

**Mr. Speaker:** It was announced the other day that on Tuesday the discussion regarding Chinese aggression will be taken up and on Wednesday, Bhattacharya's case. May I know if there is a proposal to have it changed?

**The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru):** I agreed to this date and I am agreeable even now. The Minister for Parliamentary Affairs and another hon. Member of this House came to me yesterday and said that another date will be more suitable. I said, I don't mind if you are agreeable to change it to two or three days later. I was busy. I will not be in Delhi on the 1st and the 2nd. I will be back on the 3rd. Please do not fix anything on those days. I am agreeable to any date that suits you Sir, and the House.

**Mr. Speaker:** Why should it be changed?

**Shri Asoka Mehta (Muzaffarpur):** On this matter, we agreed to postpone because of the Prime Minister's health. If he is all right on the 28th, I do not think we should postpone it.

**Shri Jawaharlal Nehru:** As a matter of fact, when those hon. Members suggested, I do not at the moment recollect what reason they gave. I merely said that I am agreeable to any date. Even then, I thought that it would be better if it is postponed, that is, after that day, for me to make a statement on the date on the subject before the House so that they may have such facts as we possess, and it may be easy for them to deal with them on the date of the discussion. But, I am in your hands.

**Mr. Speaker:** Am I to understand that the hon. Prime Minister wants to make a statement on the 28th and have the discussion later on?

**Shri Jawaharlal Nehru:** When I thought it was going to be postponed by two or three days, even so, I thought it might be helpful to the

House to have a statement from the previously to enable them to have the discussion

**Mr. Speaker:** If it is convenient, let him make the statement on the 28th and that the discussion come later—or on some date previous to that.

**Shri Naushir Bharucha (East Khadesh):** Let the statement come later on so that we may have a fuller statement.

**Mr. Speaker:** Generally, after the Prime Minister returns, let us have the discussion on the 4th. Fourth is Monday. We will postpone this discussion to Monday. In the meanwhile, the hon. Prime Minister may lay on the Table such statement as he thinks fit and place the facts.

**Shri S. M. Banerjee (Kanpur):** We will make a statement on the 28th?

**Mr. Speaker:** Or some time earlier.

**Shri Nath Pai (Rajapur):** Will it be a statement or a kind of White Paper, covering the whole period since the last one was placed?

**Shri Jawaharlal Nehru:** I may have not only the statement to make on this particular thing, but the correspondence that has taken place and all that. We will try to get it ready.

**Mr. Speaker:** As full as possible.

**Shri S. M. Banerjee:** What about Shri Bhattacharya's case?

**Mr. Speaker:** It will go on to Wednesday, the 29th. It will remain as it is.

MOTION RE: JOINT COMMITTEE  
ON STATE UNDERTAKINGS

**The Minister of Industry (Shri Manubhai Shah):** Sir, I beg to move on behalf of Shri K. C. Reddy—

“That a Joint Committee of the Houses to be called the Joint Committee on State Undertakings be constituted with fifteen mem-

bers, ten from this House and five from the Rajya Sabha, who shall be elected from among the members of each House according to the principle of proportional representation by means of the single transferable vote.

(2) That the functions of the Joint Committee shall be—

- (a) to examine the reports and accounts of the State Undertakings specified in the Schedule;
- (b) to examine, in the context of the autonomy and efficiency of the State Undertakings, whether the affairs of the State Undertakings are being managed in accordance with sound business principles and prudent commercial practices:

Provided that the Committee shall not examine and investigate any of the following matters, namely:—

- (i) matters of major Government policy as distinct from business or commercial functions of the State Undertakings;
- (ii) matters of day-to-day administration;
- (iii) matters concerning wages, conditions of employment and other questions normally decided between the employer and the employees by agreement or determined through recognised machinery;

12.16 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

- (iv) matters for the consideration of which machinery is established by any special statute under which a particular State Undertaking is established.

With regard to the State Undertakings specified in Part III or the Schedule, the Committee shall not adopt or pursue any procedures which

are not consistent with the interests of security.

(3) That the Joint Committee shall have the power to send for persons, papers and documents (save that they shall not be competent to call for such evidence or papers or documents as are stated by the Minister concerned to be confidential and the disclosure of which would be against public interest) and to examine witnesses, provided that such examination takes place in the presence of the representatives of the Ministries concerned and opportunity is given to the said representatives to put questions to the witnesses.

(4) That the Joint Committee shall, from time to time, report to both Houses of Parliament in respect of all or any of the aforesaid matters.

(5) That as from the constitution of the Joint Committee, the Estimates Committee of Lok Sabha and the Public Accounts Committee shall cease to exercise their functions in relation to the State Undertakings specified in the Schedule.

(6) That the members of the Joint Committee shall hold office for a period of three years:

Provided that if any member of the Joint Committee ceases to be a member of Parliament before the expiry of the said period of three years, he shall cease to be a member of the Joint Committee.

(7) That in order to constitute a sitting of the Joint Committee, the quorum shall be five.

(8) That in other respects the rules of this House relating to Parliamentary Committees shall apply with such variations and modifications as the Speaker may make.

(9) That this House recommends to the Rajya Sabha that the Rajya Sabha do join in the said Joint Committee and communicate to this House the names of members to be appoint-

[Shri Manubhai Shah]

ed by the Rajya Sabha to the Joint Committee.

### SCHEDULE

#### (List of State Undertakings)

##### PART I

#### State Undertakings established by Central Acts

1. The Damodar Valley Corporation.
2. The Industrial Finance Corporation.
3. The Indian Air Lines Corporation.
4. The Air India International.
- 5 The Life Insurance Corporation.
6. The Central Warehousing Corporation.
7. Oil and Natural Gas Commission.

##### PART II

#### (State Undertakings which are Government Companies formed under the Companies Act)

Every Government company whose annual report is placed before the Houses of Parliament under sub-section (1) of section 619A of the Companies Act, 1956, other than the State Undertakings included in Part III hereof.

##### PART III

1. Hindustan Aircraft Ltd., Bangalore.
2. Bharat Electronics Ltd., Bangalore.
3. Mazagon Docks Ltd., Bombay.
4. Garden Reach Workshop Ltd., Calcutta."

While moving this motion...

**Shri Naushir Bharucha** (East Kan-  
des): Sir, I rise to a point of order.  
My submission is that the Motion  
moved by the hon. Minister is out of  
order.

**Mr. Deputy-Speaker:** Let it be  
moved first.

**Shri Naushir Bharucha:** He has

mentioned. I may point out once he has  
read out the text . . .

**Mr. Deputy-Speaker:** It is not the  
reading of the text. Let it be sup-  
ported by whatever he wants to say.  
Then, I will place it before the House.  
Then, the hon. Member can take any  
exception that he wants.

**Shri Naushir Bharucha:** It has been  
mentioned in the rules that a point of  
order cannot be raised when it has  
been put to the vote.

**Mr. Deputy-Speaker:** I am not  
putting it to vote. Let the House be  
possessed of it.

**Shri Manubhai Shah:** Shall I also  
make the opening speech along with  
the motion?

**Mr. Deputy-Speaker:** Yes, whatever  
he wants to say.

**Shri Manubhai Shah:** I would like  
to draw the attention of the House  
that this is a very important and his-  
toric motion, because, since we laun-  
ched upon the establishment of the  
public sector in this country, the num-  
ber of undertakings has grown not  
only wide in numbers but also in  
magnitude. Further, the field of in-  
dustries which the State has now un-  
dertaken is increasing rapidly from  
day to day and from year to year.

As the House will recall, it was  
some years back that the then Hon.  
Speaker himself made a suggestion to  
the House that there should perhaps  
be a separate Joint Committee of the  
two Houses specially for the public  
sector undertakings. Not only was the  
suggestion very well welcomed here  
and accepted, but many studies con-  
ducted by experts in public undertak-  
ings and experts in the studies of ac-  
countability of such undertakings to  
Parliament have also commended such  
a move. Before us is also a parallel  
example of the United Kingdom where  
the House of Commons also undertook  
the establishment of such a committee.

I would not like to elaborate very much on this because the Members of the House are fully familiar with this, but I would only place before the House a few extracts as to how the Select Committee of the House of Commons was appointed on 16th March, 1955. The first extract is as follows:

"The Select Committee was finally appointed on the 16th March, 1955, with the following order of reference:—

'to examine the reports and accounts of the nationalised industries established by statute, whose controlling boards are wholly appointed by Ministers of the Crown, and whose annual receipts are not wholly or mainly derived from moneys provided by Parliament or advanced from the Exchequer, and

to obtain further information as to so much of the current policy and practices of those industries as are not matters which—

(a) have been decided by or clearly engage the responsibility of any Ministers..".

I want to draw the attention of the House to this particular clause in regard to the first committee appointed in the House of Commons, by which this particular committee was excused from going into the matters which have been decided by or clearly engage the responsibility of any Ministers'.

Then, the extract proceeds further and says:

". . .(b) concern wages and conditions of employment and other questions normally decided by collective bargaining arrangements.

(c) fall to be considered through formal machinery established by the relevant statutes, or

(d) are matters of day-to-day administration."

When the committee was appointed under these terms of reference, they

found that the terms were rather so restrictive that anything could be interpreted to have come under the responsibility of the Ministers or as defined in clause (a). So, after the appointment of this committee, there were a lot of difficulties which this committee had to face, and, therefore, on a revised motion, after the experience of about a year or a year and a half in the United Kingdom, they had to alter the terms of reference, and Mr. Butler was pleased to move another motion on the 30th November, 1956, amending some of the terms of reference.

I beg to draw the attention of the House to this only because here in the motion which I have moved, there are four specified items in clause 2 of the motion in which we have tried to suggest those items which may not fall within the purview of the Committee. The distinction between the four restrictions or limitations placed in the House of Commons committee and ours has got to be distinctly appreciated. We have avoided the clause (a) relating to the original committee of the House of Commons, where anything which fell within the responsibility of the Ministers concerned was specifically excluded from the consideration of the House. Here, in this motion, we have tried to mention specifically only four matters which I hope the House will fully appreciate should not normally be the concern of a committee of the august House here or the Rajya Sabha, that is, matters of major Government policy as distinct from business or commercial functions of the State undertakings; that is, anything which is a matter of current policy, anything which is a matter of running of such an enterprise on a normal basis, anything which does not involve the basic policies of the country as the Government of the day would like to enforce, would clearly lie within the purview of this committee.

**Dr. M. S. Aney (Nagpur):** Supposing somebody raises a question in the committee, who will decide whether it is a matter of general policy or a

[Dr. M. S. Aney]

matter relating to the day-to-day administration?

**Shri Manubhai Shah:** I would like to clarify the point raised by the hon. Member, by saying that a matter of major policy, as we have mentioned here, is a thing on which there cannot be too many differences of opinion. If we had stated 'matters of policy or current policy are the responsibility of the Minister', then there would have been more occasions for any type of doubts to be expressed. Also, it does happen in the Public Accounts Committee and also the Estimates Committee that references to the Attorney-General on matters of any difference of opinion can be made. But I do believe that my hon. friend who is an experienced Member of this House as also of the old Houses would appreciate that when it is distinctly laid down that what is being excluded merely concerns matters of major Government policy, it should not be difficult for competent men to decide . . .

**Shri D. C. Sharma** (Gurdaspur): What constitutes a major Government policy? That is a very important question. We have all along been used only to the term 'Government policy', but today, the hon. Minister is making a new distinction by using the term 'major Government policy'. Some other day, some other distinction like this can be made. So, what is the specific connotation of the term 'major Government policy?'

**Shri Manubhai Shah:** These are all broadly understood terms, and I know that my hon. friend also fully appreciates it. We have avoided the word 'policy of the Government' which could be defined as anything, and there can be a lot of difference on the normal word 'policy'. When we say 'major Government policy', it could be clearly understood that the normal current policies or the running of the undertaking or the various aspects of the undertaking, its personnel, its administration, its profitability, its res-

ponsibility to the House, its accountability, its power of expenditure and accounting, etc. could all be considered as normal practices. Major policies are not such matters as cannot be clearly understood. And yet if there is any doubt raised by any Member of such a committee at any time, and if somebody takes an objection that such and such a matter is a matter of major policy, then the matter can be referred to the Attorney-General; and such references to the Attorney-General have not been unfamiliar in this country or in other countries where such matters have been raised.

As a matter of fact, when I was mentioning the Butler Committee, actually.

**Shri Narasimhan** (Krishnagiri): Why not leave it to the chairman of the committee, instead of specifying it here?

**Shri Manubhai Shah:** It can be also left to the Chairman, for, after all, the Chairman is the final authority, but if the Chairman also wants direction, he can refer the matter to the hon. Speaker of the House, who is the ultimate authority in all these matters when the committees of the Houses are concerned, and the Hon. Speaker can give his decision on the matter and say whether a particular thing falls within their purview or not. But I am trying to draw a distinction from this angle as to why we have been more specific in our motion than in the revised motion in the British House of Commons. That is a point which has very much to be appreciated, and clearly explained here, so that hon. Members can appreciate why these specific terms of reference have been laid down.

Firstly, the public sector undertakings in U. K. or in any democratic country of the world are not of the same dimension or magnitude based on the same policy of Government as in this country. Here, we are wedded to a socialistic pattern of

society where we do believe that the principal instruments of production in strategic matters will have to be the responsibility of the community; and this House is going to be exercised on the establishment of several projects from year to year and from Plan to Plan. Therefore, the work of such a committee is bound to be of a heavy nature.

Then, a keen anxiety has been expressed in this House about allowing the autonomy of the public sector undertakings to remain as much unrestricted as possible, so that those who are working in the public sector undertakings in the boards of management can enjoy that autonomy to the extent practicable, without diluting their responsibility to Parliament and without diluting their accountability to this House and the other House, and they can function without fear and with adequate protection, and they can function also in a smooth and flexible manner, so that the commercial profitability of these undertakings is not jeopardised.

It is only from this angle that we have tried to specifically lay down such points. When I come to the second motion moved by Mr. Butler, I would like to place before the House how the second committee was appointed in the House of Commons. The motion was introduced in the House by its leader Mr. R. A. Butler, on the 30th November, 1956, in a carefully phrased speech, when he said that:

"We have come to the conclusion that it is wiser not to try to debar the committee from discussing certain questions by a series of specific prohibitions,—and, therefore, we have learnt something from experience—but simply to trust to the good sense and good-will of the committee itself."

While moving this motion, he said that it would be understood that the  
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committees will generally not engage themselves in the work of day-to-day administration or matters concerning wages and conditions of employment and other questions which we have mentioned here as being matters between employee and employer and matters for the consideration of which machinery is established by any special statute under which a particular State undertaking is established.

Therefore, while in U.K. in the amended motion, they have tried to leave the matter as wide as possible, here without diluting the authority of the committee, to make it more specific, we have laid down that these are the four items which are to be excluded from the purview of the studies of this committee. Here, we have specifically laid them down so that the terms of reference become as precise and yet as wide and liberal as this House would like them to be  
12.20 hrs.

[MR. SPEAKER in the Chair]

Another point, to which I would like to draw attention of the House, is this. There have been several studies since the Committee was appointed in the House of Commons as regards fully preserving the autonomy of this type of undertakings. I have laid this morning on the Table of the House a statement of the Government's decisions on public sector undertakings for the information of hon. Members. A few days ago in reply to a question, I had repeated all those decisions. The House will appreciate from these decisions that we have tried to enlarge the autonomy of these undertakings even from the side of Government to the maximum extent possible, by giving them greater financial powers to sanction capital expenditure, by conferring on them greater financial powers for creating posts and making appointments, by the composition of the boards in a flexible manner which will confer on them the maximum possible decentralised authority

[Shri Manubhai Shah]

from the Central Government and the Ministries concerned.

One of the important recommendations was that no Secretary of a Ministry or Department should hereafter be the Chairman or a member of the board of management. Also the fewest number of governmental nominations will there on such undertakings. All these steps are being taken, including the one to have a Joint Committee as has been advocated by the House in the past, in order to make the working of the public sector undertakings as smooth and autonomous as possible without diluting the authority of this House and the accountability of these undertakings to Parliament.

**Mr. Speaker:** It is not a Conservative Government in U.K.? Has it adopted a socialist pattern of society?

**Shri Nath Pai (Rajapur):** That has become the fashion these days.

**Mr. Speaker:** The hon. Minister quoted the example of Great Britain. Has there not been a change of Government there? The socialists have given place to the conservatives.

Here we have adopted the socialist pattern of society. But what is happening? The private people run it. Even the Minister is not here. It is another form of the money belonging to the State and the management remaining in private hands.

When private persons start a company on their own, they invest some money and there is a responsibility attached. Here the public money is vested in the hands of private men with autonomy to any extent. Therefore, there is not even that responsibility.

**Shri Manubhai Shah:** May I draw your attention to the statement I have laid on the Table of the House? The Chairman and/or managing director will in future be a whole-time servant

of the Government. That is, no non-official will remain either full-time Chairman or managing director.

Now, let me come to the point you raised. This is what we have said with regard to the composition of the boards of directors of Government companies or corporations. Members of Parliament should not be appointed to boards of directors. This has been the general feeling in this House and has been debated several times. Looking to the practice in other countries also, it was thought by Government that the best way was to avoid appointing Members of Parliament to the boards, and the managing director and or Chairman should be appointed whole time by Government except in the case of very small concerns. That means that there shall be no opportunity for a non-official part-time man to work as full-time in such undertakings in that capacity in future. Where the undertaking is small and it cannot afford to have both Chairman and managing director full-time, at least the top executive, either the Chairman or the managing director, will be a whole time servant of the State.

No Secretary of a Ministry or Department shall be a member of any board. This was also a matter on which the House was much exercised, namely, that the top Secretaries, who are supposed to control and lay down the policies, are also Chairman, and therefore, authority gets overlapped and diluted. One does not know where their functions as Secretaries begin and where their functions as members of the Board end.

**Shri D. C. Sharma:** That means Joint Secretaries and Additional Secretaries can become Chairmen?

**Shri Manubhai Shah:** Nobody can become Chairman and/or Managing Director except full time appointee.

**Shri C. D. Pande (Naini Tal):** They can be directors.

**Shri Manubhai Shah:** There should be a full time Chairman or managing director. There is no question now of a Secretary or Additional Secretary being full time Chairman or managing director. There should be no objection to the appointment of part-time non-official directors. That is, out of a board of 9 or 11, there may be one or two or three,—a good economist, a good scientist or when it comes to having a businessman, we have provided for the advantage of making appointments of part-time non-official directors, in cases where the work involved would not justify the appointment of full-time directors. In this way, it would be possible to gain and profit by the experience and knowledge of some part-time non-official directors also.

Then Government should have freedom to appoint persons of general experience drawn from outside the undertaking, both officials and non-officials. At the same time, efforts should be continuously made to build up a cadre of higher managerial personnel in public sector undertakings so that more of them qualify to become directors. The idea is that as experience grows and trained personnel become available, we will have more and more full time functional directors on these different boards.

As regards the question of non-official directors, to which you made a reference, the policy is that no full time director drawn from non-officials should have any connections with business. He has got to resign his post in any private concern or business if he has to be a full time director on the board of the public undertaking. What was happening in the past was that we had in some cases wholly official boards, in some other cases there were a large number of non-officials and in some others, there were a few non-officials. Henceforward, this will not be the position. There would be more of uniformity and some sort of standard in the formation of these boards.

**Mr. Speaker:** What happens if he resign his post in the business in favour of his son and is prepared to be managing director?

**Shri Manubhai Shah:** That will be making too great a distinction. After all, if a man resigns from his business or leaves that post and is available with his talents, if he is a man of integrity and competence, we should not lose his services. After all, in this country we have got both the private sector and the public sector. We have scientists, intellectuals and economists.

**Mr. Speaker:** The difficulty was this. The House appointed a Committee in relation to the Industrial Finance Corporation. The hon. Minister remembers all that.

**Shri Manubhai Shah:** I may say that for the present the other aspects of this Joint Committee are there.

**Mr. Speaker:** In making nominations, the House had a bitter experience regarding the Industrial Finance Corporation. A Committee was appointed. Those persons in charge all resigned and new persons were appointed. Has all that been taken into account?

**Shri Manubhai Shah:** All that has been taken into consideration. So many studies have been made and, therefore, the words are carefully chosen.

Part-time non-official directors may be appointed, provided no question of conflict of interest, whether direct or indirect, will arise between the operations of the public sector undertaking, to which they are appointed, and their own business interests. Care should be taken in judging the likely conflict of interest in such cases and such proposals should invariably be submitted to Government for approval. Therefore, all the necessary precautions have been exercised.



[Shri Manubhai Shah]

But I was coming to the Joint Committee on State undertaking because these matters, though important are not relevant to the issue. I was merely mentioning them. You mentioned that the Conservative Government took over in U.K. what was started by the Labour Government. In this case, it was a successive Conservative Government, and in the motion, Mr. Butler actually tried originally to include many restrictions. The original restriction was so wide that anything which fell within the responsibility of a Minister could be construed as excluded. Practically, the Committee was still-born and could not function. Therefore, they went to the other extreme and said, 'All right. Henceforward, the Committee will have the fullest and widest powers, but on the understanding that those matters which are connected with wages, with day to day administration and those which are specifically excluded by statute when a public undertaking is established, should not normally concern the Committee.'

As I explained, if any difference of opinion arises, the Chairman is there. Then you, Sir, are there always to give a final decision as to what should be considered the legitimate work of this Committee coming within the sphere of responsibility of the Committee and jurisdiction of the Committee and what should not be. So there should be no difficulty.

I can also assure the House on behalf of the Government that since this is the first time that such a joint committee is coming up, the experience gained from it will put us wise to the necessity of making modifications or widening the terms of reference more specifically.

I have dilated on this point because while the Government consider that the terms of reference are far wider than those of similar bodies established in other countries, we do want to see that the autonomy of the public sector undertakings, of which the

House has been a champion, should be preserved as far as possible, so that the working of the widening public sector is not hampered.

Then, there are a few minor charges which have come to our notice, in regard to which I shall move an amendment later. There is a small omission that the audited reports will also form part of the examination by this joint committee. At the appropriate time I shall move the amendment which I have got ready with me here.

I would also like to draw attention to the three parts of the schedule. It will naturally be a matter of enquiry why the various undertakings were divided into three parts.

The first part, as will be clearly seen, relates to statutory corporations where the House has been pleased to lay down certain greater responsibility or give certain greater freedom or provide a new procedure because of the nature of the undertaking. They have been classed separately, and the responsibility and jurisdiction of this committee will be defined more closely by the provisions of the statute.

Part II relates to State undertakings which are Government companies formed under the Companies Act. Members have put questions from time to time as to the most flexible and simplified form that could be adopted by public sector undertakings. From experience we have seen that the company form of organisation is the most flexible, while its public accountability is the maximum. The Indian Company law, as the House knows, is a very comprehensive one, and we did not want that the public sector undertakings should every time be treated in a different way from the numerous companies of the private sector which are subject to certain disciplines of the company law. Therefore, all the public sector undertakings which are registered as

companies under the Indian Companies Act have been classed under Part II. Any new public sector undertaking which is established under the Companies Act will automatically form part of this schedule.

**Mr. Speaker:** Part II refers to every Government company whose annual report is placed before the Houses of Parliament. Are there any Government companies whose annual reports are not so placed?

**Shri Manubhai Shah:** Not those which are in Part II. They have necessarily to be placed on the Table of the House.

**Mr. Speaker:** Are there any other Government companies whose reports are not placed on the Table of the House?

**Shri Manubhai Shah:** Not many. There are some institutions like the Statistical Institute where the House has not insisted on their annual reports being formally placed.

**Shri Nath Pai:** We did insist. It is not true that the House did not insist. We did insist that even the Statistical Institute, for which Parliament provides funds, should not be excluded. It was not Parliament, but it was the Government, particularly a Minister, who did not want it.

**Shri Manubhai Shah:** Actually, there is hardly any corporation of which the report is not placed on the Table of the House, but we have put it in a manner which legally defines the responsibility. Every company under the Companies Act which is a public limited company of the Government of India has got to place its report here.

In Part III there are four undertakings in respect of which, in the interests of security, there will be special provision for examination as defined in the motion. They are: Hindustan Aircraft Ltd., Bharat Electronics Ltd., Mazagon Docks Ltd., and

Garden Reach Workshop Ltd. They are mostly controlled by the Defence Ministry. Many items of production concern armaments and various other types of delicate things of security. They will certainly be under the jurisdiction of this committee, but the procedure will safeguard their security.

Care has been taken to see that the minimum number of units in the public sector are kept under Part III. I may assure the House on behalf of the Government that it is a little more restrictive here only because of the angle of national security. Therefore, the distinction between the three schedules is more in the nature of the undertaking.

These are the broad aspects which I wanted to place before the House. As for the number of members, we thought a small, compact committee would be better than having a large committee. Of course, Government has an open mind, but we felt after great consideration that 15 members, ten from the Lok Sabha and five from Rajya Sabha, should be adequate for an intensive examination of these undertakings.

In clause (3) there is a provision that the joint committee shall have power to send for persons. Actually speaking, this is already provided in the rules of business except for the proviso, which I would like to read:

"... provided that such examination takes place in the presence of the representatives of the Ministries concerned and opportunity is given to the said representatives to put questions to the witnesses."

Here, I want to offer a clarification. Generally I know that the tradition is—and the Chairmen of both the Committees have been assuring us from time to time and we have seen that they have been carrying out this high tradition—that when a high-level probe or examination is carried

[Shri Manubhai Shah]

out, due notice as well as invitation is given to the representatives of the Ministry concerned to be present to listen to the evidence given by independent witnesses.

**Shri A. C. Guha (Barasat):** Not to put questions to the witnesses. I do not think officials are allowed to put questions.

**Shri Manubhai Shah:** They may be put only through the Chairman. Suppose an expert makes a statement, naturally the representative from the Government side would like to know to what extent it is correct, or what is the explanation of it. It is only to enlighten the Committee, so that they can come to a correct judgment. It has been felt desirable that if the probe is to be adequate, the committee should be duly informed by expert opinion on both sides, and that is why this procedure is provided for that the representatives of the Ministry will be invited to be present and they will put only such questions as the Chairman permits, and through the Chairman to the witness. Naturally, they will not be putting themselves in the same position as Members of Parliament because the committee is of this august House. They will be more like observers who will be entitled to listen to what the witnesses called by the committee have to say, and if any clarification or counter-question has to be asked for informing the committee, they will do so with the permission of the Chairman and through the Chairman.

**Shri Naushir Bharucha:** You are giving them power to cross-examine the witnesses.

**Shri Manubhai Shah:** I would like to be enlightened on suitable wording, because we do not want anything to be considered as either curbing or restricting the power of the committee, the whole idea being to have a more enlightened and inferred observation and discussion.

**Mr. Speaker:** You may add one or two words here saying that they may put questions, with the permission of the Chair and through the Chair, to the witnesses for the purpose of clarification.

**Shri A. C. Guha:** Sir, it would be embarrassing to us if you suggest this to the hon. Minister. It would become difficult to comment on this Motion if you yourself, from the Chair, put certain suggestions to the hon. Minister.

**Mr. Speaker:** It is open to hon. Members to accept or not accept my suggestion.

**Shri A. C. Guha:** As a convention the Estimates Committee and the Public Accounts Committee invite the officers of these corporations when their accounts are examined. It may be that the committee may have to examine certain witnesses in the absence of the officers. So, why should there be a condition that, in any case, the officers of these corporations should be present?

**Mr. Speaker:** I cannot commit the House to anything. I only wanted that the witnesses should not be cross-examined by the officers. My own experience is that when the witnesses and officers are there, sometimes, it is rather difficult to get evidence from those persons who are in charge of the administration. I leave it to the House to decide one way or the other.

**Shri Morarka (Jhunjhunu):** It may be left to the Chairman. What is the necessity of laying it down here?

**Shri Braj Raj Singh (Ferozabad):** It should be left to the discretion of the Chairman of the Committee.

**Shri Manubhai Shah:** I was trying to explain that the intention here was that the examination becomes thorough and the members are assisted by the person or such persons which the Minister or the Ministry may send to assist the committee because the evi-

dence should not be one-sided. They have been sometimes wrongly commented upon by the information given by witnesses which may not be completely or wholly appropriate to the occasion. It is likely to happen—and has been the experience on some occasions. I merely leave it to the goodwill of the House and proper discussions here. What I am trying to suggest is that the Government have carefully considered this clause from this angle that it will assist the committee from knowing the other side of the picture also, and that they may not be drawn to conclusions which are only one-sided from the information given by the witnesses.

It can be further amended. We do not want to give to the witnesses or the representatives of the Ministries or the public undertakings the same status as that of the Members of Parliament. I just want to remove that impression if at all that has been created by this clause. They are there as mere observers to observe what the witnesses are saying. If any clarification has to be done any question can be put with the permission and through the Chairman of the Committee only.

**Shrimati Renuka Ray (Malda):** May I point out something?

**Mr. Speaker:** No, no. I will give her an opportunity later.

**Shri A. C. Guha:** If the hon. Minister has finished I would like to raise a point of order.

**Mr. Speaker:** He has not finished.

**Shri Manubhai Shah:** I do not want to take long in order to explain the various aspects of the Motion. I have tried to elaborate, clause by clause, the intentions of Government and the decisions which have been taken after going through the reports of several experts. The Institute of Public Administration itself made a comprehensive report on this. There was the report of the Menon Committee, which

was originally appointed by the Congress Committee but which was later on sent up to Government. There were many economic experts on public undertakings. There were the reports of Robson and Galbraith. I can say that more than 15 to 20 reports of experts who have gone into these things are there. As a result of all that we have tried to bring this Motion here which merely brings expert opinion and opinion of Members of Parliament to bear upon public sector undertakings as defined in Schedules I, II and III.

Sir, I beg to move.

**Shri Braj Raj Singh:** Sir, shall we be provided with copies of the statement which the hon. Minister laid on the Table today? (*Interruption*).

**Mr. Speaker:** Motion moved:

"That a Joint Committee of the Houses to be called the Joint Committee on State Undertakings be constituted with fifteen members, ten from this House and five from the Rajya Sabha, who shall be elected from among the members of each House according to the principle of proportional representation by means of the single transferable vote;

(2) That the functions of the Joint Committee shall be—

(a) to examine the reports and accounts of the State Undertakings specified in the Schedule;

(b) to examine, in the context of the autonomy and efficiency of the State Undertakings, whether the affairs of the State Undertakings are being managed in accordance with sound business principles and prudent commercial practices:

Provided that the Committee shall not examine and investigate any of the following matters, namely:—

(i) matters of major Government policy as distinct from business or commercial functions of the State Undertakings;

[Mr. Speaker]

(ii) matters of day-to-day administration;

(iii) matters concerning wages, conditions of employment and other questions normally decided between the employer and the employees by agreement or determined through recognised machinery;

(iv) matters for the consideration of which machinery is established by any special statute under which a particular State Undertaking is established.

With regard to the State Undertakings specified in Part III of the Schedule, the Committee shall not adopt or pursue any procedure which are not consistent with the interests of security.

(3) That the Joint Committee shall have the power to send for persons, papers and documents (save that they shall not be competent to call for such evidence or papers or documents as are stated by the Minister concerned to be confidential and the disclosure of which would be against public interest) and to examine witnesses, provided that such examination takes place in the presence of the representatives of the Ministries concerned and opportunity is given to the said representatives to put questions to the witnesses.

(4) That the Joint Committee shall, from time to time, report to both Houses of Parliament in respect of all or any of the aforesaid matters.

(5) That as from the constitution of the Joint Committee, the Estimates Committee of Lok Sabha and the Public Accounts Committee shall cease to exercise their functions in relation to the State Undertakings specified in the Schedule.

(6) That the members of the Joint Committee shall hold office for a period of three years:

Provided that if any member of the Joint Committee ceases to be a member of Parliament before the expiry of the said period of three years, he shall cease to be a member of the Joint Committee.

(7) That in order to constitute a sitting of the Joint Committee, the quorum shall be five.

(8) That in other respects the rules of this House relating to Parliamentary Committees shall apply with such variations and modifications as the Speaker may make.

(9) That this House recommends to the Rajya Sabha that the Rajya Sabha do join in the said Joint Committee and communicate to this House the names of members to be appointed by the Rajya Sabha to the Joint Committee.

## SCHEDULE

### (LIST OF STATE UNDERTAKINGS)

#### PART I

#### *State Undertakings established by Central Acts.*

1. The Damodar Valley Corporation.
2. Industrial Finance Corporation.
3. The Indian Airlines Corporation.
4. The Air India International.
5. The Life Insurance Corporation.
6. The Central Warehousing Corporation.
7. Oil & Natural Gas Commission.

#### PART II

#### *(State Undertakings which are Government Companies formed under the Companies Act)*

Every Government company whose annual report is placed before the Houses of Parliament under sub-section (1) of section 619A of the Companies Act, 1956, other than the State Undertakings included in Part III thereof.

**PART III**

1. Hindustan Aircraft Ltd., Bangalore.
2. Bharat Electronics Ltd., Bangalore.
3. Mazagon Docks Ltd., Bombay.
4. Garden Reach Workshop Ltd., Calcutta."

There are some amendments.

**Shri Naushir Bharucha:** Sir, my There is a point of order, Sir.

**Shri Naushir Bharucha:** Sir, my point of order is that this Motion would be out of order by reason of the fact that clause (5) of the Motion reads thus:

"That as from the constitution of the Joint Committee, the Estimates Committee of Lok Sabha and the Public Accounts Committee shall cease to exercise their functions in relation to the State Undertakings specified in the Schedule."

Under rule 308 of the Rules of Procedure, the functions of the Public Accounts Committee have been laid down; and one of the functions is—

"It shall also be the duty of the Committee—to examine the statement of accounts showing the income and expenditure of state corporations....."

Under rule 331, no amendment of the rules can be made except by the procedure provided in rules 329, 330 and 331. Therefore, when the hon. Minister moves that the functions of the two committees shall cease, it is a substantial alteration of the rules relating to the functions of the Public Accounts Committee and the Estimates Committee. That can only be done by the procedure provided for amendment of the rules. Clause (5), therefore, short-circuits the procedure prescribed for amending the rules. Unless that procedure is followed, my submission is that by a mere Motion Government

cannot effect an amendment of the Rules of Procedure.

**Shri Morarka:** By the constitution of this Committee the rule may be amended.

**Shri Naushir Bharucha:** Clause (5) says that—

"From the constitution of the Joint Committee the Estimates Committee of Lok Sabha shall cease to exercise...." (*Interruption*).

**Mr. Speaker:** The hon. Member says that the rule should first be amended and then the committee shall be constituted. Till then, by a motion of this kind, there is no right to alter the rules.

**Shri Naushir Bharucha:** The correct procedure would have been for Government to have brought in an amendment of the rules relating to the Public Accounts Committee and the Estimates Committee and then to have brought forward this Motion. In other words, by one clause of this Motion they are short-circuiting the procedure and completely altering the character and structure and functions of the Public Accounts Committee and the Estimates Committee which they are not entitled to do. Before altering such functions the House would surely like to discuss the matter and seek justification from Government whether such alterations are desirable and so on and so forth.

Therefore, my submission is that this clause (5) is out of order.

If that is out of order then the whole Motion would be out of order for this reason that this clause (5) is not severable from the rest of the Motion. It would be ultimately the setting up of two parallel bodies with coordinate authority which might give conflicting reports and put the House in a difficulty.

**Shri Manubhai Shah:** I am submitting that already we have placed the

[Shri Manubhai Shah]

reasons for the constitution of this Committee. I gave elaborately the whole background. Once the Motion is adopted the observations of the hon. Member would come in. If it is not passed, then, the question of amendment of the rules does not arise. If the House is pleased to pass the Motion, then the necessary formality for amending the rules would be complied with. This would not come into existence till such time the rules are amended.

**Shri A. C. Guha:** My point of order is.....

**Mr. Speaker:** Is it a different point of order or is it the same?

**Shri A. C. Guha:** It is a different one.

13 hrs.

**Mr. Speaker:** Then, let me dispose of this first. The matter is quite simple. The hon. Minister agrees that this Resolution will not have the effect of automatically bringing into effect the superseding powers in respect of the Estimates Committee. He contemplates that the rules may be amended after the Resolution is passed. He agrees with Shri Bharucha. The only point is whether we must first amend the rule and then constitute the Committee or pass this Resolution and then amend the rules. The hon. Members can move an amendment that particular steps may be taken to amend the rules. Similarly, Government may bring in an amendment saying that the rules may be amended. The hon. Minister says that it would not come into existence as soon as it is passed but it is subject to the other steps being taken under the rules. Can we make it more clear? We can say in clause 5 that consequential amendments may be made in the rules.

**Shri Nath Pai:** Sir, the rules take precedence over this particular Resolution. We are normally guided by the rules. If we pass a resolution

which runs counter to that, it is not good. Rules have precedence but you are giving a ruling that rules can be amended retrospectively. That is not a consequential amendment.

**Shri Vidya Charan Shukla (Baloda-Bazar):** The passage of this motion will not automatically alter the status of the PAC or EC. Clause 5 states:

"As from the constitution of the Joint Committee, the Estimates Committee of Lok Sabha and the Public Accounts Committee shall cease to exercise their functions in relation to the State Undertakings specified in the Schedule."

So, it is not from the date of passing of the motion.

**Mr. Speaker:** To avoid the difficulty they may add at the end of clause 5 that steps may be taken to have the necessary amendments carried out in the rules.

**Shri Braj Raj Singh:** When the Resolution is passed by the House, they will be automatically made.

**Mr. Speaker:** It is not automatic.

**Shri Naushir Bharucha:** May I suggest that the correct amendment would be to add a proviso at the end, saying: 'Provided that such a joint committee shall not be constituted until the rules relating to the functions of the Public Accounts Committee and the Estimates Committee are suitably amended'.

**Some Hon. Members:** No, Sir.

**Mr. Speaker:** The intention is clear. A suitable amendment may be drafted and Shri Bharucha also may see it so that an agreed amendment may be brought in.

**Dr. M. S. Aney:** The Joint Committee will come into existence immediately after the Resolution is passed.

**Mr. Speaker:** How can it come into existence automatically? Election has

to take place. It may be subject to the modification of the rules found necessary relating to the appointment or establishment of these committees. Suitable amendments may be placed before the House later on.

**Shri A. C. Guha:** Sir, my submission is different. The Lok Sabha has the exclusive right of making any budgetary recommendations or examining the current accounts of the Government. That is why there is no Member of the Rajya Sabha in the Estimates Committee. Even in the Public Accounts Committee, the Resolution moved by the hon. Prime Minister on 12th May 1953, says that the House recommends to the Council of States that they do agree to nominate seven Members from the Council of States to associate with the Public Accounts Committee. They are associate Members. But here the language says: 'do join in the said Joint Committee'. That is to say, they will have full rights. The hon. Minister has also stated that the Select Committee in the United Kingdom is a Select Committee of the House of Commons and there is no one from the House of Lords. I feel that this motion is contradictory to the Constitution and contravenes the right of this House as regards the financial and budgetary matters. Therefore, I feel that this should be properly amended. This Committee will combine the functions of both the Estimates Committee and the Public Accounts Committee. It may be pointed out that the Estimates Committee has no Members from the Rajya Sabha. That is my point of order.

**Shri Naushir Bharucha:** To reinforce my hon. friend's arguments, the quorum is of five Members. It is conceivable that there may be four Members of Rajya Sabha and one from Lok Sabha in which case the Rajya Sabha will dictate the economic policies in regard to financial matters.

**The Minister of Law (Shri A. K. Sen):** Sir, I am afraid I have not been able to follow the point of order.

I want to see, if the hon. Member will oblige, me, the relevant articles of the Constitution which, he thinks, are contravened. I cannot argue in a vacuum.

**Shri A. C. Guha:** You may recall, Sir, that in spite of influential pressure the hon. Speaker resisted the introduction of any Member from Rajya Sabha in the Estimates Committee and they were allowed in the PAC only as associate Members—not as full Members of the Committee.

**Shri A. K. Sen:** That is a question of policy. But what is the point of order? What is the article of the Constitution which is contravened?

**Shri Naushir Bharucha:** Supposing there are five Members sitting and four are from Rajya Sabha, and only one from Lok Sabha the decision taken may be a material decision which affects the money Bills or financial Bills.

**Shri A. K. Sen:** How can it be a money Bill?

**Shri Naushir Bharucha:** Whatever it is, it may affect the financial powers of this House and the other House has no power.

**Shri A. C. Guha:** There is for instance the question of examining the current estimates.

**Shri A. K. Sen:** That has nothing to do with Constitution.

**Shrimati Renuka Ray:** When the Estimates Committee was formed, this question was brought up and it was decided that it was not possible to have Members of the Rajya Sabha on it because money matters were taken up there.

**Shri A. K. Sen:** May I ask the hon. Members to keep the two things separate? One is the question of desirability of associating the Members from Rajya Sabha. The other is a point of order. What is the constitutional prohibition against having Members of the Rajya Sabha brought into this Committee? If I am shown



[Shri A. K. Sen]

the relevant article of the Constitution, I can answer it. But the argument is proceeding on the basis as though there is some prohibition in the Constitution and that prohibition is being contravened.

**Shri Asoka Mehta:** The Law Minister is not replying to a simple point which has been raised. I think he should help the House. The question raised is that in the Estimates Committee there is no Member from the Rajya Sabha. In the Public Accounts Committee seven Members are treated as associated with the Committee. This Joint Committee is to take over part of the functions that are being fulfilled or discharged today by the Public Accounts Committee and the Estimates Committee. It has been suggested that a few Members of the other House should be invited to join this Committee. In the past we have followed a certain procedure and the farthest we have gone is to associate certain Members from the other House. Why is it that when the same functions are being transferred to another committee, a new phrase, inviting them "to join" is being used? It is a very simple point which Shri A. C. Guha has raised. It is no use asking him to quote the articles of the Constitution. It is up to the Government to tell us why this modification has been introduced.

**Shri A. K. Sen:** As I said, it is a question of policy. It is for this House to decide whether it will only associate or bring in any Members.

**Shri Asoka Mehta:** The Government has brought forward a certain motion. It has not been explained by the hon. Minister. The hon. Member, Shri A. C. Guha, is trying to seek a clarification from the hon. Minister. If he gives us a clarification, we will understand. Why has the Government changed it from "association" to "joining"?

**Shri A. K. Sen:** It is a different matter. I was only answering a

point of order. As I said,—I am answering the point raised by the hon. Member just now—it is a question of desirability which this House will no doubt decide as to whether it will associate Members of the Rajya Sabha.

**Shri A. C. Guha:** I think, it is a question of the rights of this House which has the sole authority to decide in financial matters. The Public Accounts Committee deals with past accounts, but the Estimates Committee deals with current accounts and estimates. That is why no Member of the Rajya Sabha has been taken into the Estimates Committee. As the Public Accounts Committee deals only with the past accounts—the accounts of the past three or four years—some Rajya Sabha Members have been taken over only as associate Members; that is also not as full Members of the Committee.

**Pandit Thakur Das Bhargava (Hissar):** The hon. Law Minister has asked us to show what the particular article of the Constitution is, which is contravened. So far as the budget matters or money matters are concerned, it is the accepted convention all over the world that this House, that is, the lower House, is the exclusive authority and has the final say. So far as budget matters are concerned, may, I ask, why is not the same power given to the Rajya Sabha as to the Lok Sabha? When the question of the Public Accounts Committee came, many of the Members also opposed the association of those Members to the Public Accounts Committee. It was at the instance of the hon. Prime Minister that the Speaker agreed to their inclusion, though the Speaker himself was not very sympathetic towards that proposal. But it has been the accepted convention in all countries that the lower House is the custodian in all money matters. Therefore, I think we are making an innovation in the rules and conventions; we are not only inviting some

Members of the other House, which has got no such powers, to associate with us but also to fully participate with us in this matter. It is time that we cried a halt to this, and we should not allow it to be done, because, as a matter of fact, it is an encroachment on the prerogatives and exclusive rights of this House to associate other people who have no right or say in this line.

**Shri Morarka:** The hon. Law Minister has posed a question as to which is the article in the Constitution which is contravened by this particular motion. I am not a lawyer to point out any such article in the Constitution, but the question is, till 1953 in respect of the Public Accounts Committee and till today, in respect of the Estimates Committee, all the Members have been only from the Lok Sabha. May I ask the Law Minister, under what provision of the Constitution, are the Members of the Estimates Committee only from the Lok Sabha and why Members of the Rajya Sabha are not associated with it? Whether it is in the Constitution or not, there is a convention which has been followed, namely, in all financial matters, only a Committee of this House, with Members of this House only, will have the final say.

I may invite the attention of the House to article 113(2) of the Constitution which reads as follows:—

"(2) So much of the said estimates as relates to other expenditure shall be submitted in the form of demands for grants to the House of the People, and the House of the People shall have power to assent, or to refuse to assent, to any demand, or to assent to any demand subject to a reduction of the amount specified therein."

So, it is only the Members of this House who have a right to recommend about the estimates. Certainly this Committee which is proposed is going to examine the assets of the

public undertakings and will have something to say about the estimates of the public undertakings which involve huge amounts. Therefore, I think what the hon. Member, Shri A. C. Guha, has raised is a pertinent question which concerns the privileges of this House. So, I think that if the Members of the other House are to be included, they could only be included as associate Members of the Committee and not as full-fledged Members. This point had been fully debated earlier.

**Shri Braj Raj Singh:** Why should they be included at all?

**Shri Morarka:** Even in 1953, when a similar motion was accepted, the position was made clear. At that time, it was admitted that only the Members of this House have that privilege, but the other Members were just taken as associate Members. I think this point deserves careful consideration of the House since it concerns the privileges of this House and not of any one individual Member. Therefore, I request the Law Minister to give careful consideration to it, before accepting the motion in its present form.

**Shri Naushir Bharucha:** What has the Law Minister to say about article 105(3) of the Constitution, which defines the powers of the Houses of Parliament which are the same as those of the House of Commons and are commensurate with the powers of the House of Commons? If the House of Commons did not associate the Lords with its Committee, I do not understand how our powers could be treated differently.

**Shri Nathwani (Sorath):** Sub-clause (3) of article 105 which has been referred to, will not come in the way of this motion, because it defines the powers, privileges and immunities of each House of Parliament and of the members and the committees of each House. At present, we are constituting a Joint Committee and not a Committee of this House only.

**Shri A. C. Guha:** I object to the words "Joint Committee" also.

**Shri Nathwani:** We are not discussing the powers and privileges of a Committee of this House only. We are constituting a Joint Committee. Therefore, sub-clause (3) of article 105 does not come in the way of this motion. It says that the powers of each House of Parliament and of the committees shall be those of the House of Commons "at the commencement of this Constitution." At that time, there was no such Committee.

**Shrimati Renuka Ray:** I would like to ask the Law Minister one question. By what right has the Cabinet the final say on matters in this country? Where is the Constitutional provision to show that it is not the President? Thus it is only a convention. In the same way, I would like to point out that there is a convention created by Parliament relating to money matters being dealt with by Lok Sabha alone. What all the previous speakers have said is quite right, and the point made by Shri A. C. Guha is completely in order.

**Shri A. K. Sen:** May I answer the hon. lady Member first? If I may say so, with respect to her, she has gone completely off the tangent. It was never claimed on behalf of the Cabinet that the Cabinet was the ultimate authority. Otherwise, there is no necessity to come to Parliament!

**Shrimati Renuka Ray:** What I meant was the Cabinet is deriving its authority from the Parliament. I want to know whether it is two body which is final or not?

**Shri A. K. Sen:** There is nothing except bringing in a motion—

**Shrimati Renuka Ray:** I am talking about the constitution of this country which follows certain conventions.

**Pandit Thakur Das Bhargava:** She says that the convention should be accepted as binding and should not be compared with.

**Shrimati Renuka Ray:** By which authority the Cabinet of this country

or the Government as such has the final say about things, once Parliament makes a law? It is the Parliament and the Cabinet that have the final say or authority although the Constitution brings in the President.

**Mr. Speaker:** Order, order, Once the hon. Member stands to speak, she might say her point and conclude.

**Shri A. K. Sen:** We need not go into the physics of the Constitution and the rights availed of by the Cabinet. In fact, the Cabinet does not exist as an entity in the Constitution itself. It is only the council of ministers which is recognised by the Constitution. So far as Parliament is concerned, its functions are quite well known and prescribed, and within its field, it is paramount, and the Cabinet has to bow its head before the decision of Parliament. So far as the constitution of this Committee is concerned, whether it should be a Joint Committee or not, whether Members of the Rajya Sabha should be brought in only as associated Members or not, are questions of policy which this House will have to decide.

So far as the question of constitutionality of this matter is concerned, I do not think there is any constitutional bar in this House recommending or passing a resolution setting up a Joint Committee to report on the public undertakings. So far as public undertakings are concerned, their powers are subject to scrutiny both by this House as also of the Rajya Sabha. The finances of the public undertakings are not the finances of the Government of India. So far as Money Bills are concerned there is no doubt that it is the exclusive privilege of this House, as provided in the Constitution. But as to whether a proper convention should be set up excluding the Rajya Sabha altogether from having any voice in the running of public sector undertakings or not is a question which should be debated coolly. This House should ponder very carefully as to whether in the name of privilege—I have no doubt

that there is no such privilege recognised either in England or here—in setting up a committee for the supervision of the running of these public undertakings, this House will exclude completely any representation of the Rajya Sabha.

The House should remember that the affairs of public undertakings are subject to debate in both Houses. We know in what circumstances the budget is taken up and debated. Questions on public undertakings are equally asked and answered on the floor of this House and on the floor of the other House. When debates take place on their affairs here as well as in the other House, it will be difficult to say—of course, after due deliberation, if this House decides so, naturally Government will accept it; that is a different matter—but it is very difficult to assert *ipse dixit* that the Rajya Sabha should not be represented at all.

It is no use appealing either to the traditions of the British House of Commons or to other legislatures, when this country has developed a pattern of public undertakings which is peculiar to itself. I have made a good deal of study personally; I am not trying to put it as a piece of showmanship, but I am saying it only for the purpose of letting the House know that in the making up of this resolution and in the recommendations that the Government have made to this House, mature consideration has gone and we have made a thorough study of the position in England and here. The entire scheme of public undertakings run under the supervision of Parliament is a matter which has developed a peculiar pattern in this country, a pattern which is not to be found either in England or in any other country.

**An Hon. Member:** In U.K. it is there.

**Shri A. K. Sen:** Certainly not. If the hon. Member comes and discusses it with me, I will convince him. This

country is quite proud of the fact that parliamentary democracy has been carried on for about 12 years so successfully and the entire scheme of public undertakings is supervised by Parliament. Questions are being asked and answered and the entire Parliament is exercising supervision. Now, when a separate committee is to be set up exclusively charged with the task of supervising the running of these public undertakings, the question is, is that committee to be only a committee of this House or of both the Houses? If it is a committee only of this House, in the other House there will be constant criticism and hostility against the report of this committee.

**Shri A. C. Guha:** In regard to the Estimates Committee, there is nothing like that in the Rajya Sabha.

**Shri A. K. Sen:** That possibility is there. It is not so much a question of asserting the privilege of this House as of negating the recognised right of the other House having its voice felt in the running of the public undertakings.

This House will, therefore, have to debate as a matter of policy whether it should set up a committee of its own only or a committee with representation from the other House. Whether that representation should be full representation or associate representation is again a matter of policy and not a question of constitutionality, a question which is well within the competence of the House and completely within its sphere and jurisdiction to decide. This House will have to arrive at a conclusion whether it should set up a committee of its own exclusively or a committee in which there will be representation from the other House and if so, what type of representation the other House should have—full representation of associate representation. Government have, after mature consideration, felt that since the Rajya Sabha is equally interested in the running of the public undertakings, there should be a re-

[Shri A. K. Sen]

presentation of one-third of the total membership of 15. There should be 10 Members from this House and 5 from the other House.

Therefore, this House has a preponderant representation and a dominant voice in the committee. To give one-third representation to the Rajya Sabha would be a wise thing, because just as we are vehement here in asserting our rights, the other House will be equally vehement when this goes there. It will be not a good day when this House starts any conflict over these common matters of interest between itself and the other House.

**Shri Braj Raj Singh:** We shall be able to abolish the Rajya Sabha. Then what happens?

**Shri A. K. Sen:** The hon. Member has got more powers than ourselves.

**Shri Braj Raj Singh:** The country has got more powers than you and I.

**Shri A. K. Sen:** There is a procedure laid down in the Constitution for that, but that is a wider question. So long as it functions, so long as public undertakings are answerable to Rajya Sabha as much as to this House, we shall have to listen to the voice of the Rajya Sabha, however much some hon. Members may dislike it. If I may say so again, it will not be a very wise step to start a conflict with the other House on such matters of common interest.

**Some Hon. Members** rose—

**Mr. Speaker:** I have heard enough. The point raised by Shri Guha and supported by some Members crystallises into this. There is difference between the Estimates Committee and the Public Accounts Committee. With reference to the Public Accounts Committee, some Members of the Rajya Sabha are associated and according to him, they have not full Members of the Public Accounts Com-

mittee. So far as the Estimates Committee is concerned, under the Constitution, the estimates can be scrutinised, amended and altered only by this House and the other House has jurisdiction only to discuss them.

So far as public accounts are concerned, the Auditor General looks into the accounts after the moneys are spent, prepares his report and makes it available to both Houses of Parliament. Each House of Parliament has got concurrent jurisdiction to discuss threadbare the report of the Auditor General. The Auditor General's report forms the basis of discussion for the Public Accounts Committee. Independently of the Audit Report, the Public Accounts Committee does not exercise normally any jurisdiction, unless some matters are referred to it for the purpose of scrutiny regarding expenditure. That is not done with respect to the Estimates Committee.

The Estimates Committee deals with the grants. Following the House of Commons practice, we have developed to this extent that the Estimates Committee practically has the final word regarding its recommendations. A committee consisting of a large number of Members—30—is appointed to do what the Parliament itself should do. Parliament having no time to scrutinise every one of the details of the Demands for Grants during the time of the budget discussion, leisurely that work is done by the Estimates Committee.

The practice that we have developed here is, whatever recommendation regarding the cutting of expenditure or economy is suggested by the Estimates Committee, that is accepted as the decision of this House. No resolution is allowed to be passed and no discussion is allowed. If the Government is not able to implement any of those recommendations, the procedure evolved is to refer back that matter to the Estimates Committee and convince them. Either they are convinced or

the Government is convinced. Therefore, an agreed solution is brought about, and never has the Government refused to implement that. The convention that has been established is that the Government is bound ultimately by what the Estimates Committee does. This is the vital difference between the proceedings of the Estimates Committee and those of the Public Accounts Committee. The Public Accounts Committee only examines the reports of the Auditor-General and makes certain remarks and observations for the future. Even with respect to the recommendations of the Public Accounts Committee, if any excess expenditure has been brought to notice for regularising it once again that matter has got to come up here in this House and not in the other House. Therefore with a view to giving them an opportunity to discuss, which they can do in their own House, they have been associated with the Public Accounts Committee. But that is not so with respect to the Estimates Committee.

So far as the Estimates Committee is concerned I am only making these remarks so that I may have greater elucidation with respect to them—the Law Minister asked, where is the provision in the Constitution. The Constitution under article 113 says:

“(1) So much of the estimates as relates to other expenditure shall be submitted in the form of demands for grants to the House of the People, and the House of the People shall have power to assent, or to refuse to assent, to any demand, or to assent to any demand subject to a reduction of the amount specified therein.”

Now, if that is so with respect to the demands placed before the House, shall we indirectly concede now by a resolution of this House what is not conceded under the Constitution to the Rajya Sabha with respect to these demands? Whether a demand ought to be assented to or not is the concern of those representatives who are

directly authorised by the people and who are responsible to the people.

So far as the question of taking in Members from the other House is concerned, the danger is this. We will assume that at a sitting four Members of Rajya Sabha and one Member of Lok Sabha are present. What they decide in that Committee will be binding upon this House. Shall we allow a thing to be done which is not done under the Constitution? I am only posing this question for the purpose of getting an answer. It is a serious matter. What I mean to say is, if the Estimates Committee otherwise constituted entirely by Lok Sabha Members comes to a conclusion that a particular amount ought to be cut down, is it open to Government to bring four Members of Rajya Sabha and one Member of Lok Sabha, when the other Members of Lok Sabha are absent, and get it regularised by them as originally proposed? I am not saying that the Government will do so. But is it not possible for them to do so?

**Shri A. K. Sen:** The estimates of public undertakings are not estimates of the Government of India out of the Consolidated Fund of India.

**Shri A. C. Guha:** They form part of the Consolidated Fund.

**Shri A. K. Sen:** You will find from the Schedule, Sir, that they are not departments of Government.

**Mr. Speaker:** Even the Estimates Committee they do not go into the details of the disposition or expenditure of those public undertakings. It may look into the accounts. But we are concerned with the authority of the Estimates Committee to decide as to how much ought to be given to a public undertaking, whether a public undertaking requires the amount proposed or not etc. It is we who have to pass the grant here. I am not going into the question of details. I am aware that even now in the Estimates Committee they do not go into the

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actual details. I have been avoiding questions here also. If some more autonomy ought to be given to public undertakings I do not think the House is unfavourable to it. But this House has ultimately the responsibility of voting or not voting a grant or abolishing or keeping an undertaking. Under those circumstances, it is for this House to say whether a particular undertaking has been properly and economically whether it should be closed down or it. These are recommendations which some more money should be given to relate to money and money can be voted only by this House. Shall we indirectly give that power to the other House which becomes binding upon this House also? Shall we say that hereafter the committee's report shall be scanned by the House and it will have to be passed by a majority in the House? If a Minister does not agree with a report of the committee he can easily smash it if it is brought here. The object of not bringing the Estimates Committee's recommendations for discussion in this House is only to avoid that. If the Government is not agreeable to a report or if the Minister concerned does not like a particular recommendation, the Government can easily through its majority in the House upset the decision of the Committee. In the Committee all sections are represented. Their decisions are not usually carried merely by a single majority; they try to reach as far as possible unanimous decisions. Therefore, my fear is that we would be indirectly giving to the other House what the Constitution does not want.

Of course, there ought to be no attempt on the part of this House to deny to the other House what legitimately is due to it. It can criticise the public accounts. That is another matter. There is no harm in associating them. But so far as estimates are concerned they have absolutely nothing to do with them. They can make some observations, but merely making obser-

vations is a different matter. It is the function of a committee. In that committee they can say whether it should be voted or not. We have been accepting recommendations of such committees. They won't have any vote. If they can vote they can out-vote the others present and then it becomes an Estimates Committee of the other House which has absolutely no jurisdiction to reduce or increase amounts. Are we not thereby indirectly encroaching upon the provisions of the Constitution?

As a matter of fact, when a similar attempt was made to bring in these people in the Estimates Committee, at that time I believe my predecessor and myself were against it. So far as the Estimates Committee is concerned we have not given them representation. We said that there they ought not to be brought in, by all means have them in the Public Accounts Committee.

There is one other matter. I understand that in the House of Commons when a similar resolution on the public undertakings was brought in the proposal was to have a joint committee of both the Houses—if I am wrong I may be corrected—but on an objection taken that there ought not to be a joint committee the House of Lords was not represented and there was only a committee of the House of Commons.

**Shri A. C. Guha:** A Select Committee of the House of Commons.

**Mr. Speaker:** There also it is not a joint committee of both the Houses. We have drawn up our Constitution on the pattern of what prevails in the House of Commons and the House of Lords. No money Bills can be passed by the other House. Estimates cannot be checked by them. We are now trying to give indirectly what even the House of Commons has not done. Our public undertakings are based upon their public undertakings, and this committee that is proposed is also

based upon the committee there. Even from that point of view I would like to have some clarification for the Members of this House as to why there should be a change here, why we should provide what the Constitution does not specifically provide and why we should go back on what we have already decided as far as our Estimates Committee is concerned. These are the three points on which I would like to have some clarification from the hon. Minister.

**Shri A. C. Guha:** Sir, before you allow the hon. Minister to speak may I make a submission? I want to correct something which the hon. Minister said. He said the amounts of these public undertakings would not form any part of the Consolidated Fund of India. That is not correct, because any amount given to these companies or corporations either in the form of shares or loans will surely be shown in our Budget. You will find that these amounts are shown in the Budget. The profits are as well shown in the budgetary receipts. Therefore, these amounts will form part of the Consolidated Fund of India.

**Shri A. K. Sen:** What is originally paid by way of share capital will go out of the Consolidated Fund. Every penny that is paid to the company will go out of the Consolidated Fund. What I said was that the estimated receipts and expenditure within the meaning of article 113 would not include the estimated receipts and expenditure of these public undertakings.

**Mr. Speaker:** As he goes on I will put some questions. What about the surplus? Who will take that away?

**Shri A. K. Sen:** That will go into...

**Shri A. C. Guha:** ..... estimated receipts.

**Mr. Speaker:** Is it not open to this House to say that there ought to have been a little more surplus? If the directors do not show any surplus and spend away all the amount, is it not

open to this House to say that the surplus ought not to have been spent like that?

**Shri A. K. Sen:** It is open to the House because it exercises supervision over the Government. But the estimated receipts and expenditure within the meaning of article 113 do not include the estimated receipts and expenditure of these corporations because a corporation is separate in law.

**Some Hon. Members:** Why not?

**Shri A. K. Sen:** The Accounts will show that they are separate companies.

**Shri A. C. Guha:** Certain sums are disbursed to that company as share capital or as loan; that is entered in their budget; or certain sums are taken back as profits of that company. That is shown in the budget.

**Shri A. K. Sen:** That is also a different matter. What is paid out of the share capital is a different matter.

**Mr. Speaker:** The income and expenditure of the Government is not the same as the income and expenditure of the corporation. All the same, it is the money of this Government. Whatever is contributed to the corporation each year will form part of the budget; whatever is recovered from the corporation will also be shown here. Therefore, whether this corporation has done well or not, whether it should earn more or not and how much of it is to be invested in the corporation is a matter which this House will discuss year after year.

**Shri A. K. Sen:** I never said that this House cannot do it. But that is not the exclusive jurisdiction of this House. What is the exclusive jurisdiction of this House is the estimated receipt and expenditure within the meaning of articles 112 and 113.

**Mr. Speaker:** If the other House says that the undertaking is working excellently, are we to quarrel with them? So far as money is concerned,



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exclusive authority is given to this House to avoid any misunderstanding between the two Houses. If one House says "it is all right" and another House says "it is not all right" who is to decide? A Joint Committee of both Houses of Parliament? No. Therefore, such conflicts may arise with respect to money. The other House may say "Yes, the expenditure is all right, the undertaking is working excellently," even though it may be running at a loss. They may say "we may go on investing, we need not get even a pie in the public interest" and so on. If the other House says like that in the committee and many of the members of the committee of this House are not present at such a time, what will happen? I am not going into the details of the administration. We are entitled to know what we are going to spend and what is the return we are going to get, as both of them will form part of the estimates of this House. It is the prerogative of this House to say "you have not done well, you should have done better". Can we allow that power to be diluted by allowing members of the other House to drown the voice of the members of this House in that committee?

**Shri A. K. Sen:** I do not think that question has really arisen.

**Shri Braj Raj Singh:** It may arise.

**Shri A. K. Sen:** As I said, if that question is capable of being raised, Government would have no objection to having members of the other House as associate members. As I said in my answer, whether they should be associated as associate members or full members is a question which this House will decide. So far as Government are concerned, they should have no objection to associate them either as associate members or as full members.

**Shri Braj Raj Singh:** That is not the question. The question is whether

they can be associated at all with this committee.

**Shri A. K. Sen:** I may be permitted to explain the position.

**Mr. Speaker:** Let him proceed.

**Shri A. K. Sen:** This House will decide whether they should be associated at all or not. What I was saying was that whether the other House should be associated as associate member or as full member is a question which this House will decide, and not Shri Braj Raj Singh or myself. Therefore, the question as to...

**Shri Braj Raj Singh:** Is it proper on the part of the Law Minister to reply in this manner? We are discussing a point of order raised by Shri A. C. Guha. You have been pleased to ask certain points for clarification from the Law Minister. Now he is deriding this House. As a matter of fact, the question is whether we can associate members of that House at all with this committee.

**Mr. Speaker:** Let the Law Minister proceed. I would like him to categorically answer the three points that I have raised.

**Shri A. K. Sen:** The first point that you were pleased to make was whether by associating members of the other House as full members, this House was parting with any exclusive jurisdiction that this House possesses under the Constitution. My submission in reply to that is a specific "No". If you look at the functions given to this committee, you will find that they have only "(a) to examine the reports and accounts of the State Undertakings specified in the Schedule". They have to examine the reports and accounts of State Undertakings which would be quite separate from the accounts of the Government of India. Then they have to examine "(b) in the context of the autonomy and efficiency of the State Undertakings, whether the affairs of the State

Undertakings are being managed in accordance with sound business principles and prudent commercial practices". This again is a matter which is daily debated in the Rajya Sabha with regard to any public undertaking. Therefore, here it is not a question of debating upon or deciding upon the estimated receipts and expenditure, as mentioned in articles 112 and 113 of the Constitution. The functions that we are giving the Committee under this resolution are two-fold. First of all, the Committee has to examine the accounts of the undertakings, which are not the accounts of the Government of India. Secondly, the Committee has to examine in the context of the autonomy and efficiency of the undertaking whether the affairs are being managed in accordance with sound business principles and prudent commercial practices.

**Shri Braj Raj Singh:** What about item No. 5?

**Shri A. K. Sen:** That is not either under article 112 or under 113, as you were pleased to point out. These are the two functions of the Committee and to these I do not see any objection on the ground of constitutional impropriety or prohibition.

**Mr. Speaker:** Is it the desire of the hon. Minister that subject to these functions, the Estimates Committee will decide the other functions?

**Shri Naushir Bharucha:** The provision that you have is otherwise. It is totally different.

**Mr. Speaker:** Why should he interrupt like this when I am putting questions? I want to know of the hon. Minister whether we can make it clear by saying "subject to these matters, the Estimates Committee shall have jurisdiction".

**Shri A. K. Sen:** It is already provided in clause 8:

"That in other respects the rules of this House relating to Parliamentary Committees shall

apply with such variations and modifications as the Speaker may make."

They relate to all committees.

**Shri Jaganatha Rao (Koraput):** What about clause 5?

**Shri D. C. Sharma:** I beg to submit that the hon. Minister should answer your query.

**Mr. Speaker:** I know.

**Shri A. K. Sen:** That is what I am trying to, though some hon. Members are not allowing me, by putting questions to you.

**Mr. Speaker:** I agree with the Law Minister. He says that the residuary powers of the Estimates Committee and the Public Accounts Committee are continued under clause 8.

**Shri A. K. Sen:** Either the Estimates Committee or this House itself will retain the residuary power.

**Mr. Speaker:** So far as this House is concerned, it has always got the power.

**Shri A. K. Sen:** There are these two provisions, clauses 5 and 8, the net effect of which is that the residuary power is still retained by the Estimates Committee. The Estimates Committee will function.

**Shri Naushir Bharucha:** No, no.

**Shri A. K. Sen:** Will the hon. Member allow me to clarify the position?

**Mr. Speaker:** When the hon. Minister is answering my questions hon. Members should not interrupt like this. If this is the interpretation, why not we make it clear in paragraph 5 that subject to the other powers in the proviso, the Estimates Committee will continue to have its powers and with respect to those matters where the Estimates Committee shall have no powers this Committee shall have powers?

**Shri A. K. Sen:** What I am submitting is, as you yourself were pleased

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to point out, instead of leaving it to a committee, we are leaving the residuary problems to be resolved by the House.

**Mr. Speaker:** The House has already the powers.

**Shri A. K. Sen:** My point is that the House cannot part with the residuary powers which the Constitution has given to it. Therefore, even if the Estimates Committee is divested of all its powers in regard to public undertakings, the House will retain those powers.

**Mr. Speaker:** The hon. Minister will kindly resume his seat. The House must understand what we are resolving by this resolution. Let there be no doubt about the substance and let us not allow the language to give a different meaning or interpretation to what we intend. The Estimates Committee has got two sections, one sub-committee dealing with the Ministries and the other dealing exclusively with the accounts of public undertakings. Now a separate committee is sought to be constituted by this Resolution. And we find by experience that with a view to maintain its autonomy certain details and other questions ought not to be looked into. With those safeguards, is it not the intention of the hon. Mover to allow this committee to exercise all the functions of the Estimates Committee? Today it is open to the Estimates Committee to reduce a grant for a particular concern or insist upon a greater return or recommend the cutting down of overhead charges. All that is within the competence of this House and even of the Estimates Committee today. Is it the intention that those things ought to be taken away from this committee? It is open to the Estimates Committee to recommend or to suggest the reduction of amounts that have been given to these and that has to be implemented by the Government. Take for instance, the Bharat Electronics. Half of the amount was not being used. Ques-

tions were asked here as to why 50 per cent of it was allotted not to be used and we were not getting anything from that. Similarly, in some other undertakings also. If it is the intention that the present powers of the Estimates Committee ought not to be taken away except to the extent mentioned here because the powers are supposed to be wide, limiting to the experience that we have had during these years the Estimates Committee should continue to exercise its functions and say, "The charges are too much. You must reduce the charges or make a greater contribution to the General Revenues and so on." Will not this Resolution, as it is, take away those powers? Will not this committee be restricted to particular things and the Estimates Committee will not have any jurisdiction? Therefore the present powers of the Estimates Committee will be curtailed. There would not be anything more. Would it not lead to that inference?

**Shri A. K. Sen:** In my submission the result of this Resolution is to confer these two specific powers mentioned in clause (2) of this Resolution to this Committee.

**Shrimati Renuka Ray:** That is not what the hon. Commerce Minister said.

**Mr. Speaker:** Let him explain his position.

**Shri A. K. Sen:** I will request Shrimati Renuka Ray and Shri Braj Raj Singh not to go on interrupting further.

**Shrimati Renuka Ray:** The hon. Law Minister was not present when the hon. Minister of Industry spoke. Therefore he does not know what he said.

**Shri A. K. Sen:** May I request her to finish her submission?

**Shrimati Renuka Ray:** My submission is that the hon. Law Minister was

not present when the hon. Minister of Industry made his speech in which he definitely said things which led this House to believe that the powers of the Estimates Committee in regard to public undertakings were being made over to the new committee and that there was not going to be any curtailment except for the proviso given in the Resolution. That is what he said. As the hon. Law Minister is speaking a little differently, I would just like to bring this to his notice.

**Shri Asoka Mehta:** Since there is an interruption I hope the hon. Law Minister will not mind my continuing it. I want to invite his attention to clause 5 which says:

"That as from the constitution of the Joint Committee, the Estimates Committee of Lok Sabha and the Public Accounts Committee shall cease to exercise their functions...."

It has not said 'particular part of the functions' but says:

"shall cease to exercise their functions in relation to the State Undertakings specified in the Schedule."

That means, as far as these two Committees are concerned, they will have nothing to do with the State undertakings. Therefore to say that the whole scope of the Committee is what has been laid down in clause (2) is not correct, but it is clause (2) plus what has been laid down in clause (5). Therefore what you were pointing out is very relevant. Because the Estimates Committee today exercises certain functions it is being suggested that those functions be transferred to the new Committee. If we accept what the hon. Law Minister is saying, it means that the new Committee will not exercise the functions of the Estimates Committee but the Estimates Committee will be divested of those functions. Therefore he pointed out that the House will be exercising those functions in a kind of vacuum.

He said as much. The House will continue to enjoy it. That is the position which, I suggest, this House will not be willing to accept. It has to be exercised by some committee.

**Mr. Speaker:** We may say that as from the constitution of this Committee all the powers of the Estimates Committee and the Public Accounts Committee so far exercised under the rules shall be exercised by this Committee and not by them.

**Shri Naushir Bharucha:** Then you cannot have Rajya Sabha Members.

**Mr. Speaker:** I am coming to the other point, namely, whether you can have Rajya Sabha Members or not. Assuming that Rajya Sabha Members go out and a separate committee is appointed, the powers of the Estimates Committee and the Public Accounts Committee shall all vest in and be carried on by this committee. What is the harm?

**Shri Naushir Bharucha:** That is already being done.

**Mr. Speaker:** There are rules there. We can even say that subject to the other provisions mentioned above and the restrictions or limitations mentioned in clause (2) this Committee will exercise all the powers of the Estimates Committee and the Public Accounts Committee under the rules.

**Shri Narasimhan:** May I make a small submission? Do our Rules of Procedure permit the constitution of a Select Committee on the present motion just as we have a Select Committee on Bills. As intricate points are involved, that will be desirable.

**Shri A. K. Sen:** May I say again that what you suggested in regard to clause (5) would certainly have the effect of investing this new Committee with all the functions of the Public Accounts Committee and the Estimates Committee.....

**Mr. Speaker:** Subject to the restrictions.

**Shri A. K. Sen:** Subject to the restrictions in relation to public undertakings specified in the Schedule. But in that case the question will naturally arise prominently and pertinently whether the Rajya Sabha can be represented as full members. As **Shri Mehta** was pointing out, so far as the present Resolution is concerned, having invested certain functions in clause (2) we have abolished the Public Accounts Committee and the Estimates Committee from having any jurisdiction in regard to the public undertakings. Therefore there is a residue as you were pleased to point out by giving certain illustrations. Naturally it will have to be decided by the whole House because that residue cannot be left in the vacuum. If all the functions which you can conceive and which were open for the competence of the Estimates Committee cannot be brought within clause (2), naturally, as you were pleased to point out, a residue remains. If that residue is not given to this new Committee, that will have to be decided by the whole House. But think a better course will be what you suggested, namely, that clause (5) might be redrafted saying "subject to the above restrictions all functions of the Estimates Committee and the Public Accounts Committee shall henceforth be invested in this new Committee."

Then the next point will arise. If that is so, much of the work of the Estimates Committee might be touching on articles 112 and 113 of the Constitution. In that case to keep it completely free from all constitutional prohibitions it might be necessary to have Rajya Sabha Members only as associate members without any right of vote . . . .

**Some Hon. Members:** No; not at all.

**Shri A. K. Sen:** Or not to have them at all. **Shri Braj Raj Singh** is not showing patience.

**Shri Braj Raj Singh:** I am only interested in the constitutional provisions.

**Shri A. K. Sen:** **Shri Braj Raj Singh** is an embodiment of impatience, if I may say so.

**Mr. Speaker:** The hon. Minister suggests that with respect to the Public Accounts they may continue to be members and with respect to the Estimates they may be observers or associate members.

**Shri A. K. Sen:** We may make them associate members without the right to vote. That will clear the ground because, as you pointed out, there may be a contingency where all the five members present would be Members of the Rajya Sabha.

**Mr. Speaker:** So far as the Estimates are concerned, they will be there without the right to vote, or will the whole committee be of associate members without the right to vote?

**Shri A. K. Sen:** I think that will be better instead of splitting up between the Estimates and the Public Accounts. As I said in the very beginning, so far as the Government was concerned its mind was not set to any rigid formula. We were only anxious to see that a new committee is set up charged with the supervision and superintendence of this new field of public undertakings. I said that it will be wise to associate—in what way we associate is a different matter—Members of the Rajya Sabha with it because frequently with regard to accounts and various other matters they are interested in the running of public undertakings. This clears the entire ground.

14 hrs.

**Mr. Speaker:** I will now call the substitute motion.

**Shri A. C. Guha:** My point of order, Sir, . . .

**Mr. Speaker:** I am not going to allow again and again. Hon. Members will have an opportunity. **Mr. Dasappa**

there is a substitute motion.

**Shri Asoka Mehta:** What has happened to the point of order?

**Mr. Speaker:** So far as the point of order is concerned, I shall put it under three items. First, the Rajya Sabha ought not to be associated with the Estimates Committee portion here; second, that the Estimates Committee's powers ought not to be curtailed except to the extent that is specifically mentioned in clause 2. This is somewhat explanatory. What exactly the Estimates Committee is doing now has been put in the form of a motion—not go into major items of policy and so on. These are what are being observed in practice. The hon. Minister has agreed that subject to these other provisions this Committee will function. I will come later on to the question of associating the Rajya Sabha. Whatever Committee is appointed, with or without Rajya Sabha Members, it shall exercise all the powers of the Estimates Committee and the Public Accounts Committee subject to all these restrictions. It is for hon. Members to go into the restrictions in detail. So far as the point of order is concerned.....

**Shri A. C. Guha:** That would make fundamental changes in the whole operation of this.

**Mr. Speaker:** I am disposing of the point of order. I am not disposing of the subject matter. Hon. Members may speak and remove item after item of the restrictions, or remove the entire thing. I have no objection I am called upon to give my ruling regarding the point of order that has been raised. So far as this motion is concerned, a doubt was raised as to whether, on account of clause (2) the Estimates Committee will be deprived of the power that is being vested in this Committee. The hon. Minister will amend it suitably. He says that he agrees with it. Subject to these restrictions, this Committee

shall exercise all the powers of the Estimates Committee and the Public Accounts Committee. This disposes of one portion.

The second point is whether the Rajya Sabha should be associated or not. He says that already the Rajya Sabha Members are associated in the Public Accounts Committee. Now, he wants them to be associated in this Committee also. The other objection raised is that they have the right to vote out. He says that they will be merely associate members, because Rajya Sabha has got also a right to discuss these matters. They will be here, they will merely discuss and give their advice; they won't have the vote, so far as this matter is concerned. Is it not so?

**Shri A. K. Sen:** Yes.

**Mr. Speaker:** This is what he has said. In view of the altered situation, I do not think there is any point of order. He will propose suitable amendments to this. That disposes of the point of order. In view of the statement of the hon. Minister, there is absolutely no more point of order. He has explained it. It is open to hon. Members not to accept what the hon. Minister says. I would request the hon. Minister to propose suitable amendments. It is open to the House to do what they like.

**Shri H. N. Mukerjee** (Calcutta—Central): Are you satisfied yourself with the *modus operandi* which is in the contemplation of the Minister, in accordance with which the position of the Estimates Committee will not be adversely impinged upon and at the same time, this Committee can usefully perform its functions? My difficulty is that we are by the backdoor introducing something which is adversely affecting the position of the Estimates Committee and the whole principle of the position of the Lok Sabha in regard to certain matters. Unless you are satisfied in regard to the *modus operandi* of the particular provisions agreed to by the

[Shri H. N. Mukerjee]

Minister at your suggestion, unless that is clear, it will be very difficult for us to make up our mind.

**Shrimati Renu Chakravarty:** As you know, as far as the Estimates Committee is concerned, we do not go into matters of major Government policy. This matter may be dropped. It is in the Rules. Second is matters of day-to-day administration. We sometimes go into question No. (iii).

**Mr. Speaker:** I am afraid, I cannot go on allowing hon. Members to speak.

**Shri A. C. Guha:** My point of order should be allowed.

**Mr. Speaker:** I have said what I had to say. I have understood his point in the manner I can understand. Subject to these, I will ask the hon. Law Minister to make amendments. When it comes, hon. Members can remove the various items, one after another. The hon. Member may persuade the House to remove them.

**Shri A. K. Sen:** What the restrictions should be, it is a matter for the House to decide.

**Shri A. C. Guha:** It should be a Committee of this House under the general supervision of the Speaker of the House. It cannot be a Joint Committee. The right of examining the current estimates should be exclusively the right of the Members of this House.

**Shri A. K. Sen:** I think I have made it quite clear. We will table amendments pursuant to your suggestion that so far as representation of the Rajya Sabha is concerned, they will only come as associate members without the right to vote.

**Mr. Speaker:** Hon. Members will examine it further.

**Shri Naushir Bharucha:** In view of the fact that the discussion has disclosed that there is need for making

fundamental changes in the composition functions of the committee, it is only fair to the House that the Government must prepare a fresh draft and circulate to us by this evening. This debate should stand over till tomorrow.

**Shri Manubhai Shah:** There are other points. In order to bring a comprehensive motion redrafted in the light of the observations, we would like to have the valuable observations of the House, if possible, on other points also.

**Mr. Speaker:** Subject to the broad outline detailed by the hon. Law Minister so far as these two points which have been raised are concerned, there will be discussion. I will call on Shri Dasappa to move his substitute motion.

**Shri A. K. Sen:** May I make one point clear? As I explained, the Government's mind is not dead set on any particular motion. It has been brought with a view to elicit the opinion of the House from every section. After that, our mind is free and we will accept such amendments as are necessary.

**Shri Morarka:** It is already two O'clock. Today, there is Private Members' Business. This discussion will take some time . . .

**Mr. Speaker:** Let him move the substitute motion.

**Shri Dasappa (Bangalore):** Mr. Speaker, with your permission, I beg to move what is known as the substitute motion . . .

**Mr. Speaker:** May I suggest to both the Ministers that this will be discussed till 2.30. Thereafter, they will prepare a revised draft with these modifications and circulate it if they can even this evening or even tomorrow. There is time. We will circulate it. This matter may come up on Monday, the 27th.

**Some Hon. Members:** Tomorrow. It will be too early.

**Mr. Speaker:** It will be too early. Let hon. Members scan all this and come prepared on Monday.

**Some Hon. Members:** There may be other work.

**Mr. Speaker:** Very well; if it is given tonight, we will circulate it.

**Shri Naushir Bharucha:** When shall we send in amendments? It will be on Monday only.

**Mr. Speaker:** Every attempt is made to give as much time to hon. Members as possible to think out this matter. In the meanwhile, the hon. Law Minister will place also the re-draft in accordance with what has happened here. The hon. Minister Shri Humayun Kabir is telling me that his Bill would not take more than 15 minutes.

**Some Hon. Members:** No, no.

**The Minister of Scientific Research and Cultural Affairs (Shri Humayun Kabir):** I hope so.

**Shrimati Renu Chakravartty:** No, no. It is an important matter.

**Shri Humayun Kabir:** It depends on the House.

**Shri A. K. Sen:** This motion may come up again on Tuesday next.

**Mr. Speaker:** Shall we adjourn straightaway?

**Shrimati Renuka Ray:** Before you adjourn it, Sir, changes will be necessary in other clauses of the resolution.

**Shri A. K. Sen:** It will come before the House.

**Shrimati Renuka Ray:** There are other points and changes may be suggested by the House.

**Mr. Speaker:** They will bring a new draft in pursuance of what has happened in regard to the two points of

order that have been raised. There will be a new draft before the House. Even then, it will be open to hon. Members to accept or not to accept or to modify it. I will allow sufficient time. The substitute motion will be called on that day. We will adjourn this matter and take up Private Members' business if they are ready.

**Shri Humayun Kabir:** My Bill is before that.

**Mr. Speaker:** Yes; Shri Humayun Kabir.

14.10 hrs.

#### INSTITUTES OF TECHNOLOGY BILL

**The Minister of Scientific Research and Cultural Affairs (Shri Humayun Kabir):** I beg to move:

"That the Bill to declare certain institutions of technology to be institutions of national importance and to provide for certain matters connected with such institutions and the Indian Institute of Technology, Kharagpur, be taken into consideration".

I am very grateful to you for giving me this opportunity of moving for consideration the Institutes of Technology Bill, 1961. This is a very important but a very non-controversial Bill.

14.11 hrs.

[MR. DEPUTY-SPEAKER *in the Chair.*]

The Kharagpur Institute has already been incorporated by an Act of this House, and it has established itself as one of the leading institutions in the country. It has won recognition outside India as well.

Since then, three more Indian Institutes of Technology have been established at Bombay, Kanpur and Madras. These four institutions mark the apex of the structure of