speaker: It began with rehabilitation of goldsmiths, then it came to rehabilitation of those who have been displaced in Calcutta, and now it may come . . .

Shri S. M. Banerjee: Sir, kindly hear me. They said that they will have proper control of gold and they will reduce the price of gold. Those objects have not been achieved. The contention of the Chief Minister of West Bengal was that babies were not getting milk and if sandesh is banned the babies will get more milk. But what has happened? They have lost milk and sandesh both. That is what has happened in Calcutta.

Mr. Speaker: I shall now put the motion to the vote of the House. The question is:

"That the following amendments made by Rajya Sabha in the Bill to provide, in the economic and financial interests of the community, for the control of the production, supply, distribution, use and possession of, and business in, gold and ornaments and other articles of gold and for matters connected therewith, be taken into consideration:—

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- (1) That at page 1, line 1, for the word 'Fifteenth' 'Sixteenth' be substituted.

Clause 1

- (2) That at page 1, line 5, for the figure '1964' the figure '1965' be substituted."

The motion was adopted.

Mr. Speaker: Now I shall put the amendments separately. The question is:

Enacting Formula

"That at page 1, line 1, for the word 'Fifteenth' the word 'Sixteenth' be substituted."

The motion was adopted.

Shri M. R. Masani: We have an amendment to the amendment to clause 1.

Mr. Speaker: The amendment is that for '1965' '1975' be substituted.

Shri M. R. Masani: It will have the happy effect of putting the Bill in cold storage for at least ten years and the country will be saved from these hardships.

Mr. Speaker: I cannot put it to vote because I might not survive till 1975.

Shri Hari Vishnu Kamath: You will live long, Sir.

Mr. Speaker: The question is:

'Clause 1

"That at page 1, line 5, for the figure '1964' the figure '1965' be substituted."

The motion was adopted.

Shri Jaganatha Rao: Sir, I beg to move:

"That the amendments made by Rajya Sabha in the Bill be agreed to."

Mr. Speaker: The question is:

"That the amendments made by Rajya Sabha in the Bill be agreed to."

The motion was adopted.

11.55 hrs.

INSURANCE (AMENDMENT) BILL

The Deputy Minister in the Ministry of Finance (Shri Rameshwar Sahu): Sir, I rise to move:

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

Since the Bill is a brief one, containing three clauses only, I would be equally brief.

As will be seen from the Statement of Objects and Reasons, this Bill has only a limited purpose.

In terms of sub-section (6) of section 3 of the Insurance Act, 1938, it is mandatory on the part of the Controller of Insurance to grant a Certificate of Registration to an applicant if the formal requirements regarding registration under the Act have been complied with. The Act does not require, and in fact does not permit, the Controller, before registering an applicant, to satisfy himself about his financial condition and general character of the management.

If the number of insurers operating in the market is more than what the business can support, it is likely to lead to undesirable practices and a consequent deterioration in the stability of the units and in the service to the policyholders. The Bill, therefore, requires the Controller of Insurance to consider before registering any applicant whether there is room or necessity for an addition to the number. Such consideration is necessary in order to avoid congestion in this line of business which can only

result in unhealthy competition or losses.

Shri Hari Vishnu Kamath: Sir, is he going to read a long speech?

Mr. Speaker: He has said that it is a brief one.

Shri D. C. Sharma (Gurdaspur): Sir, this is his maiden speech. Why is the hon. Member interrupting him?

Shri Rameshwar Sahu: I am going to be brief. This Bill is to clothe the Controller with the necessary statutory authority. Provision is also made for an appeal to the Government from the Controller's refusal to register by the aggrieved party.

Sir, I move that the Insurance (Amendment) Bill, 1965, be taken into consideration.

Mr. Speaker: Motion moved:

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

Shri Alvarez (Panjim): Sir, permit me to congratulate the Deputy Minister of Finance on his first sponsorship of a legislation in this House. If for nothing else than the Bill is had in law, I have to oppose this Bill. Under the Indian Insurance (Amendment) Act, the Government had unauthorisedly been appropriating 5 per cent. of the surplus after the actuarial report as government revenue. This appropriation, which was unauthorised, has been struck down by the Supreme Court and the Government have now come with a Bill to permit 5 per cent surplus to be appropriated to Government as revenue but with retrospective effect. It would have been very legitimate for Government to try to seek a form of revenue from the surplus of the Life Insurance Corporation in order to buttress up its revenue during a period of financial crisis. We have been asking that all the public sector corporations we have, industrial or financial should be able to make a fair return to