

[Shri M. K. Mohta] corrupts and absolute power corrupts absolutely. What is going to happen after the passage of this measure is that there will be a concentration of power and monopoly in the hands of the State. Something about which this honourable House has been very pur-turbed and worked up is this concentration of economic power, and that is going to be concentrated in the hands of the State now. And the State means the people running the Government, the bureaucratic machinery and the party in power. That is the reason for my tabling these amendments which would have the effect of democratising the banking institution that has been taken over by the Government. The Government can retain 26 per cent of the shares but ought to offer the remaining shares to the public so that there will be a real shareholders' democracy attd the parties concerned, namely, the shareholders, the depositors and the employees who would have become the shareholders in the new set-up, would have an effective say in the day to day management of the institution.

As regards amendment 34, a lot of things have been stated regarding how the nationalised banks would be operated by the Government. The emphasis has been entirely on the credit policy. The depositors have very understandably a kind of fear, a kind of worry, about what is going to happen to their deposits. An assurance has been held out on behalf of the spokesmen of the ruling party that the depositors' money would be entirely safe in their hands because the Government would be responsible for that money. Since the emphasis is very much on the credit policy—to such an extent that it has been stated that credit worthiness would not be the criterion for giving loans, but some other criterion would be there about which we really do not know, it is very understandable that the depositors would feel that the banks may not be run on business lines, that ordinary prudence may not be taken into account while formulating the policies and programmes of the nationalised banks and that a stage may come when the Government may say, as they are saying in respect of other public sector undertakings, that this sector is also not being run for profit but for some other social motive about which we really do not know. In such circumstances when the money

that would be dealt with is not the Government money—it is not public money in that sense—it is very necessary that the depositors ought to be assured in very clear terms that their deposits would be guaranteed as regards repayment in full by the Central Government,

#### REFERENCE TO FINDING OF LIVE BOMBS IN BHUJ

DR. B. N. ANTANI (Gujarat): Sir, I have just received information from Bhuj, Kutch, that on the 3rd of this month, on Sunday last, a picnic party of school children went to Tarkeshwari Goddess where while playing, they came across a live bomb which burst and there was an explosion and there were tragic deaths of four school children. On enquiry it is noticed that there was not only one bomb but there were four live bombs and they are supposed to be belonging to Pakistan. I know that there is a military garrison stationed at Tarkeshwari. These are all military secrets and I do not want to mention here but I certainly want the Minister to make a statement here as to whether he is aware of this tragic incident which has created such a great sensation in the whole of Kutch. I hope a statement will be made.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): You have mentioned. Let them collect the facts and then they will come.

#### THE BANKING COMPANIES (ACQUISITION AND TRANSFER OF UNDERTAKINGS) BILL, 1969—*contd.*

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Dr. Mahavir. Mr. Yadhav has already spoken at length. So kindly be brief.

डा० भाई महावीर (दिल्ली) : महोदय  
मैं बहुत समय नहीं लूंगा। हमारा संशोधन  
नं० 29 जो है वह इस प्रकार है :

"Provided that the Central Government shall not effect amalgamation or absorption of any of the new Indian banks without the express sanction of Parliament."

यह जो संशोधन दिया गया है इसके सम्बन्ध में मैं केवल दो बातों पर बल देना चाहता हूँ। पहली बात तो यह है कि अभी तो सरकार ने यह कहा है कि जो बैंक लिए जा रहे हैं उनको अलग इकाईयों के रूप में रखा जायगा लेकिन ऐसा मालूम होता है कि अभी तक अलग इकाई के रूप में रखने का कारण यह है कि इस विषय में सरकार पूरा ध्यान दे कर के योजना नहीं बना सकी कि उनको मिलाना होगा या उनको किसी और ढंग से जोड़ कर के या अलग अलग रख कर के चलाना होगा। शायद इस बारे में अभी विचार करने की आवश्यकता सरकार को बाकी है, परन्तु मैं इस संशोधन के द्वारा यह सुझाव देना चाहता हूँ कि अगर इन बैंकों को स्थायी रूप में अलग रख कर के उनमें स्पर्धा की भावना को जाग्रत रखा जा सके तो राष्ट्रीयकरण से जो एक बड़ी हानि होती है कि सब लोग निश्चित हो जाते हैं, कार्य-क्षमता घटने लगती है और सब तरफ यह विचार आता है कि अब हम सरकारी अफसर हैं, अब लोग हमारे पास चल कर आयेंगे, हमें लोगों को सुविधा दे कर या सेवा दे कर खुश करने की कोई जरूरत नहीं रही, यह बात रोकी जा सकेगी और इन बैंकों के अन्दर स्पर्धा रख करके जो सरकारी नौकरों की, सरकारी व्योरोकेसों की, एक तरह से नतमस्तक कराने की कोशिश होती है उससे बचा जा सकेगा। इस तरह का काम्पटीशन कोई ऐसी चीज नहीं है जो कि दूसरे देशों में न हुआ हो। जैसा कि कल मैंने कहा था, इटली और फ्रांस जैसे देशों में ऐसा है, हमें सूचना मिली है कि वहां पर राष्ट्रीयकरण होने के बाद भी बैंकों को अलग अलग तौर पर चलने का अधिकार दिया गया है, वह व्याज की दरों में और दूसरी प्रकार की सुविधाओं में अंतर कर सकते हैं, और दूसरे दूसरे प्रकार की सहुलियतें दे सकते हैं इससे उन सब में एक तरह की स्वायत्तता रहती है और सभी अपनी सुविधाओं के बल पर नागरिकों को आकर्षित करने की कोशिश करते हैं। यदि ऐसा रखा जा सके तो सरकारी अधिकार में आने

के बाद भी इन बैंकों में काम को आगे बढ़ाने में एक होड़ लगी रहेगी। इसके अतिरिक्त इसके लिये कुछ इंसेंटिव भी, कुछ प्रोत्साहन भी रखा जा सकता है कि जो बैंक अपने कारोबार को बढ़ायें, जिनके ज्यादा से ज्यादा डिपॉजिट्स बढ़ें, जो सरकार द्वारा बनाई हुई योजना के अनुसार छोट उद्योगों और किसानों को ज्यादा ऋण दे सके, जिसका खराब ऋण, बैंड डेट, कम हो, ऐसे बैंकों को कुछ ज्यादा इंसेंटिव भी दिया जा सकता है जिससे कि उसके स्टाफ में उत्साह आ सकता है।

इसके अलावा मेरा यह कहना है कि पिछले दिनों में जो घटनायें रूस में हुई हैं, जो समाचार वहां से आते हैं, उसके अनुसार वहां भी फैंक्ट्री कांसेशन से पैदा कर के अलग अलग युनिट्स को एक दूसरे से स्पर्धा करने की, एक दूसरे से आगे बढ़ने की, होड़ की भावना जगाने की कोशिश हो रही है, क्योंकि मनुष्य का एक स्वभाव है कि जब उसको पता लग जाय कि काम करने या न करने से कोई फर्क नहीं पड़ता, कोई हानि नहीं होगी, अगर सोये रहे तो भी कुछ नहीं और अगर रात दिन चौकसी से अपने कर्तव्य को निभायें तो भी कोई अन्तर आने वाला नहीं है, तब उसमें प्रमाद आता है, वह मुस्त हो जाता है। तो इस चीज को बचाने के लिये यह संशोधन हमने दिया है कि सरकार इसे स्वीकार करे कि इन बैंकों को हम ऐसे ही रखेंगे और अगर कोई बदल करने की स्थिति आये भी तो वह स्थिति पार्लियामेंट के सामने ला कर रखेंगे कि हम इन बैंकों को मिला कर एक बनाना चाहते हैं और तब तक ये अलग इकाई के रूप में ही सरकारी स्वामित्व में रहेंगी। इस तरह से बैंकों को जनता की अधिक सेवा करने का मार्ग हम दिखला सकेंगे और यह सरकार इस संशोधन को स्वीकार कर सके तो मैं समझता हूँ कि इसमें देश का हित ही होगा और जो सरकारीकरण से हानि हो सकती है उस हानि से हम बच पायेंगे।

SHRI P. GOVINDA MENON : I shall take up these amendments in the

[Shri P. Govinda Menon.]

order in which they appear. Amendment FNO. 3 says:

"That at page 2, line 26, for the words 'The entire' the words 'Half of the' be substituted."

Just to point out may I use the word the absurdity of the amendment, I will read the clause if amended:

"Half of the capital of each corresponding new bank shall stand vested in and allotted to the Central Government."

I do not know where the other half will vest. I see no sense in this amendment.

Amendments Nos. 28 and 29 read:

"On the commencement of this Act, or as soon as the arrangements are complete, all the banks as are specified in the First Schedule shall be amalgamated with the State Bank of India."

The proviso reads, that it shall be done only with the sanction of the Parliament. As you come to clause 13, you will find that there is provision for a scheme and if any amalgamation is contemplated, it will have a place in the scheme and the scheme will be presented to the Parliament for alteration, amendment, etc. Therefore these amendments are not necessary.

Then regarding amendment No. 30 I do not think Dr. Talwar is serious.

DR. (MRS.) MANGLADEVI TALWAR : I am quite serious.

SHRI P. GOVINDA MENON: If you are serious, I will point out that if you add (1A) without even a verb, it will read 'Any other bank whose deposits exceed rupees fifty crores during any financial year' what shall we do with it? It is not properly drafted even. That is why I thought she would not be serious about it.

Regarding amendment No. 31, it is a very interesting amendment which reads:

"Provided that within three months after the capital has so vested, the Central Government shall retain not less than twenty-six per cent of the shares and offer the remaining to the public at par in the following manner,"

The Member wants these banks to be nationalised and three months later to be denationalised by retaining only 26 per cent of the shares and give 74 per cent to others. It is not acceptable. Apart from that there is no shareholding in the proposed new banks.

Regarding amendment No. 32 it is for having all these 14 banks incorporated into one corporation. That is not the Government's intention. Government do not think that it will contribute to the better efficiency of these banks if they are made into one corporation. It will be better if they are left as different entities and that has been stated from the very beginning.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Dr. Mahavir wants them as separate entities. The two are contradictory.

SHRI P. GOVINDA MENON : Certain others want it as separate entities. Another amendment is—and I am surprised that it has been brought forward—that all deposits in the corresponding new banks shall be guaranteed as regards their repayment in full by the Central Government. There are so many nationalised banks already—the State Bank, the subsidiaries of the State Bank and even the private Banks are there where deposits are made and apart from the Deposit Insurance Corporation which gives a certain guarantee to small depositors, no guarantee is given by anybody with respect to the present banks.

3 P. M.

I am surprised why with respect to these fourteen companies alone this kind of demand should be made.

I think these are all the amendments which have been moved. I hope they will be withdrawn.

SHRI K. SUNDARAM: What has the Minister got to say to this that this Bill has gone beyond the purposes or intentions for which it has been brought in, that is, has gone even to the ownership of the shares. The purpose, it is said, is to only. . .

SHRI P. GOVINDA MENON: The Bill is for all the purposes mentioned therein. Therefore the Bill should be as it is.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Any reply to amendments Nos. 35 and 33?

SHRI P. GOVINDA MENON: In amendment No. 35 the suggestion is that the Government should take

power under this law to take new banks under a notification. That is a delegation of legislative power which will not be sanctioned by any law.

Amendment No. 33 is "Provided that no advances, either secured or unsecured, shall be granted to political organisations and individuals for political purposes." Now I want to point out that there is absolutely no meaning in the words "political individuals". Am I a political individual or not? Is the person who has moved this amendment a political individual or not? And are there thousands of millions of people in this country who vote for one political party or other, are they political individuals or not? And to say that even secured advances cannot be given to them is something which I cannot accept. The Government have introduced a Bill and passed it that donations to political parties shall not be given by companies. But even secured advances should not be made to persons who have got political leanings or political beliefs, that is something which we cannot accept.

SHRI NIRANJAN VARMA: Sir, I beg leave to withdraw my amendment No. 3.

*\*Amendment No. 3 was, by leave, withdrawn.*

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): The question is:

28. "That at page 2, for lines 19 and 20, the following be substituted, namely:—

'3(1) On the commencement of this Act, or as soon as the arrangements are complete, all the banks as are specified in the First Schedule shall be amalgamated with the State Bank of India.\*"

*The motion was negatived.*

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): The question is:

29. "That at page 2, after line 20, the following proviso be inserted, namely:

'Provided that the Central Government shall not effect amalgamation or absorption of any of the new Indian banks without the express sanction of Parliament.\*"

*The motion was negatived.*

\*For text of amendment, vide col. 3196 *supra*.

DR. (MRS.) MANGLADEVI TALWAR: I beg leave to withdraw my amendment No. 30.

*\* Amendment No. 30 was, by leave, withdrawn.*

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): The question is:

31. "That at page 2, after line 27, the following proviso be inserted, namely:—

"Provided that within three months after the capital has so vested, the Central Government shall retain not less than twenty-six per cent, of the shares and offer the remaining to the public at par in the following manner:—

(a) shareholders, depositors and employees of the existing banks shall have first preference in the allotment of such shares;

(b) no person or a body corporate shall be allotted or permitted to hold more than ten per cent, of such shares.'"

*The motion was negatived.*

SHRI M. V. BHADRAM (Andhra Pradesh): I beg leave to withdraw my amendment No. 32.

*"Amendment No. 32 was, by leave, withdrawn.*

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): The question is:

33. "That at page 2, after line 36, the following proviso be inserted, namely:—

'Provided that no advances, either secured or unsecured, shall be granted to political organisations and individuals for political purposes.'"

*The motion was negatived.*

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): The question is:

34. "That at page 2, after line 42, the following be inserted, namely:—

'(7) All deposits in the corresponding new banks shall be guaranteed as regards their repayments in full by the Central Government.'"

*The motion was negatived.*

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): The question is :

35. "That at page 2, after line 42, the following be inserted namely :—

'(7) The Central Government may take over any other bank not mentioned in the First Schedule by issuing a notification in the Official Gazette.'"

*The motion was negatived.*

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): The question is :

"That clause 3 stand part of the Bill."

*The motion was adopted.*

*Clause 3 was added to the Bill.*

*Clause 4—Undertaking of existing banks to vest in corresponding new banks*

DR. BHAI MAHAVIR: Sir, I move:

36. "That at page 3, after line 3, the following proviso be inserted, namely:—

'Provided that the Central Government shall constitute a Central Board of Banking which shall control, direct and co-ordinate the management and operations of the new banks.'"

Mr. Vice-Chairman, the Central Board of Banking envisaged in this amendment would be an independent monetary authority which would not be under the direct day to day control of the Government. The idea suggested here is that the authority should be exercised apart from political considerations. Just a couple of minutes back the hon. Law Minister was wondering what a political individual is, but in that clause also it was not the individual who was important but the political purpose and political organisation, and I think there is no confusion about what a political organisation is and what a political purpose can be. Here the danger is that the Government takes over. After all, we may have, we may, I do not say we do, but we may have full faith in a particular set of leaders of Government at any time. The law, however, will not be restricted to the administration of that particular group only. Groups will come and groups will go. Governments will change. Parties will

change, but the law should be such which cannot be normally misused by the people in power for narrow partisan ends. For this purpose there should be a monetary authority which would be able to co-ordinate the functioning of these banks. Previously I suggested an amendment about the bank units being kept separate, and here I am suggesting that there should be a Central Board of Banking. I would like to submit that there is no contradiction between the two because, for the implementation of certain broad policies if the banks are kept independent, even then the Central Board would basically function in a general way looking to the interests of the economy and seeing whether more credit facilities are desirable in the interests of expansion, full employment, stability of prices, saving the country from the dangers of inflation, and all that, and just as it is in other countries here we have our Reserve Bank of India. Unfortunately, it is not an independent monetary authority as it should be. Then there is this danger. Just as the Reserve Bank goes on looking helplessly when the prices go on rising, when there are dangers to the authority of the Government being used for purposes other than those based on independent monetary or credit considerations where such a policy would not be proper, would not be healthy in the interests of the economy, even then the Reserve Bank does not have the authority to advise or bring round the Government to the proper path. Here, for the commercial banks which are being taken over, if under their control and guidance also, if the Boards of Directors or the Custodians or the people who are appointed to run the banks, if they are only to follow the direction or the dictates of the Secretary of the Finance Ministry, then there is the danger that this powerful instrument of our economy also may be utilised not for the broad national interests but for narrow interests on certain political considerations. Therefore my suggestion or my amendment is that there should be a Central Board of Banking. The implication is that it should be independent. It should be free of political pressures of all types. Such is the present constitution, and if the amendment is accepted, the interests of the nation's economy would be served in a manner which otherwise may be jeopardised because of political considerations. *The question was proposed.*

श्री जगदम्बी प्रसाद यादव : दो शब्द में भी अपनी ओर से उनके समर्थन के साथ साथ कह देना चाहता हूँ। जिन 14 बैंकों को आपने अपने हाथ में लिया है उनकी देखभाल के लिए, उनके डाइरेक्शन के लिए, उनके ग्राइडिन्स के लिए, उनके कोऑर्डिनेशन के लिए और उनकी एक्टिविटीज को फार्मूलेट करने के लिए एक सेन्ट्रल बोर्ड आफ बैंकिंग होना चाहिये। बहुत से सदस्यों ने बैंकिंग कौंसिल बनाने के संबंध में अपनी राय जाहिर की है। नाम चाहे कुछ भी हो मगर इस तरह का मुझाव सभी सदस्यों ने दिया है कि एक कौंसिल आफ बैंकिंग की होनी चाहिये जो सब कामों की देखभाल करे। इस बारे में सभी लोगों का दृष्टिकोण एक मालूम देता है और आशा करता हूँ कि सरकार इस चीज को मान लेगी।

एक बात मैं और कहना चाहता हूँ कि अपने प्रजातंत्र में जहाँ पर लेजिस्लेचर, एक्जीक्यूटिव, ज्यूडिशरी है वहाँ पर आज चार बातें सामने आ रही हैं। आपने आर्थिक चीजों का संचालन करने के लिए, देश की अर्थ व्यवस्था का किस प्रकार से संचालन हो, उसके लिए किसी बाँड़ी को डेवलप नहीं किया है। इसलिए मैं चाहता हूँ कि इस राष्ट्रीयकरण के संदर्भ में अब ऐसी स्थिति आ गई है कि हमें एक बाँड़ी को फार्मूलेट करना होगा जो लेजिस्लेचर, एक्जीक्यूटिव और ज्यूडिशरी से परे हो और सिर्फ इकोनोमिक और फाइनेन्शियल मैटर में ही डील करे तथा देश का मार्गदर्शन कर सके। इसी तरह की बात डा० भाई सहावीर जी ने भी कही है। लेकिन मैं इस जगह पर यह बात याद दिला देना चाहता हूँ कि जिस तरह से आपने एग्री बोर्ड में एम्प्लॉई के प्रतिनिधियों को रखा है वहाँ पर हमारा कहना है कि सेन्ट्रल बोर्ड में भी एम्प्लॉई के प्रतिनिधियों को रखा जाना चाहिये।

एक सवाल मैं और पूछना चाहता हूँ और इसलिए पूछना चाहता हूँ क्योंकि आप बारबार कहा करते हैं कि हम एम्प्लॉई के प्रतिनिधियों का भी सहयोग लेना चाहते हैं। तो इस संदर्भ में मैं यह जानना चाहता हूँ कि आपने स्टेट बैंक के एम्प्लॉई के प्रतिनिधियों को क्यों नहीं लिया है।

of Undertakings) Bill, 1969

SHRI P. GOVINDA MENON: Mr. Vice-Chairman, Sir, there is already the Banking Regulations Act which I should point out is applicable to these fourteen newly constituted banks and the provisions of the Banking Regulations Act are administered by a central body of banking for which we have given the name, the Reserve Bank of India. Now the hon. Member thinks that there should be another body for these fourteen banks alone. I do not agree. If the Reserve Bank of India is not sufficient and some other central body to direct banking in this country is necessary that would be necessary not only for these fourteen banks but for all the banks in the country. I therefore do not accept the amendment.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): The question is:

36."That at page 3, after line 3, the following proviso be inserted, namely:—

'Provided that the Central Government shall constitute a Central Board of Banking which shall control, direct and co-ordinate the management and operations of the new banks.' "

The motion was adopted.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): The question is:

"That clause 4 stand part of the Bill."

The motion was adopted. Clause 4 was added to the Bill.

Clause 5—General effect of vesting

SHRI REWATI KANT SINHA: Sir, I beg to move:—

37."That at page 3, after line 50, the following proviso be inserted namely:—

'Provided that all the credit advances committed by the existing banks shall be thoroughly scrutinized by the corresponding new banks and recalled if not found in consonance with new policies and priorities.' "

SHRI BALACHANDRA MENON: Sir, I beg to move:

38."That at page 4, lines 8 to 14 be deleted."

The question was proposed.

**श्री जी० बरबोरा :** हमारा अमेडमट नं० 37 है और उसमें हमने यह चाहा है कि जिन 14 बैंकों का राष्ट्रीयकरण किया गया है उन्होंने पहले से ही अपने अपने बैंकों के जरिये लोगों और संस्थाओं को क्रेडिट और एडवान्स दिया हुआ है। तो हम चाहते हैं कि जिन राष्ट्रीयकृत बैंकों ने इस तरह का एडवान्स या क्रेडिट दिया हुआ है उसके बारे में फिर से स्कूटिनाइज किया जाना चाहिये। अब राष्ट्रीयकरण करने के बाद बैंकों का पैसा एक व्यक्ति को अपना कारोबार बढ़ाने के लिए नहीं दिया जाना चाहिये। बल्कि वह रुपया सारे देश तथा सारे समाज की भलाई के लिए दिया जाना चाहिये। इसलिए मेरा संशोधन यह है कि जो रुपया राष्ट्रीयकृत बैंकों ने पहले से किसी व्यक्ति या संस्था को दिया है उसकी देखभाल और छानबीन होनी चाहिये कि वह किस काम के लिए दिया गया है तथा उससे जनता की भलाई होगी या नहीं? अगर वे लोग इस तरह का रुपया राष्ट्रीयकरण पालिसी के दायरे के बाहर खर्च कर रहे हैं तो उसको वापस ले लेना चाहिये।

[THE DEPUTY CHAIRMAN in the Chair]

हमारा दूसरा संशोधन नं० 38 है। इसमें यह कहा गया है कि भारतीय बैंकों की विदेशों में जो शाखाएं हैं, असैट्स हैं, प्रापर्टी है, उसके बारे में उसी तरह से कार्यवाही की जाय जिस तरह से यहां पर उन पर की जा रही है। इस बिल में यह दिया है कि राष्ट्रीयकृत बैंकों की जो शाखाएं विदेशों में हैं उनके असैट्स, प्रापर्टी और दूसरी चीजों पर इस बिल का कोई दखल नहीं होगा। तो हमारा कहना यह है कि जब हमने राष्ट्रीयकरण इन 14 बैंकों का कर लिया है तो उनकी शाखाओं के संबंध में भी कार्यवाही करनी चाहिये। अगर हम ऐसा नहीं करेंगे तो इससे गड़बड़ी पैदा होगी। इसके जरिये बड़े बड़े लोग आर्थिक मामलों में काफी धांधली मचा सकते हैं। इसलिए मैं चाहता हूं कि इस धारा को विलीट कर दिया जाय।

sists of two parts. It says that the existing advances should be scrutinised. If the hon. Member would refer to page 18 of the Bill, sub-clause (d), it will be seen that the amount of advances already made will be scrutinised for the purpose of evaluation. The second part of it is that there should be recall. That is too much of a detail to find a place in a legislation by Parliament.

Regarding the next amendment, No. 38, hon. Members would realise that in one or two foreign countries—I think there is only one—branches of nationalised banks are not allowed to function. We are not responsible for it. I think Malaysia is one of those countries. Since all these fourteen banks are nationalised and since some of them have got branches in that country our nationalised banks cannot carry on their business there. And all that has been stated is that if the existing banks so desire they can carry on that business in those countries only where nationalised banks are not allowed to have branches. Now the operation of our banks in foreign countries will be of help to us in foreign exchange matters. Therefore I oppose amendment No. 38 also.

THE DEPUTY CHAIRMAN : The question is :

37."That at page 3, after line 50, the following proviso be inserted namely :—

'Provided that all the credit advances committed by the existing banks shall be thoroughly scrutinized by the corresponding new banks and recalled if not found in consonance with new policies and priorities.'

*The motion was negatived.*

THE DEPUTY CHAIRMAN : The question is :

38."That at page 4, lines 8 to 14 be deleted."

*The motion was negatived.*

THE DEPUTY CHAIRMAN : The question is:

"That clause 5 stand part of the Bill."

*The motion was adopted.*

*Clause 5 was added to the Bill.*

SHRI P. GOVINDA MENON : Madam, I do not accept either of these amendments. Amendment No. 37 con-

*Clause 6—Payment of compensation*

SHRI REWATI KANT SINHA :  
Madam, I move:

39. "That at page 4, line 16, the words 'and determination' be deleted."

40. "That at page 4, for lines 17 to 23, the following be substituted, namely:—

'6(1) The Central Government shall give compensation to each shareholder of the existing bank an amount equal to the face value of the shares held by him in the bank.' "

41. "That at page 4, line 24, for the words 'where no such agreement can be reached' the words 'where there is any dispute regarding the shares held by any individual or institution and their valuation' be substituted."

43. "That at page 4, lines 29 to 33 be deleted."

45. "That at page 4, line 38, for the word 'ten' the word 'fifteen' be substituted."

47. "That at page 4, lines 39-40, for the words 'four and a half' the word 'two' be substituted."

DR. BHAI MAHAVIR : Madam, I move:

44. "That at page 4, for lines 34 to 40, the following be substituted, namely:—

'(3) The amount of compensation determined in accordance with the foregoing provisions shall be paid to each existing bank—

(a) in cash; or

(b) fifty per cent, in cash and the balance in promissory notes or stock certificates of the Central Government issued and repayable at par, and maturing at the end of five years from the date on which compensation is paid, and carrying interest at the rate of six per cent, per annum, free of Union income-tax.' "

48. "That at page 4, lines 39-40, for the words 'four and a half per cent' the words 'seven per cent' be substituted."

SHRI DAHYABHAI V. PATEL:  
Madam, I move :

49. "That at page 4,—

(i) in lines 39-40 for the words 'four and a half per cent' the words

'six per cent' be substituted.

(w) in lines 44-45, for the words 'five and a half per cent' the words 'six and a half per cent' be substituted.

*The questions were proposed.*

DR. BHAI MAHAVIR: Madam, the amendment that I have suggested relates to the amount of compensation which is to be paid to the banks. Here the Bill says:—

" .....in promissory notes or stock certificates of the Central Government, issued and repayable at par, and maturing at the end of ten years from the date on which the compensation is paid and carrying interest at the rate of four and a half per cent, per annum."

The situation is this. The Government is taking a very drastic step and is taking over the assets and deposits of these fourteen major banks in the country. At the same time, people are sought to be assured that their money would be safe, that it would not be misused, that it would not be squandered on, say, wrong types of schemes, and, therefore, the people need not get worried or get nervous about the security of their principal and interest thereon. If that is the spirit in which the Government is bringing forward this Bill before the nation at large, it would be desirable that the people are paid a better interest. People who have been getting regular returns from their holdings and shares in these banks should be considered from this angle, that the Government is neither miserly, nor is the Government on the brink of liquidation. It should give a return which is in consonance with the present rate of interest. I suggest that 41 per cent is not the rate of interest which is a fair rate of interest at this time. Government want to give compensation either in the form of cash or a certain portion in cash and a certain portion in bonds. Certainly payment of all that in cash may not be easy. When one realises this, one can only suggest an alternative. That alternative is that if there are people who hold assets in the form of bank shares, they should sell them and they could get a return more than what they had originally paid for the shares. They could get more today. But when the Government is taking it over, the Government is repaying them at par, but it should mature at the end of five years. They



[Dr. Bhai Mahavir]

should not be asked to wait for ten years before they could claim repayment of these assets. That is not fair. A period of five years is long enough. I think it is not reasonable for the Government to insist on ten years and they should not insist on giving only 44 per cent. Therefore, it has been suggested in my amendment that it should carry six per cent interest and the period for repayment should be reduced to five years.

Similarly, in my amendment No. 48 there may appear to be a little discrepancy. In my first amendment I have said six per cent interest and in this amendment I have suggested seven per cent. The Government may give consideration to either six per cent or seven per cent interest. That would be something nearer the normal rate of return on their deposits or on the money which people invest in the various undertakings. I suppose the purpose of the Government is not to make the investing public nervous or make them afraid of putting their money anywhere. When that is the spirit behind this, a more reasonable attitude in the matter of compensation would be in the fitness of things and I would urge the Government to accept my amendments.

THE DEPUTY CHAIRMAN: Before I call Mr. Patel, I have overlooked amendments Nos. 50 and 51 in the name of Mr. Mohta. You may move them now.

*Clause 6—Payment of compensation.*

SHRI M. K. MOHTA: Madam, I move:

50. "That at page 5,—

(/) in line 29, for the words 'five thousand rupees' the words 'ten thousand rupees' be substituted;

(ii) in line 32, for the words 'live thousand rupees' the words 'ten thousand rupees' be substituted."

51. "That at page 5, after line 52, the following be inserted, namely:—

'(10) Notwithstanding anything contained in this section an existing banking company may carry on any business other than banking business provided the majority of the shareholders consent to the same.'"

*"The questions were proposed.*

SHRI DAHYABHAI V. PATEL:

Madam, I do not think that the measure that has been moved by the Law Minister is in any way expropriatory or it seeks to deprive people of the benefits they have and in that sense what I am asking is only fair compensation, a fair rate of interest that an investor would get today. Perhaps he will get more. If the shares remained in his name as they are today, he would get appreciation, he would get a higher rate of interest. Most of these fourteen banks are paying a much higher rate of interest and, therefore, my request that six per cent interest be paid instead of the suggested 4i per cent is, I think, reasonable and fair. I would, therefore, appeal to the Government to accept this amendment. If they want to expropriate the shares, that is another thing. If they want to reduce the value by half, that is another matter. That is not the intention and that is not said anywhere in the Bill. The intention is to pay a fair compensation and it must be fair. I, therefore, appeal that the higher rate of interest must be paid.

SHRI M. K. MOHTA: I have three amendments in my name. On amendment No. 49, our leader, Shri Dahya-bhai, has already clarified the position. Since it is not the intention of the Government to go in for expropriation, it is only fair that a fair compensation is paid to the shareholders of these banks. They are getting today a return j of as much as ten per cent. Why is it j that the Government offers them bonds | repayable after ten years and partly bonds repayable after thirty years which ! carry an interest of 4i and 5i j per cent only? Is it because the ! Government fears that if an option was given to these people, they would not subscribe to these bonds? If that is the fear of (he Government, I submit that it is not proper for the Government to really force them to subscribe to these bonds. They are i forced to accept compensation which is due to them in the shape of bonds rather than in the shape of cash. If the interest rate is raised a little, at least it will decrease the loss of the present shareholders of the banks, because in the market those people may be in a position to earn a much higher rate of interest, if they invest their money of their own free will.

Now, I come to my amendment No. 50. According to the provision of clause 6. if the compensation payable is up to Rs. 5,000/- the Government is

pleased to provide for the compensation to be paid in cash. What I would submit is that the sum of Rs. 5,000 is a very small amount. Actually there will be thousands of people who have invested their life's savings in the shares of banks and if they could get cash only to the extent of Rs. 5,000, it would be a great inconvenience for them. So, my amendment says that up to Rs. 10,000 the amount may be paid in cash instead of in bonds.

My next amendment is No. 51 which deals with the existing banking companies. Now, on the basis of the provisions of this Bill the banking business of these companies would be taken over by the Government from the corresponding banks. The question is whether the existing companies would be allowed to do any other business, as any other joint stock company engaged in mercantile and business activities. Since it is not clear according to the provisions in the Bill I have suggested that notwithstanding anything contained in this section an existing banking company may carry on any business, because after all the shareholders of these companies would be the best judges of what those companies should do after their banking business is taken away from them. As long as the shareholders want to carry on any business, of course, within the four corners of the law of the land, they should be allowed to do so.

**SHRI K. SUNDARAM:** Madam, these bonds are being forced on the shareholders, and it is said that they will be paid 4i per cent for a ten-year bond and 5i per cent for a thirty-year bond. On deposits for five years, six years or seven years, the banks are paying anything from 5i to 7£ per cent. That is what the banks are paying themselves. But when the money is paid to the Government, in the form of bonds, they get only 4i or 5J per cent. There are thousands of crores of bonds that have already been issued. These bonds which are in the market are being sold at a discount of as much as 10 per cent already. With these another three thousand crores of bonds going into market, they will bring down the rate, the discount may go up by as much as 15 or 20 per cent. Though it is said it is transferable, if any shareholders want to transfer these bonds, they will get 20 per cent less money. So the shareholders stand to lose much more.

Another point. The biggest shareholders of these banks, it was said yesterday, were the LIC and the UTI who own 27 to 30 per cent of the holdings. These two institutions will lose very heavily. If they get these bonds and then they try to transfer them to somebody else, there again it is the shareholders of the L.I.C. and the UTI who are going to lose ultimately. Therefore, I suggest that a minimum of 6 per cent or 6i per cent must be paid.

**श्री रेवती कान्त सिंह :** मैडम, क्लॉज 6 पूरे बिल में बहुत ही महत्व रखता है। यह बैंक के शेयर होल्डर्स को क्षतिपूर्ति देने के बारे में है। मैं अपने सभी संशोधनों पर एक साथ बोल देता हूँ। इसमें जो प्रावीजन है उसके मुताबिक केलक्युलेशन करते हैं तो दो तरह का केलक्युलेशन आता है कम्पेनसेशन का, जैसे कि कल यहां पर दो तरह के फिगर्स दिए गए, एक था 70-75 करोड़ और दूसरा 150 करोड़। मैं कहना चाहता हूँ कि इन बैंकों से डिविडेंड के रूप में शेयरहोल्डर को अपनी जमापूंजी से भी ज्यादा पैसा अब तक मिल चुका है, फिर भी संविधान के आर्क्लीमेशन को पूरा करने के लिए सरकार चाहती है कि कम्पेनसेशन दिया ही जाय तो हमारा यह सुझाव है कि वह कम्पेनसेशन शेयरों की फेस वैल्यू पर दिया जाय, आज की मार्केट वैल्यू पर नहीं।

दूसरी बात जो मैं कहना चाहता हूँ वह यह है कि इसमें प्रावीजन है कि जो सीक्योरिटियां दी जाएंगी वे दस बरसों में भुनाई जा सकती हैं। मैं समझता हूँ कि दस बरसों का समय बहुत ही कम है, उसको 15 वर्ष करना चाहिए और जो सूद की दर साढ़े 4 परसेंट रखी गई है वह भी बहुत ज्यादा है, उसको नामिनल रखना चाहिए, 2 परसेंट तक रखा जा सकता है, 2 परसेंट से ज्यादा न रखा जाय। इन्हीं शब्दों के साथ मैं अपने संशोधनों को रखता हूँ।

**श्री राजनारायण (उत्तर प्रदेश):** माननीया, मुझे बड़ी खुशी थी कि प्राइम मिनिस्टर साहिब यहां थी, मगर पता नहीं कैसे चली गई। जो कल मैंने उनका भाषण सुना उससे हमको भी

[श्री राजनारायण]

प्रेरणा हुई कि हम भी इस सदन में कल बोलें जब कम्पेनसेशन का क्लॉज आए।

मैंने अपने इन मित्रों का तर्क सुना। उन्होंने के तर्क को लेकर कहता चाहेंगा कि अगर हम मनुष्य हैं, अगर हम मानव हैं और मानवीय बुद्धि से ओतप्रोत हैं तो हमको चन्द मुट्ठी भर लोगों की भलाई और मुट्ठी भर लोगों के धन की सुरक्षा के लिए चिन्तित नहीं रहना चाहिए बल्कि हम देखना चाहिए कि हमारे देश में जो गहनतकश जनता है, दौलत पैदा करने वाली जनता है, जो कल कारखानों से कपड़ा पैदा करती है, चीनी पैदा करती है, सीमेंट पैदा करती है, खानों से कोयला, लोहा, सोना, चांदी, तांबा, अभ्रक पैदा करती है, खेतों से अन्न पैदा करती है, उस जनता के पास क्या है। उधर कोई चिन्ता है नहीं, चिन्ता बराबर की जा रही है कि हमारे मित्रों को मुआवजा और दिया जाय और उसका भुगतान 5 बरस, 5 महीने बाद कर दिया जाय। मुआवजा बढ़ाने की बात तो मैं सोच ही नहीं सकता। मैं तो मुआवजा दिया ही न जाय इस मत का हूं। हमारे मित्र बुर्जुग साथी रामचन्द्रन जी यहां पर हैं, गांधी जी की चर्चा यह कभी कभी किया करते हैं, इसलिए मैं आपकी आज्ञा से गांधी जी का एक वाक्य यहां कोट करना चाहता हूं और चाहता हूं कि प्राइम मिनिस्टर साहिवा गांधी जी का अगर नाम लेती हूं और कहती हूं कि यह मार्क्स का वाक्य नहीं है, गांधी जी का वाक्य है, गांधी जी की भावना से ओतप्रोत है, गांधी जी के नाम को संचालित करना चाहती हूं तो गांधी जी के इस वाक्य का वे अर्थ करें। यह गांधी जी के 'कंस्ट्रक्टिव प्रोग्राम' 1948 एडिशन पेज 20-21 से है —

Working for economic equality means abolishing the eternal conflict between capital and labour. It means the levelling down of the few rich in whose hands is concentrated the bulk of the nation's wealth on the one hand and a levelling up of the semi-starved, naked millions on the other. A non-violent system of Government is clearly an impossibility so long

as the wide gulf between the rich and the hungry millions persists. The contrast between the palaces of new Delhi—in which the Prime Minister remains—and the miserable hovels of the poor labouring class nearby cannot last one day in a free India in which the poor will enjoy the same power as the richest in the land."

"

तो मैं कहना चाहता हूं कि महात्मा गांधी ने 1948 में इस बात को कहा है। इकानामिक इक्वलिटी का अर्थ होता है कि पूंजी और श्रम के स्थायी संघर्ष को समाप्त कर दिया जाय, तभी जाकर आर्थिक समता आ सकती है। इसी के साथ साथ गांधी जी ने यह कहा कि इसका मतलब है कि जो चन्द बड़े बड़े लोग हैं जिनके हाथों में देश की सारी सम्पत्ति समाई हुई है उनको नीचे गिराया जाय यानी करोड़पतियों के कैलाश को ढहाया जाय और कंगाली के गड्ढे को पाटा जाय। तब तक कंगाली की खाई पटेगी नहीं जब तक करोड़पतियों का कैलाश ढहेगा नहीं। और गांधी जी ने कहा कि अगर मुल्क आजाद हो गया तो दिल्ली में गगन-चुम्बी अट्टालिकाएं हों और देहातों में गरीबों के पास झोपड़ी भी न हों, यह फर्क एक दिन भी नहीं रहेगा। मैं पुछना चाहता हूं प्राइम मिनिस्टर साहिवा से, जो गांधी जी का नाम लेती हैं, कि क्या यह स्थिति आज है। मैं केवल एक कहानी सुनाऊंगा...

उपसभापति : यह कैसे आता है।

श्री राजनारायण : यह आता है। गांधी जी ने यह कहा कि जो कांग्रेस के नेता हैं वे किसानों की सभा में जायें तो जनता की पोशाक में जायें; चूड़ीदार पाजामा और शेरबानी पहन कर जाएंगे तो जनता उनको अपना नहीं मानेगी। जवाहरलाल जी ने अपनी आत्मकथा में लिखा है कि हम बापू की खवितियां मुल्क आजाद होगा तो बर्दाश्त नहीं करेंगे, बापू डिक्टेटर हैं, वे चाहते हैं कि जिस ढंग से वे रहते हैं लंगोटी लगा कर वैसे ही हम भी रहें। बापू ने हरिजन में कहा था कि मैं तो डिक्टेटर हो ही नहीं सकता। क्यों? क्योंकि मैं लोक भूषा लोक भाषा, लोक भोजन और लोक भवन में रहता हूं। डिक्टेटर होगा

वह जो अपने को समाज से ऊपर समझ कर ज्यादा सुख सुविधा चाहता होगा। एक ही निवेदन और है और मैं गांधी जी की आत्मकथा का एक ही वाक्य और पढ़ कर सुनाना चाहता हूँ। उन्होंने लिखा है : 'मेरा यह निश्चित मत है कि लोक सेवक को जो भेंट मिलती है वे उनकी निजी चीज कदापि नहीं हो सकती।' अगर प्रधान मंत्री गांधी जी का नाम लेती हैं तो उन के फ्रैशन को देखिये, उन के रहने के रंग ढंग को देखिये, उन के मोशन को देखिये और उन के हीरे के हार को देखिये...

**उपसभापति :** यह नहीं चलेगा।

**श्री राजनारायण :** इस लिए गांधी जी का नाम उन के मुँह से शोभा नहीं देता। गांधी जी का नाम ले वह जो गांधी जी के आदर्श का अपने जीवन में अनुकरण करे।

**श्रीमती विद्यावती चतुर्वेदी (मध्य प्रदेश):** मैडम, आप कई बार रुलिंग दे चुकी हैं लेकिन हमेशा यह व्यक्तिगत आक्षेप किया करते हैं यह बड़ी ग़ज़त बात है।

**THE DEPUTY CHAIRMAN :** You must speak on the amendment; you should not talk irrelevant things.

**SHRI BANKA BEHARY DAS:** Madam, I am in favour of giving compensation on the basis of the share value. I will prefer the share value, or if the Government wants, the market value of the share on the day when the banks were nationalised. I want to draw the attention of the Minister that if the Bill is accepted as it is, the consequences will be that not only we will be paying on the basis of the assets, which will be disproportionate to the paid-up capital, but it will lead to more of litigation, and you will be spending much more on the Tribunal because in this House we have discussed so many times about Jessop and Company and others in which the Tribunals have sat for three or four years and you have spent money on them much more than what even the companies would have been getting. That is why my contention is that if you look into that, into the position of these 14 banks which have been nationalised, you will find that not a single bank has a paid-up capital of more than Rs. 4

crores, and it ranges from Rs. 2 crores to Rs. 4 crores, and the total will be about Rs. 24 or Rs. 25 crores. Also, in the aims and objects it has been mentioned that it will be Rs. 75 crores, which has already been decided upon, as I said yesterday. And I quoted from the Commerce Weekly also and I was reading this Commerce magazine and I found that their basis is much more than what the Government of India has contemplated. If you take into account the share, the reserve fund and all the other assets, it is definitely going to be above Rs. 150 crores. At least that paper has convinced me about it. Ultimately, you will find in the Budget that they might be providing much more money than this though they are giving us an assurance that it will be about Rs. 75 crores. Moreover, it will lead to litigation, as I said earlier.

To avoid all those things, it is always better that we go on the basis of shares.

Secondly, I want to plead with the Government of India that these assets which are created in any banking institution do not have any relation to the paid-up capital. The deposits are utilised in business out of which the profit accrues to the company and out of the profit, reserves are created, and also the assets are created. If you pay compensation on the basis of the assets created out of the depositors' money, it will go to the shareholders actually and it will never go to the depositors. That is why I am requesting the Government that instead of going into all those complications and intricacies of these calculations, it will always be better if they go by the face value of the shares.

**SHRI P. GOVINDA MENON:** There has been more than one view expressed here regarding compensation. Mr. Rajnarain does not want any compensation to be paid. Now, this is not taking over the banking concerns from a few capitalists or businessmen. I have not got the number of shares held in the different banks. But such information as I have with me shows that there are thousands of shareholders in each one of these nationalised banks. For example, in the Central Bank of India, I am told that the number of shareholders is 27,379.

The question is whether these shareholders distributed in the various parts of the country should go without any compensation.

[Shri P. Govinda Menon]

Now, the other view is that it is the share value which has to be paid. I shall speak about it when I come to the Second Schedule and explain the scheme which we have evolved in the matter of payment of compensation.

Then there was objection to the rate of interest which has been provided. The 4i per cent for 10-year bonds and 5i per cent for 30-year bonds were considered to be too low by certain Members. I am glad that Dr. Bhai Mahavir conceded that when nationalisation takes place, cash value cannot be paid because it will not be possible for the Government to do so. Then why is it that we provide 4} per cent interest for 10-year bonds or promissory notes or securities and 5i per cent interest for 30-year bonds? It is because these are the borrowing rates for these kinds of bonds which prevail today. Therefore, instead of paying cash, it is as if we take cash from those persons entitled to compensation and pay them bonds at the rates which now prevail in the market.

I humbly submit, Madam, that the provisions made regarding this matter is fair both to the shareholders and to the existing companies and is not harmful, according to me, to the Government. I therefore oppose this amendment.

THE DEPUTY CHAIRMAN : The question is :

39. "That at page 4, line 16, the words 'and determination' be deleted."

*The motion was negatived.*

THE DEPUTY CHAIRMAN: The question is :

40. "That at page 4, for lines 17 to 33, the following be substituted namely :—

'6(1) The Central Government shall give compensation to each shareholder of the existing bank an amount equal to the face value of the shares held by him in the bank.'

*The motion was negatived.*

THE DEPUTY CHAIRMAN : The question is:

41. "That at page 4, line 24, for the words 'where no such agreement can be reached' the words 'where

there is any dispute regarding the shares held by any individual or institution and their valuation' be substituted."

*The motion was negatived.*

THE DEPUTY CHAIRMAN : The question is:

43. "That at page 4, lines 29 to 33 be deleted."

*The motion was negatived.*

THE DEPUTY CHAIRMAN : The question is :

45. "That at page 4, line 38, for the words 'ten' the word 'fifteen' be substituted."

*The motion was negatived.*

THE DEPUTY CHAIRMAN : The question is:

47. "That at page 4, lines 39-40, for the words 'four and a half the word 'two' be substituted."

*The motion was negatived.*

THE DEPUTY CHAIRMAN : The question is:

44. "That at page 4, for lines 34 to 40, the following be substituted, namely:—

'(3) The amount of compensation determined in accordance with the foregoing provisions shall be paid to each existing bank—

(a) in cash; or

(b) fifty per cent, in cash and the balance in promissory notes or stock certificates of the Central Government issued and repayable at par, and maturing at the end of five years from the date on which compensation is paid, and carrying interest at the rate of six per cent per annum, free of Union income-tax.' "

*The motion was negatived.*

THE DEPUTY CHAIRMAN : The question is:

48. "That at page 4, lines 39-40, for the words 'four and a half per cent' the words 'seven per cent' be substituted."

*The motion was negatived.*

THE DEPUTY CHAIRMAN : The question is:

49. "That at page 4,—

(«) in lines 39-40, for the words 'four and a half per cent' the words 'six per cent' be substituted.

(ii) in lines 44-45, for the words 'five and a half per cent' the words 'six and a half per cent' be substituted."

*The motion was negatived.*

THE DEPUTY CHAIRMAN : The question is:

50. "That at page 5,—

(t) in line 29, for the words 'five thousand rupees' the words 'ten thousand rupees' be substituted.

(it) in line 32, for the words 'five thousand rupees' the words 'ten thousand rupees' be substituted."

*The motion was negatived.*

THE DEPUTY CHAIRMAN : The question is:

51. "That at page 5, after line 52, the following be inserted, namely:—

'(1) Notwithstanding anything contained in this section an existing banking company may carry on any business other than banking business provided the majority of the shareholders consent to the same.'

*The motion was negatived.*

THE DEPUTY CHAIRMAN : The question is:

"That clause 6 stand part of the Bill."

*The motion was adopted. Clause 6 was added to the Bill. Clause 7—Constitution of the Tribunal*

SHRI DAHYABHAI V. PATEL : Madam, I move:

52. "That at page 6, line 1, after the words 'The Central Government' the words 'after consultation with the Reserve Bank of India' be inserted."

53. "That at page 6, line 7, after the words 'the Central Government' the words 'after consultation with the Reserve Bank of India' be inserted."

54. "That at page 6, line 11, after the words 'the Central Government' the words 'after consultation with the Reserve Bank of India' be inserted."

SHRI K. P. SUBRAMANIA ME-NON : Madam, I move :

55. "That at page 6, after line 9, the following proviso be inserted, namely :—

'Provided that the persons so appointed to be the Chairman and members shall have no interest directly or indirectly in any banking company or such financial or credit institutions run under the aegis of the banking companies.'

*The questions were proposed.*

SHRI DAHYABHAI V. PATEL:

Madam, the three amendments that I have moved are very simple. In fact, Government, I think, has adopted this phraseology on other occasions, perhaps in this Bill or earlier. But I do not know where it would inspire greater confidence in financial institutions when Government does not completely reorganise and make this institution a wing of the Government. The Reserve Bank's separate entity is recognised and has been preserved so far by the Government or India. We have not come to the stage when the Reserve Bank of India also has been nationalised or has become a part of the Government. It functions purely as a financial institution. Of course, Government has control over it, Government's interest is there. But so far the Government of India has preserved the institution. Its meaning, its management, is in the hands of people eminently qualified to handle financial matters. And I think it would be in the interest of the country that this practice continues and hope that the Government will take into account these small amendments and consult the Reserve Bank on all important policy matters in this connection. This would be the effect of my amendments.

SHRI K. SUNDARAM: As I said earlier, the tendency seems to be vesting more and more powers, even in regard to the day-to-day administration of these banks, with the Government. The experience of the State Bank which is managed by the Government is there. And we know that on several occasions directions have been given only orally. Written directions were refused. As a

[Shri K. Sundaram]

consequence of that quite a lot of trouble was there in the management of the State Bank. Similar things can happen in the administration of these nationalised banks also. Even in the case of appointment of the Tribunal they do not want to consult the Reserve Bank which is an experienced bank that is functioning already. They can appoint an appropriate, proper person to give justice to the applicant or the disputes that arise out of this. The same is the case with the appointment of the Chairman and also vacancies arising in the office of the Chairman of such tribunals. In all these matters it is absolutely necessary that they should consult the Reserve Bank before making such appointments. I see so reason why the Law Minister should not accept this amendment.

SHRI K. P. SUBRAMANIA MENON: The present clause in the Bill provides that the present Chairman will continue as the Custodian of this new bank till such time as the Government of India decides. The practical effect of this will be that the same Jains, Tatas, Birlas or their henchmen will be in control of the funds as heretofore and will be using the funds in the same manner as they have been using it for speculative purposes, for blackmarketing, for helping monopoly. This is a very harmful provision and I say that the Government should, as soon as they take over the business, dismiss these fellows and appoint new Custodians.

My amendment also provides that the new Custodians to be appointed should be men of integrity who do not have any connections with either of these monopoly growths or financial institutions which are connected with them and that they should be people who, in my opinion, are committed to policies which are helpful to run the banking industry in the national interest and not in the narrow interest of a few capitalists and monopolists. I think the Government would accept this amendment, they should do away with the present Chairman who are now acting as Custodians and appoint people who are publicly committed to policies which are helpful to the common man. Such people should be appointed as Custodians because once a policy is decided it is the personnel who administer that policy which matter. If you put wrong people to ad-

minister, even a correct policy will not be properly administered.

SHRI P. GOVINDA MENON: I think Mr. Subramania Menon has not realised that we are speaking on clause 7 which purports to bring into existence a Tribunal for settling the compensation payable, and not the Custodians of the new banks. In that clause we say that the Tribunal shall consist of three persons, one of whom should be a Supreme Court Judge or a High Court Judge and the other should be a Chartered Accountant, and the third should be a person with banking experience. I thought at least this clause would go without amendments. But my friend, Mr. Dahya-bhai Patel, seems to have developed a very great fascination towards the Reserve Bank of India which is another public sector undertaking and thinks that even when we appoint a Supreme Court Judge to be the Chairman of the Tribunal we should consult the Reserve Bank of India. I do not think that it is necessary. Therefore, I do not accept the amendments.

THE DEPUTY CHAIRMAN: The question is:

52. "That at page 6, line 1, after the words 'The Central Government\*' the words 'after consultation with the Reserve Bank of India' be inserted." *The motion was negatived.*

THE DEPUTY CHAIRMAN : The question is:

53. "That at page 6, line 7, after the words 'the Central Government\*' the words 'after consultation with the Reserve Bank of India' be inserted."

*The motion was negatived.*

THE DEPUTY CHAIRMAN: The question is:

54. "That at page 6, line 11, after the words 'the Central Government\*' the words 'after consultation with the Reserve Bank of India' be inserted."

*The motion was. negatived.*

THE DEPUTY CHAIRMAN: The question is:

55. "That at page 6, after line 9, the following proviso be inserted, namely:—

'Provided that the persons so appointed to be the Chairman and

members shall have no interest directly or indirectly in any banking company or such financial or credit institutions run under the aegis of the banking companies.' "

*The motion was negatived.*

THE DEPUTY CHAIRMAN: The question is :

"That Clause 7 stand part of the Bill."

*The motion was adopted. Clause 7 was added to the Bill. Clause 8 was added to the Bill. Clause 9 was added to the Bill. Clause 10—Head Office and branches*

SHRI REWATI KANT SINHA: Madam, I move:

56. "That at page 6, after line 43, the following be inserted, name-ly:-

'(1A) Every corresponding new bank shall maintain as its branches all branches of the existing bank which were in existence immediately before the 19th July, 1969, and no such branch may be closed without the previous approval of the Central Government.

'(1B) Every corresponding new bank may establish branches at any place in or outside India in addition to the branches referred to in sub-section (2).

'(1C) Notwithstanding anything contained in sub-section (3) every corresponding new bank shall establish not less than fifty branches, out of which about twenty-five branches shall be in rural areas, per annum for a period of five years or such extended period as the Central Government may specify in this behalf. The places where such additional branches are to be established shall be determined in accordance with any such programme as may be drawn up by the Central Government in consultation with the Reserve Bank and the Planning Commission from time to time and no such branch shall be closed without the previous approval of the Government.\* "

*{The amendment also stood in the names of Sarvshri Rajnarain, G. Barbora, R. N. Jha, Godey Murahari, B. N. Mandal and Balkrishna Gupta}*

SHRI CHITTA BASU: Madam. I move:

57. "That at page 7, for lines 4 to 14, the following be substituted namely :—

'(3) The Central Government shall appoint such persons as custodians who have not been a Chairman or a Director of any corresponding existing bank, on such emoluments as may be fixed by the Government within one month of the commencement of this Act:

Provided that until the aforesaid appointment is made, the Chairman of the existing banks holding office as such immediately before the commencement of this Act, shall be the custodians of the corresponding new banks and they shall be associated by an officer of the Reserve Bank of India as a joint custodian." " *(The amendment also stood in the name of Shri Pranab Kumar Mokherjee).*

SHRI K. P. SUBRAMANIA MENON : Madam, I move :

58. "That at page 7, for lines 4 to 14, the following be substituted, namely:—

'(3) The Custodians to be so appointed shall be persons who are economic or financial experts and who are publicly committed to anti-monopolistic and anti-oligarchic policies and who are not financial or otherwise connected with big business.' "

*(The amendment also stood in the names of Sarvshri M. R. Venkataraman, G. Gopinathan Nair, Kesavan (Thazava)\**

SHRI GANESHI LAL CHAUDHARY: Madam, I move:

59. "That at page 7, lines 6 to 8, for the words 'the same emoluments as he was receiving immediately before such commencement' the words 'the same emoluments or rupees two thousand whichever is less' be substituted."

SHRI DAHYABHAI V. PATEL: Madam, I move:

61. "That at page 7, lines 15 and 16 be deleted."

*(The amendment also stood in the names of Sarvshri M. K. Mohta, K. Sundaram, Lokanath Misra, Devi Singh and Ram Singh.)*



DR. BHAI MAHAVIR: Madam, I move:

62. "That at page 7, after line 16, the following proviso be inserted, namely:—

"Provided that no custodian shall be removed from his office unless he has acted to the detriment of the interest of the bank."

(The amendment also stood in the name of Shri J. P. Yadav.)

The questions were proposed.

**श्री रेवती कान्त सिंह :** माननीया, अभी थोड़ी देर पहले एक अमेंडमेंट आया था कि सभी बैंकों को नेशनलाइज करना चाहिये तो मंत्री जी ने उस समय कहा था कि सभी बैंकों को नेशनलाइज नहीं करेंगे। मैं उस बारे में बोलना नहीं चाहता लेकिन एक उदाहरण दे देना चाहता हूँ कि यह हमारी जानकारी में आया है, बक आफ बिहार जिसका पटना में आफिस है, वह छोटा बैंक है, वह नेशनलाइज नहीं हुआ लेकिन 19 तारीख के बाद, बैंकों का नेशनलाइजेशन होने के बाद, वह बिक गया, बड़े लोगों ने उसको खरीद लिया। तो जो छोटे छोटे बैंक हैं बड़े लोग उनका मोनोपोलाइजेशन करेंगे। मैं उस बात को अभी आगे नहीं बढ़ाना चाहता। क्लॉज 10 में हमारा यह अमेंडमेंट है कि अभी जो बैंक्स हैं उनकी जो एग्जिस्टिंग ब्रांचेज हैं, जो ब्रांचेज 19 जुलाई के पहले थीं, वह जहां थीं वहां ही वह ब्रांचेज ज्यों की त्यों कायम रहें कारेस्पॉन्डिंग बैंक्स की ब्रांचेज के रूप में और अगर उनको बन्द करना हो तो बिना सेंट्रल गवर्नमेंट की एप्रूवल के उसको बन्द करने का अधिकार इन बैंकिंग कम्पनियों को नहीं रहे। दूसरी बात यह कि कारेस्पॉन्डिंग बैंक्स अपनी नई शाखायें भी भारत के अन्दर और भारत के बाहर भी खोलें और बढ़ायें। तीसरी बात यह है कि जब बैंकों का राष्ट्रीयकरण किया जा रहा है, जब बैंकों को सरकार अपने हाथ में ले रही है तो जब तक कि बैंकों का एक्सपेंशन नहीं होगा, विस्तार नहीं होगा तब तक इनको अपने हाथ में लेने का कोई मतलब नहीं रह जाता है, इसलिये मैंने यह अमेंडमेंट किया है कि इस बिल में यह विधान

किया जाये कि हर कारेस्पॉन्डिंग बैंक हर साल कम से कम 50 शाखायें खोलेंगे और उनमें से कम से कम 25 शाखायें रूरल एरियाज में, देहातों में होंगी, ऐसे छोटे शहरों को जिनकी आबादी 10 हजार से ज्यादा न हो उसको मैं रूरल एरिया मानता हूँ, तो ऐसी जगहों में भी उनकी ब्रांचेज खुलेंगी। क्योंकि, माननीया, जब तक कि शाखायें नहीं खुलेंगी, विस्तार नहीं होगा तब तक देश में लोगों को बैंक में डिपॉजिट करने की प्रेरणा नहीं मिल सकती है, सुविधा नहीं मिल सकती है और तब तक राष्ट्रीयकरण का कोई मतलब नहीं होता है। इसलिये मैंने यह अमेंडमेंट दिया है और मैं समझता हूँ कि हमारे इस साधारण, बिल्कुल इनोसेंट अमेंडमेंट को कानून मंत्री जी स्वीकार करेंगे।

P.M.

**SHRI CHITTA BASU:** Madam, my amendment relates to sub-clause (3) of clause 10. In this sub-clause provision has been made for the appointment of Custodians. Without discussing it in detail, I would simply like to point out that my amendment provides for not appointing a person as Custodian who has been or is, a Chairman or a director of the existing bank, because I feel that if a public sector undertaking is to be run in the interest of the people, for which this particular legislation has been brought forward, only those persons should be allowed to head the organisation and run the organisation who are publicly committed to the philosophy of public sector. Therefore, if these directors or Chairmen of the existing banks are allowed to become the Custodians, that purpose will not be served. This is my first point.

My second point is that if it is necessary for appointing Custodians merely as a stop-gap arrangement, then also these Custodians should not be allowed to work alone. They should not be given the entire responsibility. In order that they cannot manipulate, in order that they cannot cause harm to the public sector bank, an officer from the Reserve Bank of India should also be appointed as Co-Custodian or Joint-Custodian so that any mischief which might be done by the Custodian can be prevented.

The third point is that in this Bill it has been provided that the emolu-

ments of the Custodians would be as they are getting today. My amendment is that it should not be so. The emoluments that they should be allowed should also be determined by the Government. These are the three points of my amendment.

SHRI K. P. SUBRAMANIA ME-NON : Madam, in addition to my earlier argument which related to this amendment, I would suggest that people who are appointed as Custodians of these banks should be against monopolists. They should not be creatures of the monopolists and the oligarchy in this country. Experience has shown that in many public sector undertakings, especially the financial institutions, the people who are put in charge of these institutions become the instruments, the engines by which these big monopolists enrich themselves. Therefore, I would suggest that in running these banks the Government should see to it that such creatures of monopolists and the oligarchs do not have a chance to continue to manipulate the funds of the banks in order to enrich the monopolists and the oligarchs.

श्री गणेशी लाल धीरि : महोदया, मेरा एक बहुत छोटा-सा संशोधन है इस विधेयक के क्लॉज 10 (3) में जो बैंक में काम कर रहे अधिकारी हैं उनके वेतन को सुरक्षित रखा गया है। मेरा यह संशोधन है कि जो अधिकारी 2,000 रु० से ऊपर पा रहे हैं उनकी 2,000 रु० की सीलिंग कर दी जाये। जब देश में हम नेशनलाइजेशन की तरफ जा रहे हैं तो जो व्यक्तिगत आमदनी है उसका भी राष्ट्रीयकरण, उसका भी नेशनलाइजेशन होना चाहिये। तो यह यहां से पहला कदम होगा कि जो अधिकारी 2,000 रु० से ऊपर पा रहे हैं उनका वेतन 2,000 रु० तक सीमित कर दें। मैं यह इसलिये कह रहा हूँ कि उन बैंकों में जो कर्मचारी काम कर रहे हैं उनको पुराने बैंक वाले अपने निजी स्वार्थों के हित में बहुत ज्यादा ज्यादा नौकरियाँ और वेतन दे रहे थे। तो अब जब बैंक नेशनलाइज हो रहा है तो जहां जहां 2,000 से ऊपर की इनकम है उसको खत्म कर देना चाहिये और 2,000 रु० से ज्यादा नहीं देना चाहिये वरना देश के लिये बड़ा अन्याय होगा, अन्याय

ही नहीं होगा बल्कि देश के लिये एक कदम भी होगा कि नेशनलाइजेशन के बाद भी वह कर्मचारी 2,000 से ऊपर की तनखाह पायें। इन शब्दों के साथ मैं चाहता हूँ मेरा यह संशोधन स्वीकार किया जाये।

SHRI DAHYABHAI V. PATEL: Madam, the amendment that I am moving is very simple. The Law Minister is generally careful in some matters. But I do not know why he has allowed this repetition. I would like the Law Minister to delete sub-clause (4) which says "The Custodian shall hold office during the pleasure of the Central Government." I thought it was mentioned in the earlier clause. If you read the earlier sub-clause, you will see :

"Provided that the Central Government may, if the Chairman of an existing bank declines to become or to continue to function as, a custodian of a corresponding new bank, or if it is of opinion that it is necessary so to do, appoint any other person as the Custodian of a corresponding new bank and the Custodian so appointed shall receive such emoluments as the Central Government may specify in this behalf."

I thought it is included in the previous sub-clause. So it is utterly redundant and this is an extra clause put in here. Therefore, I move this amendment that this be deleted.

DR. BHAI MAHAVIR: Madam, the amendment that I have suggested is regarding the removal of the Custodian :

"Provided that no custodian shall be removed from his office unless he has acted to the detriment of the interest of the bank."

In this connection, I would like the hon. Law Minister to indicate if this provision for appointment and continuance of the Custodian is meant only as an interim measure and ultimately the board of directors is to take over. If for a smooth change-over from the interim measure to a permanent arrangement this clause is there, then I will not press my amendment. But in case this is meant to be kept, I would like to suggest that such arbitrary and unlimited powers being taken by the Government for the removal of the Custodian is not desirable. There

[Dr. Bhai Mahavir]

should be a qualifying clause that he would be removed only if he has acted in any manner to the detriment of the interests of the bank. Therefore, if this is an interim measure, I would not press my amendment—I would like a clarification on that—but if that is not so, then I would urge that my amendment may be accepted.

SHRI P. GOVINDA MENON: Madam, Custodian itself is an interim arrangement. As soon as the banks were taken over, so that there might be no dislocation, the existing Chairmen were made Custodians. If you go down to clause 13, you will see that a scheme is going to be made and placed before Parliament for constituting the board of directors, etc. So this is an interim measure and being an interim measure, all that has been stated with respect to the salaries, qualifications, etc., of the Custodians may kindly be withdrawn.

Regarding Mr. Dahyabhai Patel's accusation that sub-clause (4) is redundant, I would submit that it is not so. The earlier clause is to provide that the existing Chairman may become Custodians. Now it may be that a Chairman may refuse to become the Custodian. Then power is given to the Central Government to appoint somebody else as Custodian, and even an existing Chairman may be removed by the Government and not appointed as Custodian. Then comes sub-clause (4). This is a general clause that Government will have the power to remove any Custodian if the need arises. So Dr. Mahavir does not press his amendment because this is an interim measure. Clause 10(2) specifies the persons who are appointed custodians and Clause 10(4) says that they shall hold office during the pleasure of the Government. Regarding the salaries it would be too much to say that on one fine morning you should reduce the salaries of persons who have been running these banks for some time. Regarding Mr. Subramania Menon's amendment also I would say that the question of the appointment of custodians does not arise because it is a transitory measure. They are already there. When the scheme comes up for discussion I would earnestly request honourable Members of the House to give the benefit of their views regarding the proper way in which these banks should be managed be-

cause that will be the content of the scheme. In the circumstances I would request that all these amendments to Clause 10 may kindly be withdrawn.

THE DEPUTY CHAIRMAN : What do you say Mr. Sinha? Are you pressing it?

SHRI REWATI KANT SINHA: Yes, Madam.

THE DEPUTY CHAIRMAN: The question is :

56. "That at page 6, after line 43, the following be inserted, namely :—

(IA) Every corresponding new bank shall maintain as its branches, all branches of the existing bank which were in existence immediately before the 19th July, 1969, and no such branch may be closed without the previous approval of the Central Government.

(IB) Every corresponding new bank may establish branches at any place in or outside India in addition to the branches referred to in sub-section (2).

(IC) Notwithstanding anything contained in sub-section (3) every corresponding new bank shall establish not less than fifty branches, out of which about twenty-five branches shall be in rural areas, per annum for a period of five years or such extended period as the Central Government may specify in this behalf. The places where such additional branches are to be established shall be determined in accordance with any such programme as may be drawn up by the Central Government in consultation with the Reserve Bank and the Planning Commission from time to time and no such branch shall be closed without the previous approval of the Government."

*The motion was negatived.*

THE DEPUTY CHAIRMAN: The question is :

57. "That at page 7, for lines 4 to 14, the following be substituted, namely :—

'(5) The Central Government shall appoint such persons as custodians who have not been a

Chairman or a Director of any corresponding existing bank, on such emoluments as may be fixed by the Government within one month of the commencement of (his Act.

Provided that until the aforesaid appointment is made, the 'Chairman of the existing banks holding office as such immediately before the commencement of this Act, shall be the custodians of the corresponding new banks and they shall be associated by an officer of the Reserve Bank of India as a joint custodian.'

*The motion was negated.*

THE DEPUTY CHAIRMAN : The question is :

58. "That at page 7, for lines 4 to 14, the following be substituted 'namely:—

'(3) The Custodians to be so appointed shall be persons who are economic or financial experts and who are publicly committed to anti-monopolistic and anti-oligarchic policies and who are not financially or otherwise connected with big business'^

*The motion was negated.*

SHRI GANESHI LAL CHAU-TJHARY: Madam, I want to withdraw my amendment, No. 59.

*\* Amendment No. 59 was, by leave, withdrawn.*

SHRI DAHYABHAI V. PATEL : Madam, I do not want to press my amendment. I just wanted to point out that it is redundant. So, I beg leave to withdraw my amendment, No. 61.

*\*Amendment No. 61 was, by leave, withdrawn.*

DR. BHAI MAHAVIR: Madam, I hes leave to withdraw my amendment, No. 62.

*"Amendment No. 62 was by leave withdrawn.*

THE DEPUTY CHAIRMAN : The question is :

\*For text of amendment 3242 vide col. *Supra.*

"That Clause 10 stand part of the Bill."

*The motion was adopted.*

*Clause 10 was added to the Bill.*

*Clause 11—Corresponding new bank to be guided by the directions of the Central Government*

SHRI M. K. MOHTA: Madam, I move:

63. "That at page 7, line 18, after the words 'be guided by' the words 'business principles and' be inserted."

SHRI CHITTA BASU: Madam, I move :

64. "That at page 1, line 20 after the words 'the Reserve Bank', the words 'and the policy-making body or bodies which may be formed in the prescribed manner' be inserted."

SHRI M. K. MOHTA: Madam, I move:

65. "That at page 7, at the end of line 20, after the word 'give' the words 'in writing' be inserted."

DR. BHAI MAHAVIR: Madam, I move:

66. "That at page 7, at the end of line 20, after the word 'give' the words 'subject, however, to the condition that there shall be no intervention in the day to day administration and affairs of the bank' be inserted."

SHRI DAHYABHAI V. PATEL:

Madam, I move :

67. "That at page 7, lines 21 to 24 be deleted."

SHRI REWATI KANT SINHA: Madam, I move :

68. "That at page 7, after line 24, the following be inserted, namely:—

'(3) Every corresponding new bank shall utilise the additional deposits received by them over the deposits as on the 19th July, 1969, in lending to various sectors of the economy as per the proportions specified in this behalf by the Central Government and such proportion shall not be less than the under-noted percentage :—

	per cent
Small-Scale industries	20
Agriculture and allied activities	40
Self-employed persons	10

[Shri Rewati Kant Sinha]

(4) Notwithstanding anything contained in any law for the time being in force, the Central Government shall appoint a one man Tribunal with a person who is or has been or is qualified to be a judge of a High Court or the Supreme Court to go into complaints relating to cases of corruption in the sanctioning of advances or other facilities by the various authorities in the corresponding new banks, the minimum punishment for which shall be two years' imprisonment extending up to five years.' "

*The questions were proposed.*

SHRI M. K. MOHTA: Madam, on Clause 16 there is only a very simple point that I have to make, namely, that the custodian of the bank must be a person who has got ten years of experience in the banking business. In case the present custodian either resigns or is removed due to any reason and a new custodian is appointed by the Government, according to my amendment there must be a man with experience in the banking business. The only reason for this amendment is to avoid the appointment of anyone on political considerations...

AN HON. MEMBER: On which clause are you speaking?

THE DEPUTY CHAIRMAN: Are you speaking on your amendments, 63 and 65, to Clause 11? You have moved amendments 63 and 65 to Clause 11.

SHRI M. K. MOHTA: I am sorry, Madam. I was mistaken. I shall speak on amendments 63 and 65.

The effect of amendments 63 would be that the discharging of banking functions by the authorities must be guided by business principles. As I had occasion to state earlier in respect of one of the amendments moved by me, the guiding principle which the authorities would apply in the exercise of powers in the day-to-day functioning of the banks, is not very clear, and the depositors are understandably worried about it. If principles other than strict business principles are applied, there is a very great danger of the money of the depositors being jeopardised. Therefore, I would appeal to

the Government to accept this amendment which simply says that the functioning of the nationalised banks should be guided by business principles.

The second amendment is also a very simple one. That is amendment 65. It says that the directions of the Central Government on policy matters must be given in writing. We do not want to have any confusion regarding this. We do not want to face a situation where the custodian will say that a direction was given by the Government and the Government spokesman will say that it was given. So, in order to obviate such a difficulty, all the directions must be in writing.

SHRI CHITTA BASU: Madam, mine is also a very simple one. In Clause 11 it has been stated that the functions of these banks will be discharged in accordance with the directions given by the Central Government in consultation with the Governor of the Reserve Bank. Madam, in the course of the discussion on the Bill certain basic questions were raised as to the question of creditworthiness, as to the question of extending credit to the different sectors of our industry. Therefore, many policy matters are also involved in the matter of discharging the functions of the nationalised banks. Therefore, my simple amendment is here and that has also become necessary because we are not provided with the entire scheme as contemplated under Clause 13 which says that there will be a scheme, a comprehensive scheme for the management of the nationalised banks. Therefore, I presume that under Clause 13 there may be a certain scheme which may also provide a certain policy-making body or bodies. My amendment, therefore, at this stage is that consultation should be done not only with the Reserve Bank of India but also with the policy-making body or bodies which may be formed under the contemplated scheme. In the matter of discharging these functions of the nationalised banks not only the Reserve Bank but also such body or bodies should be consulted.

DR. BHAI MAHAVIR: Madam, the amendment that I have moved is something which I hope it should be very easy for the Government to accept. As it is, Clause 11(1) says—

"Every corresponding new bank shall, in the discharge of its func-

tions, be guided by such directions in regard to matters of policy involving public interest as the Central Government may, after consultation with the Governor of the Reserve Bank, give."

I only want that the words "subject, however, to the conditions that there shall be no intervention in the day to day administration and affairs of the bank" be inserted. If these words are inserted, the purpose of the clause or the intention with which the Government has put in this clause here is not going to be defeated or jeopardized in any way. If anything, it will only be clarified and it will be made sure that there will be no obstruction or there will be no undesirable difficulties created because of some bossy type of official who happens to be dealing with the affairs of the bank; simply for the sake of fun he may be giving petty instructions on small matter, that should be avoided and by accepting my amendment the Government will not be losing anything of the spirit in which this clause has been framed. In fact it will only clarify the purpose of the clause and its spirit will remain intact. Therefore, I hope the Government will be able to accept this amendment.

SHRI DAHYABHAI V. PATEL: Madam, I would like to delete part two of the clause because already so much power is concentrated in the hands of the Central Government, and the Central Government wants to decide everything in this matter, itself. As a matter of fact this measure and the subsequent measure that the Law Minister says he is going to bring forward in his connection, should be clear that no such provision should be necessary. On anything that remains where there is no decision, the sole decision will be that of the Central Government. I think that is not right and therefore, I object to this and I want this to be deleted.

श्री रेवती कान्त सिंह : माननीया, बैंकों की सिर्फ व्यवस्था सरकार के हाथ में ले लेने से ही इस उद्देश्य की पूर्ति नहीं होगी जिस उद्देश्य के लिये बैंकों का राष्ट्रीयकरण किया गया है। बैंकों के राष्ट्रीयकरण के बाद सबसे महत्वपूर्ण विषय जो सामने आता है वह यह है कि इन राष्ट्रीयकृत बैंकों की क्रेडिट पालिसी क्या होगी, ऋण देने की नीति क्या होगी, किन को ऋण

मिलेगा। अब तक बैंकों से जो ऋण मिलता था वह बड़े उद्योगपतियों को मिलता था और बड़े उद्योगों के लिये मिलता था, छोटे उद्योगों के लिये नहीं मिलता था, किसानों को नहीं मिलता था और मध्यम उद्योगों के लिये नहीं मिलता था। इसलिये मैं चाहता हूँ कि यह जो क्लॉज 11 है, इसमें जहाँ डाइरेक्शन की बात है वहाँ इस संसद् से ही इस बिल में यह प्राविजन कर दिया जाये कि क्रेडिट पालिसी क्या होगी, और उसके लिये एक गाइड-लाइन दे दी जाय। इसी को ध्यान में रख कर मैंने यह अमेंडमेंट दिया है कि 19 जुलाई के बाद जो एडिशनल डिपार्ट्मेंट्स हों उनका य्यूटीलाइजेशन इस ढंग से किया जाये कि स्माल स्केल इंडस्ट्रीज को 20 परसेंट एग्रीकल्चर सेक्टर में छोटे किसानों को, स्माल फार्मर्स को 40 परसेंट और वैसे लोग जो सेल्फ-एम्प्लायड हैं, जो स्वयं अपनी दस्तकारी बगैरह का काम करते हैं उनको 10 परसेंट उसमें से दे दिया जाये और उसका इस बिल में प्राविजन कर दिया जाये।

दूसरी बात मैंने इस अमेंडमेंट में यह कही है कि अगर इस क्रेडिट पालिसी में एडवांसेज सेंक्शन करने में किसी तरह के भ्रष्टाचार की शिकायत आये तो उन शिकायतों की जांच करने के लिये एक ट्रिब्यूनल की व्यवस्था हो, जिस ट्रिब्यूनल का हैड कोई एग्जिस्टिंग जज हो या रिटायर्ड जज हो या कोई ऐसा व्यक्ति हो जो सुप्रीम कोर्ट या हाई कोर्ट का जज नियुक्त होने की योग्यता रखता हो। मैं समझता हूँ कि इस छोटे से महत्वपूर्ण संशोधन को स्वीकार करने में कानून मंत्री को कोई एतराज नहीं होना चाहिये।

SHRI P. GOVINDA MENON: This clause 11 is not a new clause. A similar one, exactly along the same lines, exists in the State Bank of India Act and nobody has objected to that till this day. Section 18 of the State Bank of India says :

"In the discharge of its functions including those relating to a subsidiary bank, the State Bank shall be guided by such directions in matters of policy involving public interest as the Central Government may, in consultation with the Governor of the

[Shri P. Govinda Menon]

Reserve Bank and the Chairman of the State Bank give to it. All directions given by the Central Government shall be given through the Reserve Bank and if any question arises whether a direction relates to a matter of policy involving public interest, the decision of the Central Government thereon shall be final."

This has been reproduced appropriately in clause 11. The points raised are, firstly, Mr. Mohta says after the words 'be guided by' the words 'business principles and' be inserted. I do not know how it comes there. A matter of policy alone is here. Mr. Basu wants to add : "and the policy-making body or bodies which may be formed in the prescribed manner". It is nowhere stated in the Bill that the policy-making body is going to be formed. We may or may not form it. That is a different matter. Mr. Mohta wants the direction to be given in writing. I have not come across any direction given by a Government authority other than in writing. Mr. Patel wanted that the question about whether a matter pertains to policy or not to be deleted. It is not necessary, he said. It was found to be necessary in the State Bank of India Act not very long ago, in 1955, when most of you were here.

Then Mr. Sinha wants a certain rigid formulation in the Bill as to how the additional deposits which are received after 19th July should be utilised. He wants 20% for small-scale industries, 40% for farmers and 10% for unemployed persons. The difficulty is that in a Bill like this, we do not have such rigid formulations. We have declared our policy that it would be our endeavour to help people of this type. Secondly these banks are governed by the Banking Regulations Act and there are certain provisions in that that a certain percentage of the money alone can be lent out. That will apply to these banks also and they are good in the interests of the banks. So" to say that all additional deposits shall be utilised for this purpose is something which is impracticable, which will not be legal and which therefore I cannot accept. I would request all my friends to withdraw the amendments.

THE DEPUTY CHAIRMAN: I shall now put the amendments to vote.

THE DEPUTY CHAIRMAN : The question is :

63. "That at page 7, line 18, after the words 'be guided' by the words 'business principles and' be inserted."

*The motion was negatived.*

THE DEPUTY CHAIRMAN : The question is :

64. "That at page 1, line 20 after the words 'the Reserve Bank', the words, 'and the policy-making body or bodies which may be formed in the prescribed manner' be inserted."

*The motion was negatived.*

THE DEPUTY CHAIRMAN : The question is :

65. "That at page 7, at the end of line 20, after the word 'give' the words 'in writing' be inserted."

*The motion was negatived.*

THE DEPUTY CHAIRMAN: The question is :

66. "That at page 7, at the end of line 20, after the word 'give' the words 'subject, however, to the condition that there shall be no intervention in the day to day administration and affairs of the bank' be inserted."

*The motion was negatived.*

THE DEPUTY CHAIRMAN: The question is:

67. "That at page 7, lines 21 to> 24 be deleted."

*The motion was negatived.*

THE DEPUTY CHAIRMAN: The question is :

68. "That at page 7, after line 24, the following be inserted, namely :—

'(5) Every corresponding new bank shall utilise the additional deposits received by them over the deposits as on the 19th July, 1969, in lending to various sectors of the economy as per the proportions specified in this behalf by the Central Government and such proportions shall not be less than the under-noted percentage:—

	per cent
Small-scale industries	20
Agriculture—small farmers	40
Self-employed persons	10

(4) Notwithstanding anything contained in any law for the time being in force, the Central Government shall appoint a one-man Tribunal with a person who is or has been or is qualified to be a judge of a High Court or the Supreme Court to go into complaints relating to cases of corruption in the sanctioning of advances or other facilities by the various authorities in the corresponding new banks, the minimum punishment for which be two years' imprisonment extending upto five years."

*The motion was negatived.*

THE DEPUTY CHAIRMAN : The question is:

"That clause 11 stand part of the Bill."

*The motion was adopted.*

*Clause 11 was added to the Bill.*

*Clause 12—Advisory Board to aid and advice the Custodian*

SHRI DAHYABHAI V. PATEL: I beg to move:

69. "That at page 7, line 30, after the words 'the Central Government may' the words 'after consultation with the Reserve Bank of India' be inserted."

SHRI REWATI KANT SINHA: I beg to move:

70. "That at page 7, line 35, after the word 'artisans' the words 'whose number shall not be less than half of the total strength' be inserted."

SHRI M. R. VENKATARAMAN (Tamil Nadu): I beg to move :

71. "That at page 7, lines 36-37, after the words 'shall also consist of the words 'representatives of State Governments and' be inserted."

SHRI BALACHANDRAN MENON : I beg to move:

72. "That at page 7, after line 38, the following proviso be inserted, namely :—

"Provided that the Advisory Board shall not include any Chairman or Director of any exist-

DR. BHAI MAHAVIR: I beg to move:

73. "That at page 7, after line 38, the following be inserted, namely:—

'Provided that the Advisory Board shall include at least a member of Parliament, an economist, a chartered accountant, and a representative each of small-scale industry, agriculturists, employees and depositors :

Provided further that no remuneration other than travelling and boarding expenses shall be paid to the members for attending Board meetings or performing other functions as Board members.' "

*The questions were proposed.*

SHRI DAHYABHAI V. PATEL: I need not repeat the arguments that I have given before. I would not like the Government to have the power to dissolve the Board so arbitrarily. It should be done in consultation with the Reserve Bank. That is a very simple amendment and I hope the Minister will see his way to accept it. I do not understand why in matters involving banking the Government is reluctant to take the advice of the Reserve Bank which is the custodian of financial and banking matters in this country. Why does he want to treat all this as a part of his Department and wants to order about things? All this is very wrong. Therefore " I have moved this amendment.

श्री रेवती कान्त सिंह : माननीया, यह अमेंड-  
मेंट ऐसा है जो सरकार की नीतियों के खिलाफ  
नहीं जाता है क्योंकि इन बैंकों में क्रेडिट पालिसी  
के बाद सबसे बड़ी चीज मैनेजमेंट है। क्लॉज  
12 में एडवाइजरी बोर्ड के बारे में सरकार ने  
बयं माना है कि उसमें एम्प्लाइज, फार्मर्स।  
वर्कर्स और आर्टिजन्स के प्रतिनिधि भी रहेंगे,  
लेकिन सवाल यह उठता है कि उनके प्रतिनिधि  
कितने रहेंगे। यह जब तक साफ न हो तब तक  
इससे कोई लाभ होने वाला नहीं है। मान लीजिये  
20 आदमियों का बोर्ड बने। उसमें एक प्रति-  
निधि एम्प्लाइज का ले लिया जाये, एक किसानों  
का ले लिया जाये, एक वर्कर्स का ले लिया जाये  
और एक कलाकारों का ले लिया जाये (Inter-  
ruption.) अब अगर 4 ये लिए जाते हैं, बाकी



[श्री रेवतो कान्त सिंह]

16 बड़े लोग आ जाते हैं, बड़े बिजनेस वाले आ जाते हैं, सरकारी ब्यूरोक्रेट आ जाते हैं तो ये 4 ब्या कर पाएंगे। इसलिए हमारा यह कहना है कि इसको ज्यादा से ज्यादा जनतांत्रिक बनाने के लिए, ज्यादा से ज्यादा जनता का रिप्रेजेंटेशन लाने के लिए इसमें यह व्यवस्था आवश्यक है क्योंकि नेशनलाइजेशन सिर्फ सरकार के हाथ में मनेजमेंट आकर रुक जाये, उसका समाजीकरण न हो, समाज में उसकी व्यवस्था का, उसके प्रबन्ध का फैलाव न हो तो नेशनलाइजेशन का कोई मतलब नहीं होगा। तो मैं चाहता हूँ कि इन लोगों के जो प्रतिनिधि हों वे किसी भी हालत में टोटल स्ट्रेंथ के आधे से कम न हों, आधे से ज्यादा हो सकते हैं।

SHRI M. R. VENKATARAMAN :

Madam, this is an amendment to subclause (2) of clause 12. In a sense this is a formula and I am inclined to think that the hon. Law Minister will be accepting it. This is in respect of the composition of the Advisory Board and sub-clause 12.(2) lists out the types of persons who can be on the Advisory Board, such as employees of the bank, farmers, workers, artisans, etc. etc. I am adding only one more category. In sub-clause 12.(2) I am suggesting by my amendment that the words "representatives of State Governments" may also be added, and I think it is very appropriate that it should be so, and it is for two reasons. If we remember the set-up in India today, it is not one and the same party which is ruling at the Centre and in the States. That is one reason. Secondly, the State Governments also are playing a very important and substantial part in the operation of these banks, in the utilisation of these funds, and in respect of the very aim which this Bill has in view, namely, helping the common man. Particularly when many friends have already suggested utilisation of these funds for agricultural purposes and the like, the presence of representatives of State Governments will obviously be a help.

SHRI K. SUNDARAM : According to clause 12 it seems to me that this Advisory Board is only a temporary body and lasts until according to the next clause a scheme is prepared in consultation with the Reserve Bank and

such scheme is implemented. Now subclause 12.(1) says : "There shall be an Advisory Board to aid and advise the Custodian in the discharge of his duties." But this sub-clause does not say who is going to appoint this Advisory Board, and the proviso only says that the Central Government might remove the Advisory Board. And the next sub-clause 12.(2) says who will be on the Advisory Board—the categories of people who will be on the Advisory Board have been mentioned, and it is also mentioned that the Advisory Board "shall also consist of such other persons as the Central Government may, by notification in the Official Gazette, appoint. If the Central Government is going to appoint this Advisory Board now—after the take-over—where is the necessity for the Central Government to dissolve this Board ? Therefore, if the Advisory Board appointed by the Government, if it is to be dissolved by the same Government, then there should be consultations with the Reserve Bank before its dissolution.

SHRI BALACHANDRA MENON : My amendment is a very simple amendment and it says : "Provided that the Advisory Board shall not include any Chairman or Director of any existing bank." They should not be included. We have seen how most of these Directors and Chairmen have connections with monopoly houses, and they should not be allowed to continue and sabotage the activities of the new corresponding bank. Another thing; I am happy that the Government have felt that the representatives of bank employees, of farmers, workers and artisans and others should be on the Advisory Board. No doubt the representatives of bank employees must be there; others must also be there. But how will you find out who are the representatives of the workers when thousands of trade unions are there ? How will you find out who are the representatives of the artisans when lakhs and lakhs of artisans are there ? These are things which I would like to know; how will you find them out ? I would therefore suggest that at least the central organisations of the trade unions may be there,

DR. BHAI MAHAVIR : Madam, I have suggested in this amendment that a Member of Parliament, an economist, a Chartered Accountant, and a representative of small-scale industry in addition to those already provided for

should be included. I think, if a Member of Parliament is there, by his very presence the spirit of the accountability of these banks to Parliament in the interests of the nation's welfare, that spirit would be observed in a better manner. Similarly, there should be an economist who understands the implications of the various policies. From what the Bill provides in this respect, in the matter of representation in the Advisory Board, we find that there are depositors, bank employees, farmers, workers and artisans. It is all a change for the better. But along with them people who know something of the lines in which the banks have to deal must be there. A Chartered Accountant would be able to detect in good time if there are any financial irregularities, or any loopholes which need to be checked. Similarly, I have said that there should be a representative of small-scale industry. Much has been said about the need to help small men, about the need to promote small-scale industry in this country. If a representative of the small-scale industry were kept, only then we would be able to know whether the purpose for which this nationalisation is alleged to be done, that is being observed or not. For all we know, the previous steps, they have not been able to help the small-scale industry in any large measure. Therefore, it is in the spirit of the Bill itself, as it is claimed to be, that I am suggesting this, and the three earlier suggestions, about a Member of Parliament, an economist and a Chartered Accountant, these are for the proper functioning and for providing skilful help in the matter, of guiding the banks. Therefore I hope it should be possible for the Government to accept this amendment.

Lastly, Madam, the second part of my amendment is that the members of this Board should not be paid remuneration beyond the actual expenses of travelling and boarding. For this I need not say much in the form of arguments. I think it would be a healthy practice in the interests of the society and the nation if the members of the Board accept to do their duties by merely charging for the actual expenses incurred.

SHRI P. GOVINDA MENON : Like the Custodian the Advisory Board also is a transitory thing. Because the banks are now in the hands of Custodians and "because there are no Boards of Directors to carry on the work of the banks,

it was thought that Advisory Boards should be appointed for the transitional period. And with respect to that Advisory Board I do not think so much of controversy should be there. We have made it a very flexible thing. "The Advisory Board shall consist of representatives of the following, namely, the depositors. . . we have not said "how many. . . of the corresponding new bank, employees of such bank, farmers, workers and artisans," . . . "and shall also consist of such other persons as the Central Government may, by notification in the Official Gazette, appoint." AH that I can say is that the suggestions made here with respect to the various categories who should go into the Advisory Board will be kept in mind when these nominations are made by the Central Government "of such other persons". I do not think a Member of Parliament is a necessary constituent of the Advisory Board to be constituted here, because the burden of all the speeches from certain sections of the House has been that politics should not be allowed to interfere with the working of these banks.

DR. BHAI MAHAVIR : One suggestion has been accepted from the House and we feel happy.

SHRI P. GOVINDA MENON : No politics. Let us not be there. Let them be persons with banking experience, etc. That being so and this being a transitory measure I would humbly request the friends who have moved the amendments to withdraw them.

AN HON. MEMBER : What about State Governments?

SHRI P. GOVINDA MENON : Regarding State Governments also this argument will all the more be applicable. There are 16 States now in India and if at least one representative of each State is there this Advisory Board is likely to be a Parliament.

\* *Amendment No. 69 was, by leave, withdrawn.*

THE DEPUTY CHAIRMAN : The question is :

70. "That at page 7, line 35, after the word 'artisans' the words 'whose number shall not be less than half of the total strength' be inserted."

*The motion was negatived.*

"For text of amendment, vide col. 3257 *supra*.

THE DEPUTY CHAIRMAN : The question is :

71. "That at page 7, lines 36-37, after the words 'shall also consist of the words 'representatives of State Governments and' be inserted."

*The motion was negatived.*

\* Amendment No. 72 was, by leave, withdrawn.

THE DEPUTY CHAIRMAN : The question is :

73. "That at page 7, after line 38, the following be inserted; namely :—

'Provided that the Advisory Board shall include at least a member of Parliament, an economist, a chartered accountant, and a representative each of small-scale industry, agriculturists, employees and depositors :

Provided further that no remuneration other than travelling and boarding expenses shall be paid to the members for attending Board meetings or performing other functions as Board members. '"

*The motion was negatived.*

THE DEPUTY CHAIRMAN : The question is :

"That clause 12 stand part of the Bill."

*The motion was adopted.*

*Clause 12 was added to the Bill.*

*Clause 13—Power of Central Government to make Scheme.*

SHRI BANKA BEHARY DAS : Madam, I move :

74. "That at page 7, line 47, for the words 'fifteen crores' the words 'ten crores' be substituted."

SHRI REWATI KANT SINHA : Madam, I move :

75. "That at page 7, line 48, after the word 'Directors' the words 'which shall also include representatives of

\*For text of amendment, vide col. 3257 *supra*.

bank employees, farmers, workers, and artisans whose number shall not be less than half of the total strength\* be inserted."

SHRI TARKESHWAR PANDE (Uttar Pradesh) : Madam, I move :

77. "That at page 7, after line 51, the following proviso be inserted, namely :—

'Provided that one-third of the Directors shall be appointed from loanee farmers and landless farmers.' "

118. "That at page 8, after line 17, the following be inserted, namely :—

'(5) The Central Government may, after consultation with the Reserve Bank of India, make a scheme to provide credit facilities to the farmers and landless farmers to the extent of thirty per cent and twenty per cent respectively, of the total available resources of the corresponding new banks.' "

SHRI K. P. SUBRAMANIA MENON : Madam, I move :

78. "That at page 8, at the end of line 14, after the word, brackets and figure 'sub-section (i)' the words 'and also representatives of the State Governments' be inserted."

DR. BHAI MAHAVIR : Madam, I move :

79. "That at page 8, after line 17, the following be inserted, namely :—

'Provided that the Board of Directors shall include at least a Member of Parliament, an economist, a chartered accountant, and a representative each of small-scale industry, agriculturists, employees and depositors:

Provided further that no remuneration, other than travelling and boarding expenses, shall be paid to the members for attending Board meetings or performing other functions as Board members.' "

SHRI GANESHI LAL CHAUDHARY : Madam, I move :

117. "That at page 8, line 12, for the words 'workers and artisans' the words 'workers, artisans and persons

belonging to Scheduled Castes' be substituted."

*The questions were proposed.*

SHRI BANKA BEHARY DAS : Madam, before I speak on the amendment which relates to the scheme that the Central Government will prepare I want to point out to you particularly how in this House we are being misled. In connection with foreign banks which I advocated to be taken over, the Minister gave an impression that because of reciprocal arrangement it will be difficult for our banks to function if they are in the nationalised sector. I have got here the Reserve Bank of India Report in which we find that in the United Kingdom in London we have a branch of the State Bank of India. Our trading relations with the United Kingdom is much more than any other country. So this argument does not hold good at all and by speaking like that practically he has misled the House.

Secondly, as you know excepting U.K. and Japan in no developed country I have we any banking institution and all our banking institutions in foreign countries have less to do with trade. We see how in West Germany, France and America we have no banking institutions of our own. Wherever we have our banks like Fiji Islands or Hong Kong or Kanya or Malaysia it is more because of Indian nationals there. So that argument has never been advanced. Up till now arguments were being advanced that the branches of foreign banks in our country help imports and exports trade and therefore they are excluded. But there are 50 branches of the National & Grindlay's Bank in this country. So all these arguments have no basis. I can understand if the Government of India decides that foreign banks should not be nationalised. I can understand that but to give arguments which have no relevance at all to facts that exist today is not proper.

Now, I come to my amendment proper. This clause 13 is very important. The Government of India will prepare a scheme to run these fourteen nationalised banks. And here they have said that the capital structure of the corresponding new banks may go up to Rs. 15 crores. I want that it should be reduced to Rs. 10 crores and I just want to tell you why I want to do that. If you see the State Bank of India, not its subsidiaries, then you will find its paid-up capital is only Rs. 5 crores and

62 lakhs and it controls 20 per cent of the deposits of the country according to the Reserve Bank of India Report. That means the total deposits of all the banking institutions including the nationalised banks, private banks, scheduled and non-scheduled banks that are operating here come to about Rs. 3,962 crores and the State Bank of India, the No. 1 bank with a paid-up capital of Rs. 5.62 crores is dealing with deposits, to the extent of Rs. 786 crores which is about 20 per cent of the total deposits and if you take into account the other seven subsidiaries of the State Bank of India which has a paid-up capital of less than Rs. 5 crores, they deal with about another 20 per cent of the deposits of the country. That means the State Bank of India and its subsidiaries having a paid-up capital of less than Rs. 11 crores deal with more than 40 per cent of the deposits of the country. So I do not understand why they have wanted it to be Rs. 15 crores while the State Bank of India with Rs. 5 crores. of paid-up capital can deal with 20 per cent of the deposits. We all accept that because of some maladies in the public sector industries there should be a healthy competition among public sector industries. In the case of Hindustan Steel you know how many times we have toyed with the idea of having one corporation, then making it into three,, then giving autonomous powers and all that. All Kinds of arguments have been advanced and criticisms have been levelled. When the Government takes over these banks instead of making them one corporation if they make 3, 4 or 5 corporations there will be a healthy competition between the different banks in the nationalised sector so that not only the depositors will be benefited but the country will also be benefited and in addition to that there will be a sort of decentralisation in the functioning of these banks. These Rs. 15 crores may handle about 60 per cent of the deposits of the country and so our purpose will not be served. That is why I plead' with the Government that if you want the nationalised banking institutions to function properly there must be healthy competition amongst themselves so that the clients, the depositors and the country will be benefited. Probably we can enlarge these banks, make them a little bigger but they should not be so big that there will be absolute monopoly which also has been criticised so much. Everywhere in the world wherever public sector has been developed' there is competition. Even in the Soviet

[Shri Banka Behary Das]

Union and other countries there is competition between similar types of industry so that each tries to develop and serve the economy in a better way. If there are only one or two banks there is the danger that the economy may not be properly served and if there is some mistake committed the entire economy will be damaged.

THE DEPUTY CHAIRMAN : That will do now.

SHRI BANKA BEHARY DAS : That is why I wanted to quote these figures to show that the paid-up capital as such is an insignificant matter in the banking institutions. The State Bank of India, the No. 1 Bank—excluding its subsidiaries—having a little more than Rs. 5 crores can handle so much; not only that but from the point of view of profitability also you will find from the Report of the Reserve Bank of India that the State Bank of India gave 23 per cent dividend in 1967 whereas none of these 14 banks has declared 23 per cent dividend in 1967 whereas been 22 per cent or 20 per cent or below that. So from this point of view also this is important. I know they will not accept this amendment at this stage. Even if they have Rs. 15 crores the scheme should be drawn up in such a way that the banking institutions will function in a healthy atmosphere even in the public sector so that the depositors will be benefited, the clients will be benefited and the national economy will prosper.

श्री रेवती कान्त सिंह : माननीया, मेरा बहुत छोटा-सा अमेंडमेंट है।

श्री जगदम्बी प्रसाद यादव : लेकिन मोटा है।

श्री रेवती कान्त सिंह : माननीया, मेरी समझ में नहीं आता है कि क्लॉज 12 में एडवाइजरी बोर्ड में फार्मर्स, बैंक इम्प्लाइज, वर्कर्स और आर्टिजंस के रिप्रेजेंटेटिव्स को रखने के सिद्धांत को सरकार ने माना है, एडवाइजरी बोर्ड जो कि एक अस्थायी चीज है क्योंकि जब तक कस्टोडियन है तभी तक तो उसको एडवाइज करने को एडवाइजरी बोर्ड है और कस्टोडियन जब खत्म हो जायेगा जो कि निश्चित है कि खत्म हो जायेगा तब उसके बाद एडवाइजरी बोर्ड खत्म हो जायेगा, तो इस अस्थायी चीज में तो

सरकार ने किसानों और बैंक कर्मचारियों को प्रतिनिधित्व देने की बात को मान कर के यह दिखलाने की कोशिश की है कि बैंकों में वर्कर्स पार्टिसिपेशन इन मैनेजमेंट के सिद्धांत को सरकार लागू करना चाहती है लेकिन जो स्थायी चीज है, परमानेंट चीज है यानी इस कानून के मुताबिक जो बोर्ड आफ डाइरेक्टर्स बनेगा उसमें बैंक के कर्मचारियों के, किसानों के और दूसरे मजदूरों और कारीगरों के प्रतिनिधित्व के बारे में कोई उल्लेख नहीं है। इसलिये इस संशोधन के द्वारा मैं यह चाहता हूँ कि इसमें यह उल्लेख कर दिया जाये कि जो बोर्ड आफ डाइरेक्टर्स बनेगा उसमें भी जैसी कि एडवाइजरी बोर्ड में क्लॉज 12 में, इन लोगों के प्रतिनिधित्व की व्यवस्था है वैसे ही उनके प्रतिनिधित्व की व्यवस्था की जायेगी और उनकी संख्या टोटल स्ट्रेंथ के आधे से कम नहीं होगी।

यह हमारा छोटा-सा अमेंडमेंट है और मैं समझता हूँ कि कानून मंत्री जी को इसको मानने में कोई ऐतराज नहीं होना चाहिये क्योंकि जो अस्थायी बाड़ी है, एडवाइजरी बोर्ड है, उसमें उन्होंने मान लिया है कि इनको प्रतिनिधित्व देंगे लेकिन जो स्थायी चीज बनने वाली है, जो परमानेंट बाड़ी बनने वाली है, उसमें अगर उनके प्रतिनिधित्व के सिद्धांत को नहीं स्वीकार करते हैं, उसको नहीं देते हैं तो जो इतना ढिंढोरा पीटा गया कि एक नया काम हो रहा है कि बैंकों के मैनेजमेंट में वर्कर्स पार्टिसिपेशन की शुरुआत की जा रही है वे सारी बातें यों ही रह जायेंगी।

श्री तारकेश्वर पांडे : महोदया, जो हमारा संशोधन है वह इस विधायक की 13वीं दफा में है। मेरी प्रार्थना यह है कि बैंकों का जो राष्ट्रीयकरण किया गया है उसका जितना देश ने स्वागत किया है वह उतना कान्तिकारी कदम नहीं है। बड़ी तेजी से देश को आगे बढ़ना होगा तभी देश की भलाई हो सकती है। हम इस समय मिश्रित अर्थ-व्यवस्था में चल रहे हैं, इसका भी अन्त करना होगा तभी समाजवाद के लक्ष्य का स्वप्न पूरा हो सकता है, यह मैं सरकार को बताना चाहता हूँ।

बैंकों का जो राष्ट्रीयकरण किया गया है उसके सम्बन्ध में मैं एक निवेदन करना चाहता हूँ, आप इस पर विचार कर लें। इसमें कोई संदेह नहीं है कि देश में इसके लिये उत्साह है और आगे बढ़ने के लिये इससे प्रेरणा भी मिलती है लेकिन जब तक इसकी व्यवस्था हम ठीक ढंग से नहीं कर पायेंगे तब तक हमको विशेष लाभ नहीं होगा। [हमारा देश किसानों का देश है, अनुमानतः 80 से 82 फीसदी तक इस देश में किसान फैले हुये हैं और किसानों में भी दो प्रकार के हैं, एक वे किसान हैं जिनके पास भूमि है और दूसरे वे किसान हैं जो कि भूमिहीन किसान हैं। मैं यह निवेदन करना चाहता हूँ कि अर्थ जो है यही जीवन को प्रेरणा देता है, यही समाज का, संस्कृति का और राज्य का संचालन करता है, जिसका आधिपत्य और नियंत्रण अर्थ-व्यवस्था पर होता है वही देश का संचालन कर सकता है। इसलिये मैं चाहता हूँ कि लाखों और करोड़ों की संख्या में जो उपेक्षित हैं, धनहीन हैं, साधनहीन हैं, किसान हैं उनको जब तक यह सरकार साधन-सम्पन्न नहीं बनायेगी, अर्थ-व्यवस्था पर उनको आधिपत्य नहीं देगी तब तक उनका भला नहीं हो सकता है और वह ठीक ढंग से संचालन नहीं कर सकते ह। इसी दृष्टिकोण से मैंने यह सुझाव आपके सम्मुख रखा है। मेरा पहला सुझाव यह है कि विभिन्न बैंकों के जो संचालक मंडल होंगे उनमें प्रतिनिधित्व का एक तिहाई हिस्सा किसानों और भूमिहीन किसानों को दिया जाये।

मैं यहां बड़ा उपदेश सुन रहा हूँ विशेषज्ञों का, चार्टर्ड एकाउंटेंट्स का और फाइनेंशर्स का और उनका भी सुनता हूँ जिनको कि बैंकिंग कला का बड़ा ज्ञान हो लेकिन मैं आपसे निवेदन करूंगा और इस महान् संस्था के सदस्यों से भी निवेदन करूंगा कि समाज का निर्माण और क्रान्तियां बिद्वानों द्वारा, विशेषज्ञों द्वारा नहीं होती हैं, अनुभवी लोगों द्वारा ही नहीं होती हैं बल्कि जिनमें क्षमता होती है, प्रेरणा होती है, संगठन शक्ति होती है वही इसका निर्माण करते हैं। तो यही मैं गवर्नमेंट से कहना चाहता हूँ कि संचालक मंडल में कम से कम एक तिहाई स्थान

उनको दें जो कि किसान हैं और किसानों में भी भूमिहीन किसान हैं।

दूसरी व्यवस्था मैं क्या चाहता हूँ। ये बैंक जो हैं वे देश के विभिन्न क्षेत्रों में फैले हुये हैं। आखिर, राष्ट्रीयकरण की क्या आवश्यकता पड़ी। ये तो बड़ा अच्छा काम कर रहे थे, लोगों को ऋण दे रहे थे, लोगों को इन पर विश्वास भी था, लोग इनमें रुपया भी जमा करते थे। तो इनके राष्ट्रीयकरण की क्या आवश्यकता थी। मेरा अनुमान है कि गवर्नमेंट ने इनका राष्ट्रीयकरण इसलिये किया कि जनता का विश्वास मिल सके और यह भी सुनता हूँ कि जो रिक्षे वाले हैं, छोटे-मोटे बिना पढ़े-लिखे लोग हैं वह प्राइम मिनिस्टर के राजभवन जाते हैं, प्रदर्शन करते हैं, धन्यवाद देते हैं। आपको इससे क्पों घबड़ाहट होती है। इस हिन्दुस्तान की स्वतंत्रता के लिये जिन्होंने त्याग किया उनमें बहुत लोग शामिल थे, मैं इससे इंकार नहीं कर सकता हूँ कि उनमें दार्शनिक थे, वैज्ञानिक थे, विशेषज्ञ थे लेकिन हम किसान जो हैं, हमीं ने अपने को गांधी का सैनिक बनाया और तभी यह हिन्दुस्तान स्वतंत्र हुआ, विशेषज्ञों के कहने से हिन्दुस्तान स्वतंत्र नहीं हुआ, चार्टर्ड एकाउंटेंट्स और मैथमैटेशियंस के कैलकुलेशंस से मुल्क को आजादी नहीं मिली और न उससे मुल्क का निर्माण हो सकता है।

(Time bell rings.)

मैं सीधी सादी बात कहना चाहता हूँ कि हमारे यहां स्वराज्य के बाद सहकारी बैंक, लैंड मार्गेज बैंक रहे लेकिन इनसे हमारे देश के किसानों की विशेष भलाई नहीं हुई क्पोंकि इन संस्थाओं के पास धन की कमी है, अर्थ की कमी है। वह आये कहां से। क्पोंकि ये बैंक्स जिनका आप राष्ट्रीयकरण कर रहे हैं उन्हें ऋण नहीं देते थे, केवल स्टेट बैंक से इनको ऋण मिला करता था। इसलिये मैं चाहता हूँ कि आप ऐसी व्यवस्था करें कि ऋण के लिये जो धन निर्धारित हो उसमें से 30 फीसदी किसानों को मिले और 20 फीसदी भूमिहीन किसानों को मिले।

[श्री तारकेश्वर पांडे]

मैं एक और निवेदन कर के अपनी बात समाप्त करता हूँ। कि मैं सरकार से आश्वासन चाहता हूँ, क्या सरकार मुझे यह आश्वासन देना चाहती है कि जो विचार और जो भाव मैंने व्यक्त किया है उसके संदर्भ में सरकार काम करने को तैयार है।

SHRI R. T. PARTHASARATHY (Tamil Nadu) : Madam, history teaches us courage, but the courageous decision of the Prime Minister has made history and hence the legislation that is before us will have to be very carefully worked out. We have got to realise the utilitarian objectives of this piece of legislation. The heart of the Bill is in clause 13 and we should make sure as to how the Government is going to work the scheme under it. If there should be any failure on the part of the Government in any manner, the entire purpose of the legislation will be set at naught. That is why I would very much like to appeal to the Government to be very careful, judging the sense of the House and the virtually-unanimous support that it has received in this House. When they are going to formulate the scheme and put it before the people of this country, in that I would very much like to see that a large part of the reserves of these nationalised banks goes to the agricultural sector and if they do not do that, I am afraid the Bill would have lost its purpose.

Secondly, I would like to refer to the point raised by my distinguished friend, Mr. Banka Behary Das. He made a pointed reference, under this particular clause 13, to the public and private sector.

5 P.M.

Madam Deputy Chairman, if you would look to the industrial recession during the past two years, the point was minus 9 per cent the year before last and it was plus 12 per cent last year. That means that in the course of 24 months we have recouped our position to the point of 21 per cent in all. What was the part played by the banks that are nationalised in bringing about the industrial growth from a point of recession to a point of growth? The Government should very carefully

consider that there must be an equitable distribution of loans to the industrial concerns, maintaining at the same time that there should not be concentration of economic power. If the scheme were to be worked out in that particular direction, I am sure the Bank Nationalisation Bill will have received acclamation throughout the length and breadth of the country.

SHRI K. P. SUBRAMANIA

MENON : Madam, earlier the Minister said that the Advisory Board was a temporary affair. That is why he is not very serious about including State Government representatives on it. This clause relates to the Board of Directors, and naturally he should say that a State Government representative should be there on the Board of Directors.

[THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) in the Chair].

It is said that if all the 14 banks have to have State Government directors, then the 16 State Government directors should be there. I would like to submit that it is not necessary that every bank should have a representative of every State. As a matter of fact if we take most of the banks, say, for example, the Syndicate Bank, the Canara Bank, the Indian Bank or the Indian Overseas Bank, which mainly work in the South with a few branches all over India, the four State Governments in the South can be represented on the Board of Directors of these banks. Similarly in the case of the Central Bank or the Bank of India the Western States can be associated with the Board of Directors. Similarly in the case of the United Commercial Bank, the Eastern States can be associated. We can avoid duplication of all the States getting on the Board of Directors of all the banks.

Secondly, I do not like the idea that a State Government representative should come under the clause "and such other representatives as the Central Government may direct". I should consider that it will be a slur on the State Governments to have their representative at the will and pleasure of the Central Government. They should be there by right provided in this Bill. The Board of Directors is obviously a permanent feature unlike the Advisory Board. I would request the Government to agree to this suggestion.

DR. BHAI MAHAVIR : Sir, as was pointed out by the previous speaker. . .

PANDIT S. S. N. TANKHA (Uttar Pradesh) : Sir, I think his amendment is barred.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : Why should it be barred ?

PANDIT S. S. N. TANKHA : Because amendment No. 73 was the same as the present amendment, exactly in the same words.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : It is not the same. There is a little difference.

DR. BHAI MAHAVIR : The difference is which was pointed out by the hon. Law Minister, that that related to the Advisory Board and this relates to the Board of Directors. Actually the point is when we spoke about the earlier amendment, the only answer which the Law Minister gave was that it was an interim arrangement, a temporary affair, and therefore there was no point in accepting the suggestion that was being made. Now it would have been unnecessary as I was going to say if he had not taken that line or if he had argued on the merits of the amendments which were proposed. Here it is a question of a permanent arrangement which they visualise, a Board of Directors which is going to be set up for looking after the various banks. Here the suggestion which I gave was about including a Member of Parliament, an economist, a chartered accountant, and a representative of the small-scale industry, etc. The hon. Law Minister stated that politicians should be kept apart. His *bona fides* are disproved beyond doubt by the reported news that Mr. C. Subramaniam is being appointed on this. I hope he will agree that by any definition he can be termed a politician...

AN HON. MEMBER : An arch politician.

DR. BHAI MAHAVIR : ... an arch politician, and if he is going to be accepted, then the very argument he was giving here that we should keep the politician apart, the bottom is knocked out of that argument.

One thing more which might look like a little digression. When you make a permanent arrangement as you say about the representatives of the employees and all others being taken, I would ask the

hon. Law Minister if he can make a commitment. In the permanent arrangement that the Government have made in the State Bank of India, will he be prepared to take a representative of the employees on the Board of Directors there in keeping with the spirit in which this is being proposed ? If he is able to make that announcement, I hope that will give a great feeling of confidence to the employees as well as to the people at large that the Government means what it says and is not merely hoodwinking the people.

SHRI BANKA BEHARY DAS : If you avoid politicians, you may bring politics of the unpolitical, as the Prime Minister said.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : Shri Ganesh! Lai Chaudhary.

श्री गनेशी लाल चौधरी : इस बिल की धार 13 के अंतर्गत यह प्रबन्ध किया गया है कि किस तरह से सरकार इन बैंकों का संचालन करेगी और उसकी उपचारा (३) में एक गाइड लाइन दी हुई है कि संचालन में किन किन लोगों का हाथ होगा जिसमें डिपार्टमेंट्स हैं, डिपार्टमेंट्स के कुछ प्रतिनिधि होंगे इम्प्लाइज के प्रतिनिधि होंगे, किसानों के प्रतिनिधि होंगे और हाथ से काम करने वालों के प्रतिनिधि होंगे। मुझे दुःख है कि माननीय मंत्री जी ने इसमें शिड्यूलड कास्ट और हरिजनों के प्रतिनिधियों को छोड़ दिया है और मैं इस संशोधन द्वारा माननीय मंत्री जी से यह जानना चाहता हूँ कि क्या वह हरिजनों के प्रतिनिधियों को भी इस संचालक मंडल में कुछ न कुछ काम देंगे। यह मैं इसलिये कह रहा हूँ कि देखने में ऐसा आ रहा है, जहाँ भी सरकार के कारपोरेशन, सरकार के संस्थान बनते हैं, उनमें उन लोगों को तब तक कोई प्रतिनिधित्व देता जब तक कि ऐक्ट में उसका प्रावधान नहीं होता। इसलिये मैं सरकार से यहाँ जानना चाहूँगा कि क्या हरिजनों को भी संचालक मंडल से अच्छी तरह से प्रतिनिधित्व दिया जाये।

श्री शीलभद्र याजी (बिहार) : उपसभाध्यक्ष जी, मैं पं० तारकेश्वर पांडे की जो तरफ़ीम है उसका समर्थन करता हूँ लेकिन उसके साथ



[श्री शीलनन्द याजी]

साथ उनसे यह निवेदन करूंगा कि वह इसको "वोट" करने के लिये प्रेस नहीं करें। सरकार के सामने वह गुजारिश कर लें कि आगे जो बैंकों का संचालन होगा उस संचालन में जिस तरह से किसानों के रैप्रेजेंटेटिव, मजदूरों के रैप्रेजेंटेटिव जायेंगे उसी तरह से जो खेतिहर मजदूर हैं, भूमिहीन किसान हैं, जो कि हिन्दुस्तान में कुल मिलाकर सैंकड़ों पीछे 85 हैं, उनके वास्ते भी इसमें व्यवस्था होनी चाहिये। एक दूसरे संशोधन के द्वारा बक कर्मचारियों के प्रतिनिधियों, खेतिहरों, मजदूरों और कारीगरों के लिये 50 परसेंट की जो तजवीज पेश की गई है मैं उसका भी समर्थन करता हूं और जिस तरह से किसानों ने, मजदूरों ने, भूमिहीन किसानों ने इसका स्वागत किया है, तो सबसे बड़ा स्वागत योग्य तब कहा जायेगा जब इस बिल का संचालन उनकी भलाई की दृष्टि से होगा और बैंक की पूंजी उनकी तरफ जायेगी।

इन शब्दों के साथ मैं इस अमेंडमेंट का समर्थन करते हुए अपने साथी तारकेश्वर पांडे जी से निवेदन करूंगा कि वह अमेंडमेंट को वोट न कराये।

SHRI P. GOVINDA MENON : Mr. Vice-Chairman, Sir, to take the amendments in the sequence in which they were moved, I would, first of all, refer to Mr. Banka Behary Dass's amendment. Now, the provision in the Bill is that —

"the capital structure of the corresponding new bank, so however that the paid-up capital of any such bank shall not be in excess of rupees fifteen crores."

He wants to substitute Rs. 10 crores there. I think it is not necessary because fifteen crores is the maximum that has been fixed. It may be that one or the other of these banks may grow into a giant and we may have to go up to Rs. 15 crores. It does not prevent us from having a capital of five or three or six crores, as the case may be. So, since it is only a maximum that has been fixed, I would request him not to press his amendment.

Regarding the branch of the State Bank of India in the United Kingdom, etc. what I meant was, when our bran-

ches are working there, if we nationalise the banks belonging to those countries, you should consider what would happen to our banking concerns. That is what I have to say.

Regarding Mr. Sinha's amendment, I would say that he wants his amendment at page 7. But what he actually wants is at page 8. I read—"The Board of Directors shall contain certain representatives of certain categories," etc. The only difference is that he wants a rigid formulation that a certain percentage should be there. That kind of rigid formulation is not possible. Sub-clause (3) is there.

SHRI RAJNARAIN : Why is it not possible ?

SHRI P. GOVINDA MENON : We do not generally have such rigid formulations.

Regarding Mr. Pande's amendment, I can give an assurance to him and to my friend here who supported him that the object of the Government is to give greater and greater credit facilities to farmers and agriculturists. But Mr. Pande in his amendment has stated that among the directors there should be the loanees, that is, those farmers who have taken loans should be in the Board of Directors. That is against all banking principles. We will have representatives of farmers in the Boards and credit will be available in substantial measure to the farmers. The Prime Minister also has said that.

Then comes the amendment of Mr. Subramania Menon. On the previous occasion I just wanted to cross over to clause 13 because clause 12 is a transitory measure. Now, I sincerely believe that the representatives of the State Governments as such may not have a place or need not have a place in the Board of Directors of these nationalised banks. The interest of the States will be well looked after by the nationalised banks because if you would look into the records, you will see that whenever a State Government floated a loan, these banks had always taken care to see that the loans were fully subscribed by taking large shares of the loans. And the State Governments will certainly have a good deal of influence also in the formulation of the policy, particularly in the nature of the composition of Parliament which we are having here.

Then regarding Dr. Bhai Mahavir's amendment, I think it is chartered accountants . .

SHRI BANKA BEHARY DAS : His amendments are about Mr. Subramaniam. They are nothing else.

SHRI P. GOVINDA MENON : I am going to the next one.

SHRI BANKA BEHARY DAS : He said, where Mr. Subramaniam is being taken; he is a politician.

SHRI P. GOVINDA MENON : I am coming to that. That was not his amendment. I do not attribute such silliness to him.

DR. BHAI MAHAVIR : 'Silly' is the word used for Mr. Subramaniam or for the subject of his being appointed.

SHRI P. GOVINDA MENON : I do not attribute it to you. That is what I said because while moving the amendment, he said that he heard that Mr. C. Subramaniam is going to be appointed to some post. I do not know.

DR. BHAI MAHAVIR : It is in the press.

SHRI P. GOVINDA MENON : What is there ? AH that you see in the press you state here.

Sir, in his amendment he wants a Member of Parliament in the Board of Directors of each of these banks. I do not agree. Then, he says about economists. Economists will be there. When Government appoints the members of the Board of Directors, there will be persons who know something about banking and economy. The chartered accountants will be requisitioned for auditing the balance sheets of these banks, etc. May be, a chartered accountant is in the Board of Directors also, as stated elsewhere. A chartered accountant is there, I think, on the Board of Directors of the Reserve Bank and that was done without any legislation in that respect. Then employees, depositors, etc. are referred to in this clause.

DR. BHAI MAHAVIR : Small scale industries.

SHRI P. GOVINDA MENON : Small scale industries will also be there. About the employees, depositors, etc. we are making a departure. Otherwise . . .

DR. BHAI MAHAVIR : Do you accept the proposal that the representatives of the small scale industries should be there.  
8-25 R.S./69

SHRI P. GOVINDA MENON : I do accept that it would be advisable to have representatives of the small scale industries. But I do not think this amendment is necessary. It is not provided; several things are not provided.

My friend here wanted Scheduled Castes also to be there. I do not think that it is a matter to be provided in the Bill. We will certainly have Scheduled Castes who may be available and who are competent on the Board of Directors. If a member of the Scheduled Caste could draft our Constitution, and get it passed, why should we think that the members of the Scheduled Castes will not be available to run the banks ? But we do not provide these things in the Bill here. That being so, I would request every one of the movers of the amendments to withdraw the amendments.

DR. BHAI MAHAVIR : Would you say something about having a representative of the employees on the Board of Directors of the State Bank that is under Government ?

SHRI P. GOVINDA MENON : It is already there.

DR. BHAI MAHAVIR : The State Bank is not provided . . .

SHRI P. GOVINDA MENON : I am not moving a Bill on the State Bank. I need not give any assurance regarding anything other than on the subject-matter.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : The question is :

"74. That at page 7, line 47, for the words 'fifteen crores' the words 'ten crores' be substituted."

*The motion was negatived.*

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : The question is :

"75. "That at page 7, line 48, after the word 'Directors' the words 'which shall also include representatives of bank employees, farmers, workers and artisans whose number shall not be less than half of the total strength' be inserted."

*The motion was negatived.*

श्री तारकेश्वर पांडे : स्पष्ट आश्वासन देने के बाद मैं उचित समझता हूँ कि मुझे इस संशोधन को वापस लेने की आशा दी जाये ।

'Amendment No. 77 was, by leave, withdrawn.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : The question is :

78. "That at page 8, at the end of line 14, after the word, brackets and figure 'sub-section (1)' the words 'and also representatives of the State Governments' be inserted."

*The motion was negatived.*

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : The question is :

79. "That at page 8, after line 17, the following be inserted, namely :—

'Provided that the Board of Directors shall include at least a Member of Parliament, an economist, a chartered accountant, and a representative each of small-scale industry, agriculturists, employees and depositors :

Provided further that no remuneration, other than travelling and boarding expenses shall be paid to the members for attending Board meetings or performing other functions as Board members."

*The motion was negatived.*

SHRI GANESHI LAL CHAU-DHARY: In view of the assurance given by the hon. Minister. I withdraw my amendment.

^Amendment No. 117 was, by leave, withdrawn.

श्री तारकेश्वर पांडे : इसके बारे में जो आश्वासन दिया है, उसको देख कर मैं संशोधन को वापस लेना चाहता हूँ ।

tAmendment No. 118 was, by leave, withdrawn.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : The question is :

"That clause 13 stand part of the Bill."

*The motion was adopted. Clause 13 was added to the Bill.*

♦For text of amendment, vide col. 3264 *supra*.

fFor text of amendment, vide col. 3264 *supra*.

+For text of amendment vide ccl. 3264-65 *supra*.

Clause 14—Closure of accounts and disposal of profits

DR. BHAI MAHAVIR: Sir, I move

80. "That at page 8, after line 23, the following' be inserted, namely :—

'(1A) The new banks shall at the end of every financial year prepare an Annual Report, which shall be placed before each House of Parliament; and such Report shall, besides the usual matters normally included in the Report of the Board of Directors, indicate how their activities have assisted industrial and economic growth to the country, and give statistics about the number and amount of loan applications which have been rejected during the year and the reasons for such rejection."

81. "That at page 8, after line 27, the following proviso be inserted, namely:—

'Provided that no person or firm shall be appointed auditor of more than one new bank or more than ten branches or offices of the new banks."

82. "That at page 9, line 11, after the word 'account' the words 'stating reasons for decrease in deposits, profits and other business of the bank, if any\* be inserted."

*The questions were proposed.*

डा० भाई महावीर : इसमें जो संशोधन मैंने प्रस्तुत किये हैं उनमें सबसे पहले मैंने यह कहा है कि जो नये बैंक हैं, ये हर साल अपने कामकाज की एक रिपोर्ट पार्लियामेंट के सामने भेजें और उस रिपोर्ट में बाकी बातों के अलावा जो कि जनरल क्लॉज में दी गई है कुछ और बातें हो जो बहुत महत्व रखती हैं। मेरा निवेदन है कि इस बिल के पेज 9, लाइन 12 और 13 में जो यह कहा गया है "any other matter which he considers should be brought to the notice of the Central Government."

इस तरह से आडिटर से रिपोर्ट मांगी जा रही है। इस संबंध में मेरा निवेदन यह है कि इन बैंकों का राष्ट्रीयकरण करने के बाद जो मुख्य लक्ष्य सरकार के सामने है वह यह है कि ये बैंक देश के औद्योगिक विकास और देश की आर्थिक प्रगति में अधिक योगदान दे सकेंगे। अगर रिपोर्ट

में इस बारे में कुछ नहीं बतलाया जायेगा तो फिर फर्क इतना ही पड़ेगा कि पहले जो लोग काम चला रहे थे इन बैंकों का, उनके बजाए कुछ और लोग आ गये हैं जिनको सरकार ने मंजूर किया है। इस संबंध में चाहिये यह था कि जिस लक्ष्य को सामने रखकर सरकार इन बैंकों को अपने हाथ में ले रही है उस लक्ष्य को बैंक पूरा कर रहे हैं या नहीं कर रहे हैं। इस बात की कोई कसौटी इसमें रखी जाती। इस बात के लिये कोई हर साल सोचने वाला व्यक्ति हो और वह सोच कर बताये, रिपोर्ट दे पार्लियामेंट को कि ये काम हम देश के विकास के लिये कर पाये हैं, ये नहीं कर पाये हैं और ये काम करने के लिये हमें इस प्रकार की सुविधाओं की आवश्यकता है। जब तक यह नहीं कहा जाता तब तक इस कानून का लक्ष्य है वह पूरा होगा संभव नहीं होगा। तो यह सन्देह इसमें से पैदा होता है। इसके साथ ही मैंने यह कहा है कि वह जो रिपोर्ट आये उसमें वे आंकड़े भी हों कि कितने आवेदन-पत्र ऋण के लिये बैंक के पास आये थे और उनमें से कितनों को अस्वीकार किया गया। जब तक यह आंकड़े नहीं आते, जब तक यह नहीं बताया जाता कि कितने लोगों ने आवेदन-पत्र दिये, कर्ज मांगे और उनमें से कितनों को नहीं दिया गया तब तक इस बिल का उद्देश्य पूरा नहीं होगा। वैसे यही होगा कि जो कोई खास कृपापात्र होंगे, मंजूर नज़र होंगे या जिन के लिये कहीं से इशारा आ जायेगा, कहीं पर किसी मिनिस्टर महोदय की तरफ से एक टेलीफोन काल आ जायेगी एक चिट मिल जायेगी, किसी का रिश्तेदार है, किसी का कोई भांजा है, किसी का कोई साला है, किसी का कोई भतीजा है, जहां इस तरह का कोई पुल बन जायेगा, जहां इस तरह की कोई खींचने वाली चीज़ होगी वहां पर ऋण धड़ाधड़ दिये जायेंगे, लेकिन जहां पर एक सीधा सादा आदमी होगा जिसके पास कोई इस तरह का साधन नहीं है, कोई हथियार नहीं है वह मारा जायेगा और उसको कोई ऋण नहीं मिलेगा जिसकी भलाई के लिए यह बिल बनाया जा रहा है, आखिर में होगा वही कि कामकाज

करने वाले वही लोग होने के कारण उनका भला नहीं किया जा सकेगा। लेकिन जिनके हाथ में पहले से ही बहुत साधन हैं उनके पेट और बड़े पेट बन सकें और उनकी धैलियां और भर सकें इसका प्रबन्ध जरूर हो जायेगा। वैसे तो हम जानते हैं कि जिस ढंग से सरकार इस बिल को लाई है और जिस तरह से आज के आज इसको पास करना है, कितना भी अक्ल समझदारी का सही संशोधन यहां पर लाया जाये, कितना भी हमारे कानून मंत्री उसको स्वीकार करना चाहते भी हों दिल में, लेकिन किन उनको पता है कि यहां से संशोधन स्वीकार करने के बाद फिर लोक सभा में ले जाना संभव नहीं है क्योंकि जो सुप्रीम कोर्ट में इस आर्डिनेंस पर विचार होना है वह डंडा सामने है। इन सब बातों को देख करके भी हम समझते हैं कि जो हमारा फर्ज है उसको निभाते हुए जो चीज़ बिल की भावना के अनुसार है उसको सदन के समक्ष प्रस्तुत किया जाये और उस भावना के अनुरूप यदि सरकार ईमानदारी से कुछ करना चाहती है तो इस प्रकार के संशोधन को स्वीकार करने में उस को कोई आपत्ति नहीं होनी चाहिए।

इसके साथ ही दूसरा संशोधन जो मैंने दिया है वह यह है कि जो आडिटर बनाये जायें उन आडिटरों में किसी भी आडिटर को एक बैंक या बैंक की दस शाखाओं से ज्यादा का काम सौंपा न जाये। स्वाभाविक है कि इसका मतलब यह है कि थोड़े से लोगों को फायदा पहुंचा कर के उनके द्वारा इस प्रकार की लीपा पोती हिसाब किताब या खातों में करने की कोशिश हो सकती है। उससे इन बैंकों को बचाना चाहिए। अगर हमने ऐसे आडिटर बनाये जो कि वाइट वाशिंग एक्सपर्ट्स हैं, जो कि हर प्रकार के अपराधों को, दोषों को, इरेग्युलैरिटीज़ को और अनियमितताओं को खाली डकते जायेंगे तो उससे इन बैंकों के काम की हानि होगी और सरकार की प्रतिष्ठा भी घटेगी। इसलिये मेरा निवेदन है कि आडिटर का बंस्टेड इंडेस्ट, निहित स्वार्थ न बन जाये, इसके लिये किसी भी आडिटर को एक से ज्यादा बैंक में या दस से ज्यादा शाखाओं में काम करने के वास्ते अधिकार न दिया जाये।

[डा० भाई महावीर]

and persistence with which Dr. Mahavir is trying to stall the progress of this Bill at this stage.

आखिर में मने यह कहा है कि अगर किसी बैंक के पास जो खाते हैं, जो डिपॉजिट्स हैं वे कम होते हैं या उसके मुनाफे में कमी आती है या उसके दूसरे विजिनेस में, व्यापार में वह पिछड़ता है तो बैंक को कारण बताने की आवश्यकता होनी चाहिये कि ऐसी कमी क्यों आई। वास्तविकता यह है कि इन बैंक्स को शुरू कर के अगर इनको विकास के लेवल तक लाने की जरूरत होती तो देर भी लगती, कुछ कठिनाई भी होती क्योंकि सरकार के पास कितने कुशल, कितने योग्य प्रबन्धक हैं इस बात का हम लोगों को काफी अनुभव है, काफी परिचय है। लेकिन फिर भी जब सरकार चले चलाय बैंकों को अपने हाथ में ले रही है और ऐसे बैंकों को अपने हाथ में ले रही है जिन की रेपुटेशन देश में और दूसरे देशों में भी है, तो सरकार कम से कम एक जिम्मेदारी यह भी अपनी समझे की वह इनमें से किसी बैंक को नीचे न गिरने दे, किसी को घटिया न बनने दे, किसी की साख खराब न होने दे। अगर कहीं पर ऐसा होता है तो जो उस बैंक के अध्यक्ष हैं, जिन को उसके निदेशक मंडल में लिया गया है, उनको जवाबदेह होना चाहिये कि वे बतायें कि किस वजह से उस बैंक के काम में कमी आ रही है। इस तरह की कुछ कसोटियां यदि सरकार बनायेगी तो जो काम वह करना चाहती है उसको वह सही तरीके से कर सकेगी। लेकिन अगर आप इनसे भी शर्मायेंगे और खाली जो एक लकीर आप लगा कर ले आये हैं लोक सभा से उसी के उपर आप राज्य सभा से दस्तखत करवाना चाहते हैं तो यह बैसे भी शोभा नहीं देता, लेकिन आज स्थिति कुछ ऐसी ही है। अब भी मेरा निवेदन यह है कि सचमुच अगर आप इस बिल के भाव को स्वीकार करने की क्षमता रखते हैं तो इन संशोधनों को स्वीकार करने में आप को कोई आपत्ति नहीं होनी चाहिये। इसलिये एक बार मैं फिर यह आशा करने का साहस करता हूं कि आप हमारे संशोधनों को स्वीकार कर सकेंगे।

SHRI P. GOVINDA MENON : Mr. Vice-Chairman, Sir, I admire the energy

DR. BHAI MAHAVIR : We know that you are going to pass it.

SHRI P. GOVINDA MENON : I refuse to concede that there would be anything different in these 14 nationalised banks from other banks and that they should be treated in a different manner with respect to audit, etc. All that he wants in his three amendments can be brought by appropriate measures before the Government in Parliament. For example, the last sentence in clause 14 is:—

"a corresponding new bank shall transfer the balance of profits to the Central Government."

That being so, it is always open to a Member of Parliament to put the question : What is the amount of profit which has been transferred from bank A, from bank B, from bank C etc. And if the amounts are small, a question can be asked why they are small, and therein will come the question of contraction in deposits, if any . . .

DR. BHAI MAHAVIR : Excuse me for this interruption. Even now we keep on asking and we are continuously being told of the losses we suffer, for example, in the various projects. But, then, after learning of it how are we able to stop them ?

SHRI P. GOVINDA MENON : You asked about profits of the nationalised banks. I am here on the question of banks and not projects. Then, Sir, he says so many auditors shall not be given so much work. Sir, this is not a Bill intended to regulate the distribution of work among auditors. This is a Bill with respect to these 14 nationalised banks. If you want to have a provision under which auditors will not get too much of work, then bring another Bill in order to regulate the distribution of work between auditors if the Government are favouring certain auditors and giving them too many banks to be audited. That is a matter which can also be raised in Parliament. I think it would be disfiguring this Bill if this amendment that no person or firm shall be appointed auditor of more than one branch or more than ten branches of the new banks etc. If amendments such as these are adopted and incorporated in this Bill, that would be a disfigurement

of this Bill. I am not in a position to accept this amendment.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : I put all the three amendments to vote.

The question is :

80. "That at page 8, after line 23, the following be inserted, namely :—

'(1A) The new banks shall at the end of every financial year prepare an Annual Report, which shall be placed before each House of Parliament; and such Report shall, besides the usual matters normally included in the Report of the Board of Directors, indicate how their activities have assisted industrial and economic growth in the country, and give statistics about the number and amount of loan applications which have been rejected during the year and the reasons for such rejection.'"

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : *The motion was negatived.*

P. BHARGAVA) : The question is :

81. "That at page 8, after line 27, the following proviso be inserted, namely :—

'Provided that no person or firm shall be appointed auditor of more than one new bank or more than ten branches or offices of the new banks.'"

*The motion was negatived.*

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : The question is :

82. "That at page 9, line 11, after the word 'account' the words 'stating reasons for decrease in deposits, profits and other business of the bank, if any' be inserted."

*The motion was negatived.*

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : The question is :

"That clause 14 stand part of the Bill."

*The motion was adopted.*

Clause 15—*Removal from office of directors, etc.* SHRI DAHYABHAI V. PATEL: Sir, I move :

83. "That at page 9, for line 45, the following be substituted, namely :—

'(a) carry on any business including the business of banking in India with deposit not exceeding rupees forty-nine and half crores.'

86. "That at page 10, after line 19, the following provisos be inserted, namely :—

'Provided that if within one year from the commencement of this Act any officer or employee of an existing bank wishes to resign from the service of the corresponding new bank, he shall be at liberty to do so and upon such resignation he shall be paid in full all such retirement benefits by the corresponding new bank as would have been payable to him by the existing bank on the basis of continuity of service and without any deduction whatsoever in respect of any short-fall in the total period of continuous service required for qualifying for such benefits :

Provided further that the compensation, if any, payable to an officer or other employee under the Industrial Disputes Act, 1947, or under any other law for the time being in force in respect of the transfer of his services from an existing bank to the corresponding new bank shall be paid to him by the corresponding new bank and such payment shall not be deducted from the compensation payable under this Act to the existing bank.'

*(The amendments also stood in the names of Sarvshri M. K. Mohta, K. Sundaram, Lokanath Misra, Devi Singh and Ram Singh.)*

DR. BHAI MAHAVIR : Sir, I beg to move :

84. "That at page 10, line 17, after the word 'terminated' the words 'in terms of the rules and regulations of the bank' be inserted."

88. "That at page 10, after line 19, the following proviso be inserted, namely :—

'Provided that their remuneration and terms and conditions of service shall not be altered to their detriment without their consent.'"

SHRI R. N. JHA (Bihar) : Sir, I beg to move :

85. "That at page 10, line 18, after the word 'altered' the words 'to their advantage' be inserted."

89. "That at page 10, lines 25 to 31 be deleted."

SHRI CHITTA BASU : Sir, I beg to move :

87. "That at page 10, after line 19, the following proviso be inserted, namely :—

'Provided that the existing terms and conditions of their services shall not be prejudiced in any way.'"

90. "That at page 10, lines 28-29, the words 'or any other employee' be deleted."

*The questions were proposed.*

SHRI K. SUNDARAM : Mr. Vice-Chairman, my amendment is :

"That at page 9, for line 45, the following be substituted, namely :—

'carry on any business including the business of banking in India with deposits not exceeding rupees forty-nine and half crores.'"

This clause deals with the functions that are to be carried on by the banks after their take-over. They are allowed to register transfer of shares. They are allowed to arrive at agreements with the Government. They are allowed to distribute the cash received or the amount of compensation received to their shareholders. And some of the banks are allowed to carry on the business of banking in other countries. Therefore, they are not allowed to carry on banking business only in this country. Now, there are 40-odd banks which have got deposits of less than Rs. 50 crores. They are allowed to function in this country itself. I do not see why these 14 banks, after the take-over of their share capital and their deposits, should not be allowed to function in this country as banking institutions within the limits already accepted and allowed by the Government. Therefore, the amendment I have proposed is to allow these 14 banks to continue to function as banks within the limits accepted by the Government.

The other amendment that I have proposed is :

"At page 10, after line 19, the following provisos be inserted.

'Provided that if within one year from the commencement of this Act any officer or employee of an existing bank wishes to resign from the service . . .'"

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : The amendments are with everybody. You can comment on it.

SHRI K. SUNDARAM : Yes. This Bill contemplates that all the managers, supervisors and the other staff of the existing banks will be taken over by the new bank. Now, there are people who have got different ideas. The relationship between the labour and the management is not the same in every institution. In the same institution there are people of different types. A servant may like to serve under one master—he may be a very good servant, a very faithful servant—but he may not like to serve another master. Now, if an employee does not want to serve a nationalised bank, this Bill does not give him any option whatsoever. Some time must be given for these employees to choose between serving and not serving a nationalised institution. As has been said by several Members, the nationalised banks may function smoothly, as it has been functioning all these years, or they may not. It all depends on the board of directors, on the personnel and on the scheme that is to follow. Now, these employees will not have any opportunity to see how this is going to work. Therefore, these employees must be given an opportunity and a time limit of at least one year to work under the new circumstances, new environments, new banks and under new conditions before they decide whether they would like to work under the institution or not. If they resign now itself, as soon as this Act comes into force, there may be some benefits that they may lose. If they voluntarily resign from service, they may lose in provident fund, retirement benefits and such other things. I want that these employees must be given an opportunity at least for one year to work under the new system and if they like the job, they may continue; otherwise they must be allowed to retire with all the benefits that are due as on the date of this Act coming into force, without any reduction whatsoever.

The second paragraph of the same amendment suggests that the Industrial Disputes Act should be made applicable

to them and they must be allowed whatever is provided there. They must be entitled to full benefits when they retire.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : Are you not speaking on amendment No. 91 ?

SHRI M. K. MOHTA : There seems to be some clerical mistake because amendment No. 91 pertains to clause 16, the next clause.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : I will see. In the meantime,, you may begin Dr. Mahavir.

DR. BHAI MAHAVIR : Mr. Vice-Chairman, in this clause we are referring to the officers and employees and we say that they will hold their officers and will enjoy the same rights as pension, gratuity, etc., which they are enjoying now.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : You are right, Mr. Mohta.

DR. BHAI MAHAVIR : And we go on to say that they will continue to do so unless and until

their employment in the corresponding new bank is terminated. Now the question here is: Is the Government to take an arbitrary authority for termination, or is the Government going to accept certain rules and regulations according to which this termination is to be done ? Now they may say that my suggestion is redundant; they may say that there are other laws governing such termination of services. But even then, if these words are added, that it would be done in terms of the rules and regulations of the bank, nothing would be lost, but a little clarification would be added. Similarly, at the end of the paragraph you find:

"... until their remuneration, terms or conditions are duly altered by the corresponding new bank."

The question is, when you alter the terms and conditions or the remuneration in the new bank, do you promise or do you not promise, that their remuneration and terms and conditions would not be altered to the detriment of the people concerned ? Actually, yesterday while speaking on the Bill I said that if the Government could give an assurance to the employees that none of them would have to suffer any losses

in terms of service or remuneration or they would see that the best terms of the Bank of India would be made available to all employees of these banks, at least one thing could be claimed, that the Government has the interest of the employees at heart. But here, without giving any such assurance, if you take the powers to terminate—you do not even say that if there is any alteration in the remuneration or other terms, it would not be to the detriment of the employees—I think it is a farce to speak of the benefits of the employees and small men and about the exploitation of the other people in regard to their employees. I would ask, therefore, the Law Minister and the Government to see if this innocent amendment, which they cannot on the face of it disapprove, can be accepted. If they are unable to accept even this, does it not mean that they have come with their minds closed and they are sitting here only for participation in a mock debate and that they do not mean to accept anything, however reasonable it may be?

श्री रुद्र नारायण झा : उपसभाध्यक्ष महोदय, मेरा संशोधन बहुत छोटा सा है कि पेज 10 की पंक्ति 18 में शब्द 'आल्टर्ड' के बाद में शब्द 'टु दियर एडवांटेज' और जोड़ना चाहता हूँ। महोदय, जो कर्मचारी हैं उन लोगों की सविसेज में आज जो सुविधायें हैं, चाहे वे पेंशन के संबंध में हों या ग्रेज्युएटी के संबंध में हों या सविस कंडीशन के संबंध में हों, उन में जब कोई परिवर्तन आय इस न्यू करस्पांडिंग बैंक के कारण तो मैं चाहता हूँ कि वह परिवर्तन उन के हित में होना चाहिए। ऐसी बात न हो कि जो आज उन को सुविधायें हैं वह भी उन से छीन ली जायें या घटा दी जायें। इसलिए मैं ये शब्द 'टु दियर एडवांटेज' इस स्थान पर जोड़ना चाहता हूँ।

दूसरी बात मैं चाहता हूँ कि पेज 10 की पंक्ति 25 से 31 तक इस में से हटा देनी चाहिए। इस बिल में पहले पहल कर्मचारियों के सहयोग और विश्वास की अहमियत को माना गया है। आज हर मजदूर को इस बात का हक है कि जब उस के हित के खिलाफ कोई बात हो तो उस को लेबर ट्रिब्यूनल में या हाई कोर्ट में या



[श्री रुद्र नारायण झा]

सुप्रीम कोर्ट में जा कर न्याय पाने की सुविधा है। इन पंक्तियों में इन मजदूरों के हकों को छीन लेने की कोशिश की गयी है। मैं चाहता हूँ कि सरकार जब एक तरफ उन को विश्वास में लेना चाहती है, उन के सहयोग और उनकी मदद की अहमियत को समझती है तो उन को जो जायज हक प्राप्त हैं उन को छीनने की जो कोशिश इन पंक्तियों में की गयी है वह न हों इसलिए इन पंक्तियों को इस में से हटा दिया जाय।

SHRI CHITTA BASU : Mr. Vice-Chairman, Sir, I am speaking on my amendments, 87 and 90.

Amendment 87 relates to sub-clause (4) of Clause 15 wherein it has been suggested that the remuneration, terms and conditions of the employees of the new banks can be duly altered. I do not know what has prompted the Government to bring forward such a pernicious provision in the body of this Bill. You know the Government even yesterday was talking about the participation of the employees so that the major objective of this legislation is fulfilled. If this kind of a legislation is there which empowers the Government to adversely prejudice the interests of the employees, naturally you cannot expect willing cooperation from the employees. From that point of view and also from the point of view of natural justice my amendment suggests that if at all any conditions of service are to be altered, that alteration should not be prejudicial to the interests of the employees and should not in any way affect the benefits which they are now enjoying. This is with regard to my amendment. No. 87.

Now, with regard to amendment 90, it relates to sub-clause (6) of the Clause under consideration. Under the Industrial Disputes Act there is a provision for payment of compensation on account of any transfer. Now, the Government wants to take away that right which is being enjoyed by the employees under the Industrial Disputes Act, 1947. As a matter of fact my amendment is very different from that of all others. The officers who are highly placed and who are receiving fat salaries, they may not be compensated on transfer. But you should consider the difficulties of a poor man, a poor employee, who may be

required to be transferred under the provisions of this Clause. And this Clause empowers the Government not to make any payment by way of compensation though he is entitled to under the Industrial Disputes Act. Therefore, if the Government feels it so, the highly placed officers may not be paid any compensation, but the benefits of the small employees, the low-paid employees, should not be taken away. Therefore, my simple amendment is that the words "or any other employee" should be deleted in lines 28 and 29. If you feel that the highly placed officers can manage without any compensation being paid to them for any transfer because they are receiving fat salaries, it is all right; but you should not apply this provision to the low-paid employees because they are already very poorly paid and any new provision you want to bring in should not be prejudicial to their interests. Therefore, I urge on the Government to accept my amendment in the larger interests of the employees and the fulfilment of our objective.

SHRI P. GOVINDA MENON : Mr. Vice-Chairman, Sir, except amendment No. 83 that the existing banks should be allowed to transact any business including the business of banking in India with deposits not exceeding rupees forty-nine and half crores, all other amendments have been moved under a misapprehension . . .

SHRI CHITTA BASU : You remove it.

SHRI P. GOVINDA MENON : I will try to remove it. Regarding this amendment, No. 83, with due respect, with due deference to the respectable Members who have moved that amendment, I should say that it is an amusing amendment. The object of this Bill is to take away the banking business, the banking undertakings, from the existing banks, and as soon as it is done, their banking licences will be cancelled by the Reserve Bank of India because they have no banking business. All their banking business has stopped from the 19th July and under Section 22 of the Banking Regulations Act their banking licences, I believe, will be cancelled. After the banking licences are cancelled, they continue as limited companies registered under the Companies Act. And now I am being asked to say in this Bill that they will be allowed to carry on banking business with a deposit up to Rs. 49} crores . . .

AN HON. MEMBER : Let them be relicensed.

SHRI P. GOVINDA MENON : Relicensing is not done by the Government or by legislation. It is done by the Reserve Bank if the Reserve Bank thinks that after this nationalisation these fourteen existing banks should again be given licences under Section 22 to carry on banking business, but I do not think the Reserve Bank will do anything like that.

SHRI A. P. JAIN (Uttar Pradesh) : I do not think it will be so foolish.

SHRI M. K. MOHTA : There is a specific provision that the existing banks would not carry on banking business but if their deposits do not exceed Rs. 50 crores, why should not the existing banks be allowed to . . .

SHRI P. GOVINDA MENON : Because this Bill is intended to take over the banking business of the existing banks. Whether you like it or not, that is the object of the Bill—to take over the banking business of the existing banks. That being the object of the Bill, to bring an amendment to this clause of the Bill that they should be allowed to continue banking business, is something which cuts at the root of this Bill, and therefore, I say that I cannot accept it.

Regarding the conditions of service of the employees . . .

SHRI N. SRI RAMA REDDY (Mysore) : May I just ask what happens to the corporate body after the banking licence is taken away from it? Do you allow it to function in any other capacity ?

SHRI P. GOVINDA MENON : It is not for me. It is for the Companies Act to say what they can do. If the shareholders think that the banks should be dissolved, then the companies can be dissolved ...

SHRI N. SRI RAMA REDDY : When all the shares are taken over by the Government, there are no shareholders left.

SHRI P. GOVINDA MENON : That is wrong. There is no provision which says that the shares are being taken -over; the shareholders are there. They -will receive compensation. There is a

provision in Clause 15 which says that one of the duties of the existing bank will be to distribute the compensation. But if the shareholders meet and decide that they will rather continue as members of the existing bank, it is for them to decide. That is a different matter. But according to me, it is open for a minority of shareholders to go and say since the substratum of the company has been removed, the company should be wound up. And if the existing banks are not prepared to distribute the compensation to the shareholders, I am sure that a liquidator will come to distribute the compensation to the shareholders.

SHRI A. P. JAIN : Why do you not make a provision like that ?

SHRI P. GOVINDA MENON : There are certain reasons which I tried to explain yesterday. Regarding the position of the employees clause 6, to which reference was made is for this purpose. Suppose there are employees of one of the existing banks, as soon as this Bill is passed or right from 19th July, they have become employees of the corresponding bank. To give an illustration, an employee of the Central Bank of India Limited has become an employee of the Central Bank of India. Notionally that is a transfer from one company to another, from a joint stock company to a statutory corporation. The object of clause 6 is to see that although there is this notional transfer no claim should be made for transfer benefits. It is intentionally done. In the other House I explained to friends who said that terminal benefits should be given, what would be the results if terminal benefits are given. The result will be they become new employees in the new bank. That is not what anyone who has the interest of the employees in mind will like to see. I can assure you that the object of the Government is to see that the employees of the existing banks should continue without break in service in the new banks.

SHRI CHITTA BASU: With the existing remuneration.

SHRI P. GOVINDA MENON : Yes, on the existing remuneration. It is stated in sub-clause (4).

SHRI CHITTA BASU: Can you alter?

SHRI P. GOVINDA MENON : The word is not 'alter'. The word is 'duly altered'. There are laws in this country under which you cannot reduce the wages of a worker and therefore 'duly' mean by due process of law. If the law will permit, but I am sure the law will not permit it. Therefore 'alter' here can only mean 'enhance'. Nobody changes the wages these days of workers to reduce them. So I can assure everyone that there is absolutely nothing in clause 15 which will in any way affect the rights of the workers. AH their rights are guaranteed. Whatever they have got in the existing banks they will continue to get in the new banks and their rights to pension, if any, gratuity, provident fund, all these are protected.

DR. BHAI MAHAVIR : Will you give the best salary that is now paid ?

SHRI P. GOVINDA MENON : I can see through his mischief but I shall not be drawn into that mischief. Varying degrees of remuneration exists in these various banks and it is not the intention of the Bill to alter them and bring them to a uniform rate. I know you dislike this Bill, I know you opposed this nationalisation but do not think that there are not Members here who will not be able to see through this kind of mischievous suggestion.

DR. BHAI MAHAVIR : This type of statement is mischievous. I object to this statement from the Minister.

SHRI P. GOVINDA MENON : Mischievous is not unparliamentary.

SHRI K. SUNDARAM : I have not disputed about the quantum of terminal benefit or whether it is higher or lower when the new banking company has taken over the services of these people. I want to know whether these employees will be given an opportunity to work under the new circumstances for one year before they can decide whether to work or to resign with the same terminal benefits as though they had been continuing with their old bank.

SHRI P. GOVINDA MENON : Both the Prime Minister and to a smaller extent myself, have received hundreds of messages welcoming this Bill and I do not think there is any employee who has expressed a desire to go out of these nationalised banks after an interim period of one year. These are fancied

objections produced on behalf of the employees.

SHRI K. SUNDARAM : Even if it is for a minority . . .

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : Please resume your seat. No more.

SHRI K. SUNDARAM : Why not for the minority of the employees?

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : No more.

I shall now put the amendments to vote.

[THE DEPUTY CHAIRMAN in the Chair];

THE DEPUTY CHAIRMAN : The question is :

83. "That at page 9, for line 45, the following be substituted, namely :—

'(e) carry on any business including the business of banking in India with deposits not exceeding rupees forty-nine and! half crores.'

*The motion was negatived.*

THE DEPUTY CHAIRMAN : The question is :

86. "That at page 10, after line 19, the following provisos be" inserted, namely :—

'Provided that if within one year from the commencement of this Act any officer or employee of an existing bank wishes to resign from the service of the corresponding new bank, he shall be at liberty to do so and upon such resignation-he shall be paid in full all such retirement benefits by the corresponding new bank as would have been payable to him by the existing bank on the basis of continuity of service and without any deduction whatsoever in respect of any shortfall in the total period of continuous service required' for qualifying for such benefits :

Provided further that the compensation, if any, payable to an officer or other employee under the Industrial Disputes Act, 1947. or under any other law for the time being in force in respect of the transfer of his services from an existing bank to the corresponding new bank shall'

be paid to him by the corresponding new bank and such payment shall not be deducted from the compensation payable under this Act to the existing bank."

*The motion was negatived.*

THE DEPUTY CHAIRMAN : The question is :

84. "That at page 10, line 17, after the word 'terminated' the words 'in terms of the rules and regulations of the bank' be inserted."

*The motion was negatived.*

THE DEPUTY CHAIRMAN : The question is :

88. "That at page 10, after line 19, the following proviso be inserted, namely :—

'Provided that their remuneration and terms and conditions of service shall not be altered to their detriment without their consent.'

*The motion was negatived.*

THE DEPUTY CHAIRMAN : The question is :

85. "That at page 10, line 18, after the word 'altered' the words 'to their advantage' be inserted."

*The motion was negatived.*

THE DEPUTY CHAIRMAN : The question is :

89. "That at page 10, lines 25 to 31 be deleted."

*The motion was negatived.*

[THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) in the Chair.]

SHRI CHITTA BASU : In view of the assurance given by the Minister I beg to withdraw my amendment Nos. 87 and 90.

\* Amendment Nos. 87 and 90 were, by leave, withdrawn.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : The question is :

"That clause 15 stand part of the Bill."

*The motion was adopted.*

*Clause 15 was added to the Bill.*

\*For text of amendments, vide col. 3286-87 *supra*.

*Clause 16—Obligations as to fidelity and secrecy*

SHRI M. K. MOHTA : I beg to move :

91. "That at page 10, after line 38, the following proviso be inserted, namely :

'Provided that every corresponding new bank shall at all times during working hours disclose to the existing bank in relation to which it is the corresponding new bank all such information, particulars, documents, account books and the like as the existing bank may reasonably require relating to its affairs and undertaking up to and including 19th day of July, 1969 for the purposes of determination of the amount of compensation receivable by it under section 6 of this Act. whether by agreement or upon reference of the matter by the Central Government to the Tribunal.'

This is a very simple and reasonable amendment. This only says that whenever any existing bank requires any information for the purpose of determination of the amount of compensation receivable by it, the corresponding new bank would provide such information to the existing bank. Now the existing banks would require a lot of information for making out their cases for compensation and since all the books and records would really be in the possession of the corresponding new banks, it is imperative in the interests of justice that that information be made available to them. Lest it be said on behalf of the Government that the existing banks can always approach the Tribunal in this matter, may I say that it would be much simpler and it will save a lot of time before the Tribunal of the information is first made available so that the case is properly made and then the matter goes before the Tribunal.

*The question was proposed.*

SHRI P. GOVINDA MENON : I would request the Member to go back to clause 6(a) and (b) where it is said that the amount of compensation can be fixed by agreement between the existing bank and the new bank.

6 P.M.

Now agreement presupposes discussion. Discussion presupposes disclosure of information. Therefore this is an unnecessary amendment. No agreement can be reached unless the existing bank

[Shri P. Govinda Menon]

gets full information- about the conditions of the new bank. Therefore this is not necessary. As for the Tribunal it has got all the powers of a civil court, and all the documents necessary in order to come to a decision regarding the amount of compensation will be called for by the Tribunal, and they will be produced. Therefore, I think this is redundant.

SHRI M. K. MOHTA: Since the hon. Minister is not opposed to the whole idea he may kindly agree to my amendment.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : He is not agreeing. Now the question is :

91. "That at page 10, after line 38, the following proviso be inserted, namely :

'Provided that every corresponding new bank shall at all times during working hours disclose to the existing bank in relation to which it is the corresponding new bank all such information, particulars, documents, account books and the like as the existing bank may reasonably require relating to its affairs and undertaking up to and including the 19th day of July, 1969 for the purposes of determination of the amount of compensation receivable by it under section 6 of this Act, whether by agreement or upon reference of the matter by the Central Government to the Tribunal.'

*The motion was negatived.*

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : The question is :

"That clause 16 stand part of the Bill."

*The motion was adopted. Clause 16 was added to the Bill.*

*Clause 17 to 22 were added to the Bill.*

*Clause 23—Rules and schemes to be laid before Parliament*

SHRI DAHYABHAI V. PATEL : I move :

92. "That at page 12, line 3, for the words 'the Central Government', the words 'Reserve Bank of India after consultation with the Central Government' be substituted."

SHRI CHITTA BASU : I move :

93. "That at page 12, lines 8 to 11, for the words 'both Houses agree in making any modification in the rule or scheme or both Houses agree that the rule or scheme should not be made, the rule or scheme shall thereafter have effect only in such modified form or be of no effect, as the case may be' the words 'and it shall come into force after it has been agreed to by both Houses before the expiry of the session in which it is so laid or the session immediately following' be substituted."

*The questions were proposed.*

SHRI M. K. MOHTA : Mr. Vice-Chairman, Sir, the object of amendment No. 92 to clause 23 is that the Central Government must consult the Reserve Bank before framing rules and schemes. It is in line with our submissions in respect to other clauses in the Bill and we have always maintained that the Government of India's bureaucratic machinery alone should not do things in respect of the nationalised banks but an expert body like the Reserve Bank of India must be consulted at every stage for the conduct of the business. While supporting the idea behind nationalisation it has been said on behalf of the Government that there are so many laudable objects which must be undertaken. What I would like to submit is that the objects may be laudable but they might be out of place in a certain context. For instance, rural electrification may be very laudable. Subsidised irrigation may be very laudable. Aid to artisans may be very laudable. Subsidised medical facilities may be very laudable. But the question really is whether the banking system is the forum for undertaking these laudable objects. If the Government wants to subsidise any of these things, the Central exchequer is the right source for such subsidies, and the credit policy of the nationalised banks should not be framed in such a way that the depositors' money would be jeopardised. That is why we insist at every stage that an expert body like the Reserve Bank of India must be consulted before any action is taken so that the Government, in its zeal for laudable objects, may not do any thing in regard to the depositors' money which would prejudice their interests.

SHRI CHITTA BASU: Mr. Vice-Chairman, my amendment is more a

matter of principle. Here this clause 23 relates to the rules and schemes, and it has been said that the rules or the schemes, which may be formulated under the provisions of the Act, can be modified in the usual way. You know, Mr. Vice-Chairman, that the procedure in this House and the other House is that, if such rules are framed by the Government in accordance with the Act, then the Government does not *suo motu* come with a proposal for a discussion on them. It is for the Members to give notice of a motion for their modification, and then and then alone the House takes it up for consideration, and it is modified or changed or nullified and that takes effect.

Mr. Vice-Chairman, if you allow me to say, the whole Act is based on the scheme. The objectives of the Act cannot be fulfilled unless we are in the know of the scheme. Now I do not want to discuss this thing at length. We have got no such scheme at the present moment, and yet Government wants to have the approval of the House for a scheme yet to be made. It is a negative approach and the approval given will be negative approval of the scheme. Therefore, my point of view is this— which I want to place by way of my amendment—that it should be discussed. The Government should come with a motion. It should be discussed and accepted by the House. Then alone it should be given effect to. If that is not done then, I think, the Government cannot have the benefit of the positive approval of Parliament. The way they want to get the approval is the negative way, that is, it is the Members of the House who will have to move a motion for the modification of the scheme. But what I want is this that the Government should, of their own accord, come to the House for approval of the scheme which has to be framed under this Act. Therefore, it is more a matter of principle than any other thing. Therefore I want that for the particular principle of positive approval Government should accept this amendment.

SHRI P. GOVINDA MENON : Sir, I oppose both the amendments. Now, Mr. Chitta Basu's amendment is an attempt to make a departure from a procedure which we have been following all along.

SHRI CHITTA BASU : It is because clause 23 says, "Every rule and every

scheme made by the Central Government" whereas usually it is "Every rule made by the Central Government", and it is there the difference lies and that is my contention. My whole emphasis is on the 'scheme', not on the 'rule', Clause 23 relates to 'rules and schemes' whereas a similar clause in other Bills relates only to 'rules'.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : Mr. Chitta Basu, this is the phraseology in almost all such similar clauses dealing with rulemaking powers.

SHRI CHITTA BASU: My whole objection is this. Here 'scheme' is the integral part with which you have not approached the House. Therefore, the House should be approached *suo motu*.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : What is expected is that the Members should be vigilant and if they want to change any rule they should give notice. This is the usual practice.

SHRI CHITTA BASU : But that is a negative way.

SHRI P. GOVINDA MENON : The power of Central Government to make scheme is there in clause 13 and it is that scheme which finds a place in this clause 23, and the hon. Member seems to have missed the bus. We are now on clause 23 which speaks of rules, and the invariable practice is that Government makes the rules and places them on the Table of the House, and the Members either move amendments or agree to them. And the occasion for discussion of this Bill should not be made the occasion for effecting any change in the rules regarding the process of rule-making.

Regarding the amendment No. 92, all I can say is that the rule-making power under any legislation rests with the Government, but if you see the next clause 24 "Power to make regulations"—regulations are more important—there we have made the provision that the Board of Directors can make the regulations only after consultation with the Reserve Bank. For making the Rules the power rests with the Government and consultation with the Reserve Bank is not deemed necessary.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : The question is :

92. "That at page 12, line 3, for the words 'the Central Government',

[The Vice-Chairman]

the words, 'Reserve Bank of India after consultation with the Central Government' be substituted."

*The motion was negatived.*

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : The question is :

93. "That at page 12, lines 8 to 11, for the words 'both Houses agree in making any modification in the rule or scheme or both Houses agree that the rule or scheme should not be made, the rule or scheme shall there after have effect only in such modified form or be of no effect, as the case may be', the words 'and it shall come into force after it has been agreed to by both Houses before the expiry of the session in which it is so laid or the session immediately following' be substituted."

*The motion was negatived.*

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : The question is:

"That clause 23 stand part of the Bill."

*The motion was adopted.*

*Clause 23 was added to the Bill.*

*Clause 24—Power to make regulations.*

SHRI DAHYABHAI V. PATEL : I move :

94. "That at page 12, lines 16-17, the words 'and with the previous sanction of the Central Government' be deleted."

SHRI R. N. JHA: I move:

95. "That at page 12, after line 39, the following proviso be inserted, namely :—

'Provided that the total amount of salary and allowances and perquisites to any one shall not exceed rupees one thousand and five hundred per month.' "

96. "That at page 12, after line 41, the following be inserted, namely :—

'(ee) the terms and conditions of service shall maintain the existing seniority and shall not be adverse to what they are at the time of taking over the banks.' "

SHRI CHITTA BASU : I move :

97. "That at page 13, after line 12, the following be inserted, namely :—

'(«) the establishment of joint consultative councils at all levels consisting of the representatives of management and recognised trade unions of the employees including supervisory staff.'

*The questions were proposed.*

SHRI M. K. MOHTA: Mr. Vice-Chairman, this clause deals with power to make regulations. Our contention here is that the Board of Directors should make regulations in consultation with the Reserve Bank of India only and the words 'with the previous sanction of the Central Government' should be deleted. The reason for the amendment is that if on each and every matter the previous sanction of the Central Government is required to be taken by the national banks a bottleneck would be created and the day to day functioning would not be smooth. Consultation with the Reserve Bank of India would be quite sufficient for the purpose of the Board of Directors of the nationalised banks.

श्री रुद्र नारायण झा : उपसभाध्यक्ष महोदय मैं पेज 12 की पंक्ति 39 के बाद यह जोड़ना चाहता हूँ :

"Provided that the total amount of salary and allowances and perquisites to any one shall not exceed rupees one thousand and five hundred per month."

उपसभाध्यक्ष महोदय, इस बिल का उद्देश्य यह है कि देश में इस समय जो सम्पत्ति कुछ लोगों के हाथ में है उसका थोड़े से लोगों के विकास में उपयोग हो रहा है। आज बैंकों के राष्ट्रीयकरण से हम यह चाहते हैं देश में साधारण लोगों की आर्थिक स्थिति में परिवर्तन हो। इसलिए इसके लिए बहुत आवश्यक है कि देश में हर व्यक्ति की आमदनी पर सीमा बांध दी जाय। जब तक सीमा नहीं बांधी जायेगी तब तक हम अपने लक्ष्य को प्राप्त नहीं कर सकते हैं। एक तरफ तो देश में कुछ लोगों की आमदनी 2 या 3 लाख रुपया प्रतिदिन है और दूसरी तरफ करोड़ों लोगों की आमदनी 7 या 8 आना

प्रतिदिन है। हम इस देश में एक समाजवादी समाज की रचना करना चाहते हैं और जब तक देश की आम जनता की हालत में परिवर्तन नहीं होगा तब तक हम अपने इस लक्ष्य को प्राप्त नहीं कर सकते हैं। इसलिए मैं चाहता हूँ कि जो हमने यह संशोधन दिया है उसके माध्यम से हर एक व्यक्ति की आमदनी की सीमा बांध दी जानी चाहिये और यह सीमा 1500 रुपये से अधिक नहीं होनी चाहिये। अगर आज हम इस बिल के द्वारा लोगों की आमदनी की सीमा बांधने की शुरुआत करेंगे तो धीरे धीरे इस देश में समाजवाद और समता की बात ला सकते हैं। इसलिए मैं यह चाहता हूँ कि यह बात इस विधेयक में जोड़ दी जाय।

मेरा दूसरा संशोधन इस प्रकार से है कि पेज 12 की पंक्ति 41 के बाद यह जोड़ दिया जाय :

(ee) the terms and conditions of service shall maintain the existing seniority and shall not be adverse to what they are at the time of taking over the banks."

मैं इस संशोधन के द्वारा यह चाहता हूँ कि इस समय बैंक कर्मचारियों की जो स्थिति है, सर्विस की जो कंडीशन है, वही बरकरार रहे। मैं यह बात नहीं चाहता हूँ कि उनकी सीनियारिटी या उनकी स्थिति में किसी प्रकार का कोई परिवर्तन किया जाय। बैंकों के राष्ट्रीयकरण से बैंक कर्मचारियों के मन में उत्साह बढ़ा है और अपनी जिम्मेदारी के प्रति उनमें एक नई प्रकार की चेतना आई है। अगर इस तरह के काम किये जायेंगे जिसकी वजह से उनके हितों को नुकसान पहुंचे तो इस बिल के उद्देश्यों के प्रति उनकी आस्था घट जायेगी। इसलिये मैं चाहता हूँ कि मेरा संशोधन जो इस संबंध में है, उसको मान लिया जाय ताकि उनके मनों में जो आस्था बैंकों के राष्ट्रीयकरण करने के बाद बनी है वह कायम रहे। मैं आशा करता हूँ कि माननीय मंत्री जी मेरे दोनों संशोधनों को स्वीकार करेंगे।

ernment should also make regulations with regard to the establishment of Joint Consultative Councils at all levels consisting of the representatives of management and recognised trade unions of the employees including supervisory staff. It is very important because on this rests the future of the nationalised banking industry, because it has been emphasized more than once that it would be the duty of the Government to enlist the willing co-operation of the workers in the fulfilment of the objectives of the Bill and for that purpose I feel that the Government should also make certain regulations which will ensure the greatest possible participation of the employees at different levels for the management of the banks. Therefore this is in the interest of the efficient management of the nationalised banks and I think there should not be any two opinions that the employees should be given an opportunity of participation in the management. That has been, as a matter of fact, the declared objective of the Government. If that is the declared objective of the Government, in this particular industry participation of the employees is all the more needed. Mr. Vice-Chairman, as you know, the bank employees in thousands have been demanding the nationalisation of banks and when that nationalisation is being done I think in the larger interests the workers should be given a chance to manage the, nationalised sector. Therefore the Government should also make regulations for the establishment of the joint consultative machinery at all levels because that will minimise the scope of conflict; that will minimise the demands being raised by the employees and if at all they are raised they will be decided at the level where they are raised and there will be amicable settlement which will be very beneficial to the efficient working of the nationalised banks.

SHRI ARJUN ARORA (Uttar Pradesh) : Sir, may I say a few words about this amendment ?

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : Which amendment?

SHRI ARJUN ARORA : Mr. Chitta Basu's amendment to clause 24, because I had given notice of a similar amendment.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : Yes; No. 122, but you were not here. You can say a few words.

SHRI CHITTA BASU : Mr. Vice-Chairman, my amendment is very simple. The Government wants under this clause certain powers to make regulations. I simply want that the Gov-



SHRI ARJUN ARORA : I am constrained to say a few words because while moving his amendment Mr. Chitta Basu has confused between Joint Consultative Council and Joint Management Council. While he has move for the institution of a Joint Consultative Council at all levels he has argued in favour of a Joint Management Council. Joint Consultative Councils as understood in labour parlance do not have anything to do with management. When I press for the establishment of Joint Consultative Councils I am not asking the Government to institute Joint Management Councils though I feel that also will be a correct step. Joint Consultative Councils are meant to be bipartisan bodies to settle all labour matters, to remove friction between management and labour. The Prime Minister in all most all her speeches has mentioned the importance of bank employees and we have great hopes that the nationalised banks will function smoothly and efficiently with the co-operation of the employees. There are one lakh and eightyfour thousand bank employees in the country and a bulk of them are employed in these fourteen banks. There should be some machinery which will ensure that whenever there are differences about conditions of employment, conditions of labour, wages, etc. they are settled expeditiously round the table and that demonstrations and strikes do not become necessary, nor do references to adjudication become necessary. That can be done through the Joint Consultative Councils. Therefore while not agreeing with the arguments of Mr. Chitta Basu I support his amendment and I urge upon the Government to accept this amendment. It is good that the Labour Minister who advocates the setting up of Joint Consultative bodies everywhere is present and I hope he will advise his colleague, the Law Minister, to accept this amendment.

SHRI NIREN GHOSH (West Bengal) : Mr. Vice-Chairman, one word. It is true, and I more or less agree with Shri Arjun Arora, that the labour relations must be smoothened out and a proper machinery should be set up. If there is some sort of council, all the more good. Let us hope that the Government will accept this amendment. But in making this point I want to add one thing. I read something in the papers saying that the employees would be given a role in the management. I do not know whether it is a fact. The whole point is that the elected repre-

sentatives of the employees must sit on the board of directors directly. It is not a sort of council or anything. Only then they can have a democratic voice in the functioning of the banks to some extent. It may check and see that funds are not diverted for other purposes, that the funds are utilised for the purposes for which they are meant. So, that should be taken into consideration. That is the only point I want to make that elected representatives of the employees should sit on the board of directors with full powers.

SHRI P. GOVINDA MENON : Regarding amendment No. 96 moved by Mr. Jha, I would give a categorical assurance that clause 15(4) which we have already passed provides for and if it is not clear enough to him I say that it is not the intention of Government to disturb the existing seniority which exists between different employees of the existing banks. That will be preserved. You can take it as an assurance from Government.

Regarding the joint consultative councils moved by Mr. Chitta Basu and supported by Mr. Arjun Arora, I have had consultations with the Labour Minister as the amendment was being taken up and he assured me that a Bill to provide for joint consultative councils or a joint consultative machinery—that is the term which he used—is ready and it is shortly going to be introduced. Now, here these fourteen nationalised banks are a few only among the various nationalised projects. If we want to have a joint consultative council or machinery or things like that, an idea with which I have great sympathy, when that Bill comes up we can take up -this matter whether these banks also could be included as projects to which the joint consultative machinery is applicable along with other nationalised projects. But we should not single out these fourteen nationalised banks alone for this purpose. If we are going to have a joint consultative machinery, we should have it for the State Bank of India, we should have it for other nationalised projects. Let us not do things in a piece-meal manner.

Regarding amendment No. 94, Mr. Dahyabhai Patel appears to have an allergy to the Central Government . . .

SHRI DAHYABHAI V. PATEL :  
Yes, particularly because of the manner in which they have brought this Bill and you are rushing it through.

SHRI P. GOVINDA MENON : Whatever may be the reason. Sometimes a reason can be found for an allergy. Now, we have said in the clause that the regulations will be framed by the board of directors in consultation with the Reserve Bank of India and with the concurrence of the Central Government. He wants the Central Government to be omitted. Now, these are banks whose entire capital is that of the Central Government and it belongs to the Central Government. The boards of directors are only agents of the Central Government to carry on the banking business and we say that the regulations will be framed in consultation with the Reserve Bank of India. Still he wants to omit the Central Government from that clause. Why should he be so allergic to the Central Government ?

SHRI DAHYABHAI V. PATEL :  
Because you have behaved like this.

SHRI P. GOVINDA MENON : Anyhow, the Central Government is there, whatever be your opposition to the Central Government and, therefore, I am not willing to accept this amendment.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : The question is :

94. "That at page 12, lines 16-17, the words 'and with the previous sanction of the Central Government' be deleted."

*The motion was negatived.*

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : The question is :

95. "That at page 12, after line 39, the following proviso be inserted namely :—

'Provided that the total amount of salary and allowances and perquisites to any one shall not exceed rupees one thousand and five hundred per month.'"

*The motion was negatived.*

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : The question is :

96. "That at page 12, after line 41, the following be inserted, namely :—

'(ee) the terms and conditions of service shall maintain the existing seniority and shall not be adverse 9—25 R, S./69

to what they are at the time of taking over the banks."

*The motion was negatived.*

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : The question is :

97. "That at page 13, after line 12, the following be inserted, namely :—

'(n) the establishment of joint consultative councils at all levels consisting of the representatives of management and recognised trade unions of the employees including supervisory staff.'"

*The motion was negatived.*

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : The question is :

"That clause 24 stand part of the Bill."

*The motion was adopted.*

*Clause 24 was added to the Bill.*

*Clause 25—Amendment of certain enactments.*

SHRI DAHYABHAI V. PATEL : Sir, I move :

98. "That at page 13, for lines 22 to 38, the following be substituted, namely :—

'(1) In the Banking Regulation Act, 1949, in sub-section (c) of section 5, for the words 'any company' the words, figures and brackets 'a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1969, and any Company' shall be substituted.'"

SHRI CHITTA BASU : Sir, I move :

99. "That at page 13, lines 28 to 32 be deleted."

SHRI K. P. SUBRAMANIA MENON : Sir, I move :

100. "That at page 13, for lines 28 to 32, the following be substituted, namely :—

'(b) Section 36AD of the Banking Regulation Act, 1969, shall be omitted.'"

SHRI REWATI KANT SINHA : Sir, I move :

101. "That at page 14, after line 51, the following be inserted, namely :—

'(3A) Notwithstanding anything contained in any Act for the time being in force the corresponding banks shall not maintain any secret reserves and all reserves shall be published within three months of the passing of this Act."

SHRI ARJUN ARORA: Sir, I move :

123. "That at page 13. for lines 28 to 32, the following be substituted, namely :—

'(b) Section 36AD of the Banking Regulation Act, 1949, shall be omitted."

124. "That at page 14, lines 41 to 45 be deleted."

*The questions were proposed.*

SHRI M. K. MOHTA: Mr. Vice-Chairman, amendment No. 98 to clause 25 is a very important amendment and I would appeal to the hon. Minister not to dismiss it lightly. The effect of the amendment would be that the entire Banking Regulation Act would apply to the nationalised banks and not simply three of the sections as have been mentioned in the Bill. Since the Banking Regulation Act has been applying to all the banks in the country and would continue to apply to the smaller banks, there is no reason why the Act should not apply in its entirety to the nationalised banks also. After all the provisions contained in the Banking Regulation Act were thought to be so necessary by the Government itself that they were made applicable. What is the reason now for taking the nationalised banking sector out of the purview of other provisions of this Act, other than the three sections that have been mentioned here specifically ? Our submission, therefore, is that the entire Act ought to apply to the nationalised banks also.

SHRI CHITTA BASU: Mr. Vice-Chairman, it is very important in the sense that the House knows that the entire working-class of this country has agitated against the inclusion of section 36AD in the so-called Banking Regulation Act. By that particular provision certain inalienable democratic rights of

the employees have been taken away. It is a matter of great regret and surprise that the particular hated provision is also going to be applied in the case of the employees of the nationalised sector of banking. Therefore, again I am to emphasise that when the Government wants the willing co-operation of the banking employees to make the object of the Bill successful, this particular provision will simply alienate their support and rob them of their democratic rights to continue their struggle, which has been taken away by the Government. Therefore, it is quite improper on the part of the Government to incorporate that particular, hated section in this new Bill which, according to the Prime Minister, is going to usher in a new era. If anything is to be ushered in, we would welcome it, but by the incorporation of this particular section, in our hopes are going to be belied to a very large extent. Therefore, even at this late stage in the consideration of the Bill I think good sense will dawn on the Government to accept my amendment and free these bank employees from the dire circumstances under which they have to work even today.

SHRI K. P. SUBRAMANIA MENON: Mr. Vice-Chairman, this section 3 6AD of the Banking Regulation Act, 1949, when it was being discussed in this House, we on this side had opposed it. As you remember, Sir, this section provides for punishing any employees for conducting demonstration or some other activity in the premises or near the premises of a bank. That means any trade union activity can be classified and can be brought under the provisions of this section. At a time when the banking industry is being nationalised, when the workers are being represented on the Board, when the offer is made to give them a seat on the Board of Advisers or Board of Directors, etc., I do not see any reason why this particularly pernicious section of this Act should still remain on the Statute Book because this is a Sword of Damocles hanging on the head of the employee, and if the Government is very serious about getting the co-operation of the employees, then the Government should withdraw this section from the Act. I hope that in view of the particularly difficult times which we are likely to face especially from reactionary sections against the move of the Government to nationalise the banks and in view of the fact that they will try by every means to sabotage it

through the bigger officers, directors, etc., whom the Government may appoint, it is necessary that the Government should get full co-operation from those employees in running these banks, and in getting their co-operation the removal of this section from the Banking Regulation Act will be a great help.

Thank you.

**श्री रेवती कान्त सिंह :** श्रीमन्, यह बात इस देश में सब कोई जानते हैं कि ब्लेक मनी कमाने वाले लोग अब तक इन प्राइवेट बैंकों में अपने ब्लेक मनी को जमा करते थे और उनके रिजर्व को सीक्रेट रखा जाता था बैंकों द्वारा। वह जनता के सामने नहीं आता था। मुझको एप्रीहेंशन है कि अगर वह रिजर्व सीक्रेसी कारे-स्पोंडिंग बैंक्स में भी अपनाई गई तो इन बैंकों के राष्ट्रीयकरण का कोई मतलब नहीं रह जाता है। इसलिए यह ब्लेक मनी दबाने न पाए ब्लेक मनी को छिपा कर रखने का जरिया बैंक, न बनने पाएं, मैं चाहूंगा कि इस बिल के 25वें क्लॉज के तीसरे सब-क्लॉज में एक नया सब-क्लॉज यह जोड़ दिया जाय—

"Notwithstanding anything contained in any Act for the time being in force the corresponding banks shall not maintain any secret reserves and all reserves shall be published within three months of the passing of this Act."

अगर यह जोड़ दिया जाता है तो बहुत दूर तक इस देश में जो अनएकाउन्टेड और ब्लेक मनी है उसको बाहर निकालने में सरकार कामयाब होगी।

इसी के साथ साथ श्री चित्त बासुने जो एमंडमेंट मूव किया है कि बैंकिंग रेगुलेशन एक्ट 1969 के क्लॉज 36-एडी को हटा दिया जाय उसको इस एक्ट में शामिल करने का जो प्रावधान है उसको खत्म कर दिया जाय, मैं उसका समर्थन करता हूँ क्योंकि आपको याद होगा जिस समय वह बिल पास हो रहा था उस समय इस क्लॉज को लेकर इतना ज्यादा सारे देश के मजदूरों, बैंकों के मजदूरों ने ही नहीं बल्कि सारे बैंकिंग क्लास ने उसका विरोध किया था और इस हाउस में हम लोगों ने भी विरोध किया था कि यह एन्टी-लेबर और एन्टी-पिपुल क्लॉज है। इसलिए मैं

चाहूंगा कि इस समय, इस अवसर पर, इस क्लॉज को खत्म करने के लिए चित्त बासु का संशोधन भी स्वीकार कर लिया जाय।

**SHRI ARJUN ARORA :** Sir, section 36AD of the Banking Regulation Act, 1949, was introduced by the so-called social control measure in the teeth of opposition of the bank employees all over the country and of the democratic opinion in the country. This section 36AD was an anti-trade-union measure and by introducing it a great wrong was done to the bank employees, their trade unions, and their right to organise and to agitate for betterment of the conditions of living by the bank employees. Now that the Government has taken this commendable step of nationalising 14 major banks, the employees of these banks should be restored the rights which they enjoyed before February, 1969, democratic and trade union rights. This section 36AD should not apply to the nationalised banks.

**SHRI BALACHANDRA MENON :** It is surprising that the Government is still thinking of having the old discredited section 36AD to be brought again in this legislation. Last time there was terrible opposition to it, and in the social control legislation they brought here they tried their best to bring this section with a view to denying the bank workers their legitimate trade union rights. The workers strongly opposed it then. Now under this section even an ordinary pen-down strike will become a criminal offence. What will happen is if there is a cognisable offence, he will be arrested, he will lose his job. This is the position. Even under the ordinary trade union legislation if the ordinary workers resort to any action, they have got a right to be heard under the Industrial Disputes Act. Otherwise at least the management will have to give a charge-sheet. Here there is no such thing. Such a provision should not be there. You have again brought it. I request that this provision should be taken away. That is absolutely necessary. How will the workers keep quiet when they have to agitate for their rights? Even a pen-down strike will become an offence because it disturbs the working of the bank. This section as it is will create such a situation that even legitimate trade union activity will become impossible. That is why unless this is removed, you are not going to win the enthusiastic support of the workers for this

[Shri Balachandra Menon]

legislation, which is absolutely necessary. Yesterday the Prime Minister was telling us that she has been greeted by workers and bank employees for bringing this measure, because they are much more patriotic than many others, and they understand its implication and they know how big a social change is effected if this Bill comes through and if it is accepted. That patriotism of the workers can very well be mobilised and can very well be utilised by you for other actions if you have the generosity to remove that hated provision which Shri-i Morarji Desai brought last time. I request you to do that.

SHRI NIREN GHOSH : Sir, it is an important amendment and I think the House consider it seriously, and the Government also. The Prime Minister is making fighting speeches—I welcome that—for the common man. Now, inclusion of this clause in this Bill, I cannot correlate with that speech. It casts a sort of doubt. You know, Sir, generally the democratic forces in the country have supported the nationalisation measure. So far, almost everywhere, the managements of these undertakings and institutions have come down heavily on the employees and the workers. So, sometimes the question is raised, why do you press for nationalisation? It will go against your interest. It will crush the trade union movement. They will not listen to it. The capitalists will utilise even the nationalised undertakings. Now it seems that Mr. Morarji Desai has gone, but his ghost remains here. He is symbolised by this clause. I am astounded and surprised how the Minister could at all think of including such a clause in this measure. It may—let me warn here and now when the Bill is being debated—defeat the very purpose of this Bill in the coming days.

Let me tell you, Mr. Vice-Chairman, if the relations with the employees are good, if they have a voice in the management—as I suggested even in the Board of Management—there will not be any agitation inside the premises and all that. If not, whether there are laws or not, there will be agitation, whatever it may cost. We will not break the law, we will break the courts and jails and everything if it comes to that, if the hand of oppression continues inside the nationalised undertakings, even in the public sector undertakings. So, when this Bill has gathered so much support

from all sections of the House and inside the country, I would request the Minister piloting the Bill and the Prime Minister—she is not here; otherwise I would have pointed it out to her seriously—that even at this juncture they should delete this clause. This bodes ill and the united democratic forces—I do not speak alone—will be forced to take up this issue with the Government again and again and there is bound to be trouble in future. So, I would request the Minister even at this stage to delete this clause from the Bill.

[THE DEPUTY CHAIRMAN in the Chair]

SHRI P. GOVINDA MENON : Regarding amendment No. 98, I should submit that Shri Dahyabhai Patel and company in their—what shall I say—lack of faith in the *bona fides* of the Government want the entire Banking Regulation Act to apply to the new banks. What we have done in the Bill is to apply section 51 of the Banking Regulation Act to this new Act. I want to explain this at some length. Section 51 culls out certain sections of the Banking Regulation Act which shall apply to the State Bank of India, a nationalised bank, in which there is no shareholding. Similarly, we say that section 51 shall apply to these nationalised banks, that the entire Banking Regulation Act cannot apply to these new public sector banks can be shown by reading one section at random from the Banking Regulation Act. I will refer to section 12.

Now, if Mr. Dahyabhai Patel's amendment is passed, then section 12 will also apply. Section 12 reads like this—

"No banking company shall carry on business in India unless it satisfies the following conditions, namely,

that the subscribed capital of the company is not less than one half of the authorised capital and the paid-up capital is not less than one half of the subscribed capital . . ." etc. Now, this Banking Regulation Act has been enacted to apply to joint stock banks and therefore there are references to shareholding, etc. Then there is section 22 which says that a licence of the Reserve Bank of India is necessary in order to allow these public corporations to carry on banking business. Now, it will not apply because we are now passing a legislation constituting 14 new banks to carry on banking business. It will have no shareholding. There-

fore, there are various sections of the Banking Regulation Act which cannot apply to these new 14 banks as they will not apply to the State Bank of India. So, what we have done is to apply section 51 to the new banks. Section 51 says—"The following sections shall apply to the State Bank of India". Therefore, I cannot accept amendment No. 98.

Then I will come to amendment No. 101 where it is stated—

"Notwithstanding anything contained in any Act for the time being in force the corresponding banks shall not maintain any secret reserves and all reserves shall be published within three months of the passing of this Act."

The Mover of this amendment is under the impression that the common words "secret reserves" apply to some black market money which is in some of these banks put by big people there or things like that. Now, a secret reserve means a reserve created by undervaluing the assets and overvaluing the debts. Thereby a secret reserve is created. It is a national thing. It is not secret money. Therefore this amendment which says that the secret reserves shall be brought out has been based on a misapprehension.

Then the object of the other amendment is the deletion of section 36AD of the Banking Regulations Act. For that purpose, what has been done is, Mr. Arora, Mr. Subramania Menon and others have moved an amendment, which I should point out is out of order. It is an amendment to the Banking Regulations Act which cannot be done here. But the object can certainly be achieved by Mr. Chitta Basu's amendment in which he says that this particular provision in the Bill should be deleted.

Now, I do remember the fierce controversy regarding this clause which took place in both Houses of Parliament when the social control measures were moved. I do not want to refer to the merits of that matter. Without referring to the merits of the matter, I would say that it is not acceptable to me for very good reasons. Now, section 36AD applicable to the Reserve Bank of India, it is applicable to the State Bank of India, it is applicable to all the other banks in India. It was applicable to these 14 banks before.

SHRI NIREN GHOSH : Why should it be applicable at all ?

SHRI P. GOVINDA MENON : Therefore, I do not want to accept a situation in which section 36AD will be applicable to all the banks of India except these 14 nationalised banks and for that reason . . .

SHRI NIREN GHOSH : Have the deletion here and extend it to others.

SHRI P. GOVINDA MENON : And for that reason, without going into the merits of the matter, I oppose it. It was suggested, why not delete it. It can be deleted only if a Bill is brought to amend the Banking Regulation Act. That is what I was saying. That is why I said that the amendments of Mr. Arjun Arora and Mr. Subramania Menon were out of order.

SHRI NIREN GHOSH : Can you give an assurance that you will do it ?

SHRI P. GOVINDA MENON : I cannot give that assurance. I am here to pilot this Bill. I am not the Finance Minister in the Government of India. Therefore, I cannot give any assurance on that matter. I can give all assurances which will pertain to the Bill which is being discussed. With respect to 36AD my objection is, without going into its merit, that it is wrong . . .

SHRI ARIUN ARORA : May I interrupt you for a moment ? As Mr. Niren Ghosh has said, you may begin a good thing anywhere and it will extend itself. If you accept this amendment and free the employees of these 14 nationalised banks from the rigours of section 36AD the other employees will know how to get section 36AD annulled, not by mass action and demonstration but by reference to a court of law because you will be discriminatory, etc. You know law much better than I do. If you begin it here, the bank employees all over the country will be free of the rigours of this unwarranted section 36AD.

SHRI P. GOVINDA MENON : Probably if you go to a court of law, it may be this amendment which may be struck down and not the existing provisions in the Banking Regulation Act because they exist there.

I am moving this Bill with the object of bringing into existence 14 public sector banks. I do not agree to a situation in which these 14 banks will be

discriminated invidiously. Article 36AD should be applicable to them naturally because it will be applicable to banks even in the private sector which are not nationalised. For that reason I oppose this amendment.

THE DEPUTY CHAIRMAN : The question is :

98. "That at page 13, for lines 22 to 38, the following be substituted, namely :—

'(1) In the Banking Regulation Act, 1949, in sub-section (c) of section 5, for the words 'any company' the words, figures and brackets 'a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1969, and any Company' shall be substituted."

*The motion was negatived.*

THE DEPUTY CHAIRMAN : The question is :

99. "That at page 13, for lines 28 to 32 be deleted."

*The motion was negatived.*

THE DEPUTY CHAIRMAN : The question is :

100. "That at page 13, for lines 28 to 32, the following be substituted, namely :—

'(b) Section 36AD of the Banking Regulation Act, 1949, shall be omitted."

*The motion was negatived.*

THE DEPUTY CHAIRMAN : The question is :

101. "That at page 14, after line 51, the following be inserted, namely:—

'(3A) Notwithstanding anything contained in any Act for the time being in force the corresponding banks shall not maintain any secret reserves and all reserves shall be published within three months of the passing of this Act."

*The motion was negatived.*

THE DEPUTY CHAIRMAN : Amendment No. 123 is barred because amendment No. 100 is lost.

124. The question is :

"That at page 14, lines 41 to 45 be deleted."

*The motion was negatived.*

THE DEPUTY CHAIRMAN : The question is :

"That Clause 25 stand part of the Bill."

*The motion was adopted.*

*Clause 25 was added to the Bill.*

*Clauses 26 and 27 were added to the Bill.*

*The First Schedule was added to the Bill.*

*The Second Schedule*

SHRI BALACHANDRA MENON : Madam, I move :

102. "That at pages 17 to 19, for the existing Second Schedule, the following be substituted, namely :—

"The Second Schedule

(.See section 6)

The compensation to be paid by the Central Government to each of the existing bank in respect of the acquisition of the undertaking thereof shall be :

(i) an amount equal to the stock exchange average market rate of the shares for each of the existing banks for preceding three years from the date of acquisition; or

(ii) the actual value of the paid-up shares in each of the acquired units, whichever is higher.' "

(The amendment also stood in the names of Sarvshri Bhupesh Gupta, M. V. Bhadram, Z. A. Ahmad and Kalyan Roy)

SHRI M. D. NARAYAN (Mysore) : Madam, I move :

103. "That at page 17, line 25, after the words 'State Governments' the words 'and Trustee securities guaranteed by the Central or State Governments' be inserted."

SHRI K. P. SUBRAMANIA MENON : Madam, I move :

104. "That at page 18, after line

20, the following explanation be inserted, namely :—

*'Explanation.*—In the calculation of assets, the value of assets equal to the total number of Special Reserve of a Bank formed in accordance with the provisions of the Banking Companies Act, 1949, shall not be taken into account."

105. "That at page 18, for lines 22 to 26, the following be substituted, namely :—

*'Explanation 1.*—For the purpose of this clause, "value" shall be deemed to be the book value of the land or buildings as on the 19th day of July, 1969."

[The amendments also stood in the names of Sarvshri M. R. Venkataraman, G. Gopinathan Nair and Kesavan Thazhava)].

SHRI DAHYABHAI V. PATEL:  
Madam, I move :

106. "That at page 19, after line 35, the following be inserted, namely :—

'(<) goodwill of the undertakings as a going concern, regardless of whether any such asset appears in the book of the bank, valued at an amount equal to the aggregate of the profits of the bank (after deduction of tax) in respect of five completed accounting years 1964, 1965, 1967 and 1968, plus the aggregate of the sums, if any, transferred to reserve fund in respect of those five accounting years' "

(The amendment also stood in the names of Sarvshri M. K. Mohta, K. Sundaram, Lokanath Misra, Devi Singh and Ram Singh)

*The questions were proposed.*

SHRI BALACHANDRA MENON :  
The question is how compensation should be paid. It is estimated to be Rs. 75 crores. It is also said that it may be up to Rs. 150 crores. My submission is that an amount equal to the average market rate of the shares of the existing banks should be paid as compensation. It will mean that we actually compensate these people much more and that money will also be used for blackmarketing, cornering other shares, etc. Compensation should not be paid to that extent. I am not going

to the extent of saying that there should be no compensation. That situation is over. We shall compensate to the extent that it is considered fair. What you are paying is not compensation. You are paying much more for the anti-national activities of these unscrupulous people.

SHRI N. SRI RAMA REDDY : Suppose he is a poor man.

SHRI BALACHANDRA MENON :  
In the case of poor men also what they should get is a fair compensation. It is not that their poverty should be removed this way. That is why I suggest that my amendment be accepted.

श्री गोडे मुराहरि : मैं इस पर थोड़ा कहना चाहता हूँ। इस शेड्यूल में जो पहला पैराग्राफ है उसका भी विरोधी हूँ और जो अमेंडमेंट श्री बालचन्द्र मेनन ने अभी प्रस्तावित किया है उसका भी मैं विरोधी हूँ, इसलिये कि इनका अमेंडमेंट यह कहता है :

"The compensation to be paid by the Central Government to each of the existing bank in respect of the acquisition of the undertaking thereof shall be :

(i) an amount equal to the stock exchange average market rate of the shares for each of the existing banks for preceding three years from the date of acquisition; or

(if) the actual value of the paid-up shares in each of the acquired units, whichever is higher."

तो मेरी समझ में नहीं आता कि "हाइवर" शब्द का इस्तेमाल इन्होंने क्यों किया, क्योंकि अगर देना है तो मार्केट वैल्यू पर दिया जाय, साफ बात है, या उसकी जो फेस वैल्यू है उस पर दिया जाय। मेरा सुझाव तो यह है और मेरा निश्चित मत यह है कि फेस वैल्यू पर देना चाहिये, मार्केट वैल्यू पर देने का कोई मतलब नहीं है क्योंकि कई साल से उनको जो मुनाफा मिला होगा उसका डिविडेंड भी मिला होगा और जो फायदा उनको उठाना था वह सब उठा चुके होंगे। उसके अतिरिक्त यदि कोई बैंक में असेट्स जमा हो चुका तो जब नेशनलाइजेशन करते हैं तो नेशनलाइज्ड सेक्टर में पूरा जमा भी जाना चाहिये, असेट्स भी जाना चाहिये, लाइवि-



[श्री गोडे मुराहरी]

लिटीज जब लेंगे तो असेट्स भी लेंगे तभी उसका कोई मतलब निकलता है लेकिन यह कहना कि उनको जो तीन वर्ष का एवरेज होगा उसकी मार्केट वैल्यू पर वह देंगे और अगर वह ज्यादा होगा तो ज्यादा भी देंगे, इसका मतलब हम समझ नहीं सकते।

तो जो शेड्यूल का पहला पैराग्राफ है, कम्पेन-सेशन का जो तरीका है, उसका भी विरोधी हूँ और इनका जो अर्गुमेंट है उसका भी इसलिये मैं विरोध करता हूँ क्योंकि इन्होंने "हाइयर" शब्द का इस्तेमाल किया है।

SHRI A. G. KULKARNI (Maharashtra) :  
I want to say one word.

THE DEPUTY CHAIRMAN : Just one word.

SHRI A. G. KULKARNI : One or two minutes. Actually, Madam, I can educate the House on this matter. I am speaking now because I have not spoken on this Bill. Because this is a very important clause for the shareholders, I want to bring to the notice of the Minister that there are the First Schedule and the Second Schedule. He has said that the estimated compensation to be paid will be Rs. 75 crores. In the Second Schedule you have stated that appreciation in the values will also be paid to the share-holders.

7 P.M.

Madam, I want to point out that the depositors had deposited money into the bank and the bank management invested the money that they got—by way of the difference between the interest accrued and the interest paid plus expenses—on the strength of those deposits in purchasing certain securities and buildings. Now, in this country during the last three Plan periods there has naturally been an increase in the prices of buildings. It is not as if the share-holders have made some big effort of that the management has made some heroic effort to appreciate their value. That increase is a natural development in the last three Plans. Madam, particularly I would like to draw the attention of the Minister to the fact that if you take the balance-sheets of all the 14 nationalised banks, you will see that the amount paid on equity capital is about Rs. 27.94

crores, preference capital, Rs. 0.54 crores and free reserves, about Rs. 37.34 crores, the total amount being about Rs. 65.82 crores. If this is met, justice will be done. Here the free reserves are also out of profits. What I want to say is that what the Government proposes in the Second Schedule goes beyond the scope of what nationalisation means. Here the increase due to revaluation of Government and non-Government securities is round about Rs. 50 crores and the increase due to re-valuation of buildings and lands is about Rs. 33 crores. This increase of Rs. 83 crores is not because of any effort on the part of the shareholders. This appreciation in value is due to the various development Plans. So when the compensation money to be paid to the shareholders is to be considered. I would like the Government to take due note of what I have stated. That is one thing.

Secondly, the secret reserves of the bank is not a national item. How is this secret reserve created ? It is created like this. Suppose I declare 10 or 15 loans as bad loans, then I get that much benefit by way of less income-tax. But they will be there in the books of the bank—they are not washed out—and after some years they go after the debtor and through the court recover the money. So that reserve is already there in a different form.

SHRI N. SRI RAMA REDDY : No, no.

SHRI A. G. KULKARNI : It is so.

So I want to plead with the Government that they may examine this through experts. I maintain that the secret reserve is not a notional item. It is an item which is there in the books of the banks and it can be cashed.

SHRI M. D. NARAYAN : Madam Deputy Chairman, regarding compensation it is provided that securities of the Central and State Governments other than the securities specified in clauses (ii) and (iii) of Part I (C) of the Second Schedule maturing for redemption within five years from the commencement of the Act shall be valued at the face value or the market value, whichever is higher. But trustee securities are not included in the definition of "securities of Central and State Governments". Therefore, various trustee securities other than the securities of<sup>1</sup> Central and State Governments like the securities of municipalities, electricity boards, land mortgage debentures, hous-

ing boards, etc., will not come under this clause but will be included in clause (iv) which reads as follows :

"where the market value of any security, share, debenture, bond or other investment is not considered reasonable by reason of its having been affected by abnormal factors, the investment may be valued on the basis of its average market value over any reasonable period;"

Now this is unfair as some of the banks have gone in for heavy investment in electricity boards, land mortgage debentures, etc., on the guarantee of the State Government. Their market quotations are sometimes two years old because there have been very few transactions in this. Therefore, I suggest that the trustee securities guaranteed either by the Central Government or the State Governments should also be included in clause (i) of Part I (C) of the Second Schedule.

SHRI K. P. SUBRAMANIA MENON : Madam Deputy Chairman, now as you know, we are against paying compensation of any kind for this sort of thing, because in this particular case the money would have been paid back to the shareholders through dividends many times during the last so many years. Therefore, there is no material or moral reason to pay anything to the shareholders by way of compensation for the banks taken over by the Government. All the same, since we have got a Constitution which provides for such compensation and the question of amending the Constitution to obviate the necessity of paying such compensation is not at the moment on the agenda, I would have thought that the Government would have tried to decrease the amount of compensation as far as possible, to keep it at the lowest limit. But the provisions in this Bill would inflate the compensation beyond all measure in such a way as to defeat the very purpose of nationalisation of the banking industry, because for many years to come, the profits which would accrue out of the banking business would be required to pay back compensation to the bank owners. Therefore, I have suggested two amendments. My first amendment is that in the calculation of assets, the value of assets equal to the total amount of Special Reserve of a bank formed in accordance with the provisions of the Banking Companies Act, 1949, shall not be taken into account. Now, according to the Banking

Companies Act, if you keep a Special Reserve, it gets tax exemption from the Government. Therefore, a provision had been made to keep this money as Special Reserve, which should have actually gone to the public exchequer. Therefore, there is absolutely no moral reason why the Government should now give compensation for the assets formed by this Special Reserves, which have been given tax exemption, etc., for its formation.

Secondly, the value of buildings and lands should be the book value and not the market value. As you know, Madam, during the last so many years, due to the development activities of the Government, the value of lands and buildings has appreciated beyond all measure and for this the capitalists or the bankers have not contributed anything at all. In fact, they have benefited by the urbanisation, by the improvements in the city and by the congestion. They have got more rent out of it. Therefore, why should Government, when they take over these lands and buildings, pay anything other than the book value of these buildings and land ? To pay the higher market value, which is beyond all its real intrinsic merit, is just a method of giving a lot of public money to these bankers and the shareholders. Thank you.

SHRI M. K. MOHTA : Madam Deputy Chairman, this is an extremely important matter, this matter of compensation to be paid for the acquisition of the banking business from the fourteen nationalised banks. I can understand one point of view which was propagated by Shri Rajnarain a little earlier that no compensation should be paid at all. Although Mr. Murahari was good enough to concede that at least the par value of the shares should be paid, Mr. Rajnarain said, "Don't pay anything." Even though I do not agree with him, I can understand that particular point of view . . . (*Interruption*) But if you are going to pay compensation, at least pay a fair compensation.

As far as the scheme of compensation that has been formulated under the Bill is concerned, all the tangible assets would be taken into account—all tangible assets like buildings, land, recoverable advances, and so on and so forth. But what about goodwill ? After all, a business does not run on tangible assets alone. Suppose you invest Rs. 100 in one business it may yield Rs. 5. If you invest Rs. 100 in

[Shri M. K. Mohta]

a second business, it may yield Rs. 20. And in a third business if you invest Rs. 100, it may result in a loss of Rs. 20 like some of our public sector undertakings . . .

DR. B. N. ANTANI (Gujarat) : All of them.

SHRI M. K. MOHTA : Can all these three businesses be valued at the same hundred rupees ? No investor would do it. Even the Government would not do it. After all, the element of goodwill is there. The element of goodwill which is accepted all over the world, is not taken into account while fixing the compensation for the shareholders of these fourteen banks here. The element of goodwill does not appear in any books of accounts, but there is a way of ascertaining the goodwill and the criterion for that is the profits that have been made by the concern for the last three or four or five years. Therefore, it is my submission that the element of goodwill must be taken into account while fixing the compensation and the procedure for ascertaining such goodwill has been mentioned in my amendment. I would request the Government to accept my amendment.

SHRI P. GOVINDA MENON : Madam, this matter of compensation is probably the most important provision in the Bill, and therefore, I crave your indulgence to give me a few minutes to explain the matter. I am sandwiched between two opinions, one group of Members saying that the compensation provided is too much and the other section saying that it is too low. It is in that predicament that I am situated. Therefore, before looking into the matter from a theoretical point of view, I want to ask the Members of this House to look into the assets given here and consider what we are taking. They are given in (a), (b), (c), (d), etc.—

"(a) the amount of cash in hand and with the Reserve Bank and the State Bank of India (including foreign currency notes which shall be converted at the market rate of exchange) ;"

So, on the 19th July the Government of India took over some cash from the existing banks. The word "asset" is a general word. What we have taken under (a) is cash which exists as cash including foreign currency in these four-

teen banks, and by way of compensation for this cash we are giving them securities at 4i per cent with a term of ten years and securities at 5i per cent with a term of thirty years. If the Government of India were to take that much of cash from the public today, these are the borrowing rates.

Then come to (b)—

"the amount of balances with any bank, whether on deposit or current account, and money at call and short notice, balances held outside India being converted at the market rate of exchange ;"

So, in (b) also we are taking some money from the existing banks and giving them these securities.

If you come to (c) it is our own securities we are taking—

"the market value, as on the day immediately before the commencement of this Act, of any securities, shares, debentures, bonds and other investments, held by the bank concerned;"

Then come to (d) —

"the amount of advances (including loans, cash credits, overdrafts, bills purchased and discounted) and other debts, whether secured or unsecured, to the extent to which they are reasonably considered recoverable, having regard to the value of the security, if any, the operation on the account, the reported worth and respectability of the borrower, the prospects of realisation and other relevant consideration;"

These are the advances made by the bank. We do not take them at the face-value. They will be valued regard being had to the solvency of the persons who borrowed and all that. So., it seems to me that if the face value-of an advance is, say, Rs. 100, its evaluation will be Rs. 75 or Rs. 80 or so—I do not know exactly because the solvency also...

SHRI A. G. KULKARNI : How can it be ? I do not understand this. Suppose the existing Bank A has loaned Rs. 10,000 to a certain person, say, B. Do you mean to say that you are going to enquire into the solvency of B and if B is found to be solvent for only Rs. 8,000, then Rs. 2,000 are to be deducted ?

SHRI P. GOVINDA MENON : That is what I mean.

SHRI A. G. KULKARNI : No, Sir. How can it be ?

SHRI P. GOVINDA MENON : What I mean is that the Reserve Bank of India will advise the Government as to how to value these advances. If Rs. 10,000 has been advanced to a pauper, it cannot be valued at Rs. 10,000. It will have to be valued at something much less. I do not understand if there is anything extraordinary in what I said—

"the amount of advances (including loans, cash credits, overdrafts, bills purchased and discounted) and other debts, whether secured or unsecured, to the extent to which they are reasonably considered recoverable, having regard to the value of the security, if any, the operation on the account, the reported worth and respectability of the borrower, the prospects of realisation and other relevant considerations;"

It is here in black and white that these things will be taken into consideration in valuing the advances.

I will skip over (e). I will come to it later because there may be some controversy about it.

Then come to (f). What is it? It is again the money—

"the total amount of the premia paid, in respect of all leasehold properties, reduced in the case of each such premium by an amount which bears to such premium the same proportion as the expired term of the lease in respect of which such premium shall have been paid bears to the total term of the lease;"

That is also money taken as premia.

Then (g) —

"the written down value as per books, or the realisable value, as may be considered reasonable, of all furniture, fixtures and fittings;"

Then (h) —

"the market or realisable value, as may be appropriate, of other assets appearing on the books of the bank, no value being allowed for capitalised expenses, such as share selling commission, organisational expenses and brokerage, losses incurred and similar other items."

Therefore, excepting (e) in the item of "Assets" given in the Second Schedule,

everything else came into the hands of the Government of India on the 19th July and most of which is money.

Then we come to (e) which refers to "the value of any land or building" ...

SHRI GODEY MURAHARI: The banks trade in money. It is not like that of a store where you have stock-in-trade. Your argument amounts to this that you buy a store for Rs. 20,000. The store is worth Rs. 20,000. You pay the sum of Rs. 20,000, and then you go on valuing every single item and pay separately for it again.

SHRI P. GOVINDA MENON : I do not understand this argument. I said when we are taking money, for taking that money we are giving them stock certificates . . .

SHRI A. G. KULKARNI: The money belongs to the depositors.

SHRI P. GOVINDA MENON : We will come to that later.

*(Interruption by Shri A. G. Kulkarni again)*

SHRI P. GOVINDA MENON : Why do you say that I do not know anything about this ?

Now there is (e) which refers to lands and buildings. Why I explain it at length is, when you speak of taking over the assets, you think that you are taking over a company or a factory or a business. It is not like that. The only thing with the banks are lands and buildings which have to be valued. These are termed in the Banking Law as non-banking assets of a company. Under the Banking Regulations no bank can keep non-banking assets with them for more than a certain period—4 or 5 years or 7 years, I do not remember that,—unless it be for the conduct of their office. Therefore in (e) will come the office buildings where the office building belongs to the bank. I know that many banks are conducting their offices in rented buildings, because recently there has been a proliferation of the banking activities and new branches have started. Where the bank owns its own lands and buildings, how is it to be valued ? We have not provided for market value although the word is used there. We said 'ascertained value'. What is this ascertained value ? You first of all consider what will be the rental, not gross rental

[Shri P. Govinda Menon]

but net rental. Net rental is calculated and it is multiplied by twelve. That is, we presume that a eight and one third per cent, return on real property will be a fair return. It is only with respect to the valuation of lands and buildings that there can be a controversy whether the book value should be taken or the ascertained value. In the matter of valuation, of real property, a well-recognised principle is this rental principle. Capitalise it fifteen times, twelve times or eighteen times. We have added up to 12 times because it would bring a return of eight and one-third per cent. Mr. Kulkarni said that all these belong to the depositors. I wonder whether he has a deposit in any of the banks and if so, whether he would claim a share in the assets of any of these banks. That is a manner of speaking. These belong to the shareholders. We are not compensating any of the big businessman or any of the capitalists in this country. When we say that Bank A belongs to capitalist X, Bank B belongs to capitalist Y and Bank C belongs to capitalist Z, what we mean is that these capitalists X, Y and Z have managed to get into their hands the money of the thousands of shareholders in this country and the deposits of thousands of depositors and have manipulated. In fact that is the nature of banking—a few dealing with the money of many.

SHRI GODEY MURAHARI : You are going to pay a few the money deposited by many.

SHRI P. GOVINDA MENON : If your understanding of what I said is that way, I have not very great respect for your understanding.

SHRI GODEY MURAHARI: If you have proper understanding, this Schedule would never have been there. In the first place, Mr. Menon, you have very little understanding of banking.

SHRI P. GOVINDA MENON : I do not propose to learn anything about banking from the hon. Member. Now these belong to the thousands of shareholders in this country. This morning I read out that in one of the banks, the Central Bank of India, the number of shareholders is about 30,000.

SHRI P. C. MITRA (Bihar) : There might be 30,000 but it may have been cornered by a few.

SHRI P. GOVINDA MENON : I referred to the number of shareholders. We refer to a bank as the bank of Mr. X, but the money we give by way of compensation goes to the shareholders. That is the provision in the Bill. The interim payment will go to the shareholders and in clause 15(4) we have said that the existing banks shall distribute it to the shareholders. Therefore I conceive that in this fixing of compensation, we should look to the fact that this is intended to go to the thousands and tens of thousands of shareholders in this country who are not capitalists.

SHRI M. M. DHARIA (Maharashtra) : I do feel that here I can understand the Minister speaking because of the present constitutional provision we have to pay according to the present market value so that it would not be challenged in the Supreme Court but has not the time come in this country that for the implementation of the economic measures, the protection given by the Constitution shall have to be withdrawn ? I want that sort of an assurance from the Government in this House. It is not a question of failing to respect somebody's understanding but the question is of understanding the present economic and social conditions in the country and this guarantee given under the Constitution shall have to be taken away; otherwise this Government is going to pay those who have already squeezed enough money from the society.

SHRI P. GOVINDA MENON : I am speaking in the situation when the Constitution referred to by Mr. Dharia is there. I cannot forget the Constitution. I cannot forget article 31 of the Constitution. We have to pay compensation but I was also saying that it is not correct to think that this is a kind of acquisition of property from the capitalists in this country. That will apply to other kinds of nationalisations, not to this where the money by and large will go to the ordinary shareholders.

SHRI GODEY MURAHARI: This is a wrong argument. The public limited companies have thousands of shareholders. The same argument will be used by you ...

SHRI M. M. DHARIA : I want him to study the share pattern ...

*(Interruptions)*

SHRI P. GOVINDA MENON : Therefore we have to take a *via media*. We have to see that too much will not go to the banks nor to too low a compensation will be provided. As was rightly pointed out by Mr. Dharia, we are working under the limitations of the Constitution. That also is there. Without payment of compensation, an illusory compensation will not be accepted by the court. So we have to provide a reasonable compensation. Regarding acquisition which we make under the Constitution, when you take Rs. 1,000 from a bank and say you will give 4½ per cent, security with a term of 10 years or 5½ per cent, security with a term of 30 years, it is a reasonable thing because we are taking money and without this money these nationalised banks cannot function. From 19th July these nationalised banks function because the money which was there in the existing banks have been taken over. So I would submit that all the criticisms made one way or the other are not valid nor are they acceptable to me. What Mr. Dharia said is a different matter but that does not arise here.

SHRI N. SRI RAMA REDDY : He wants you to act unconstitutionally.

SHRI P. GOVINDA MENON : That is not what he said. He wanted me to assure that there will be an amendment of the Constitution and the provisions of article 31 will be changed. When that occasion arises, he can see where I am in the matter.

SHRI M. M. DHARIA : When we have to pay Rs. 150 years, is it not the proper occasion ?

SHRI P. GOVINDA MENON : Mr. Patel moved an amendment that goodwill have to me paid to all. And the formula given for that appears to be a very curious formula, and I am sure some Members on the Opposition will also ask for a reduction for the illwill of the companies also.

THE DEPUTY CHAIRMAN : The questions is :

102. "That at page 17 to 19, for the existing Second Schedule, the following be substituted, namely :—

The Second Schedule  
(See section 6)

The compensation to be paid by the Central Government to each of the exist-

ing banks in respect of the acquisition: of the undertaking thereof shall be—

(i) an amount equal to the stock exchange average market rate of the shares for each of the existing banks for preceding three years from the date of acquisition; or

(ii) the actual value of the paid-up shares in each of the acquired units, whichever is higher."

*The motion was negatived.*

THE DEPUTY CHAIRMAN : The questions is :

103. 'That at page 17, line 25, after the words 'State Governments', the words, 'and Trustee securities guaranteed by the Central or State Governments', be inserted."

*The motion was negatived.*

THE DEPUTY CHAIRMAN : The question is :

104. "That at page 18, after line 20, the following Explanation be inserted, namely :—

'Explanation.—In the calculation of assets the value of assets equal to the total number of Special Reserve of a Bank formed in accordance with the provisions of the Banking Companies Act, 1949, shall not be taken into account."

*The motion was negatived.*

THE DEPUTY CHAIRMAN : The question is :

105. "That at page 18. for lines 22 to 26, the following be substituted, namely :—

'Explanation 1.—For the purpose of this clause, "value" shall be deemed to be the book value of the land or buildings as on the 19th day of July, 1969.'

*The motion was negatived.*

THE DEPUTY CHAIRMAN : The question is :

106. "That at page 19, after line 35, the following be inserted, namely :—

'(i) goodwill of the undertakings as a going concern, regardless of whether any such asset appears in the books of the bank, valued at an amount equal to the aggregate of the profits of the bank (after

[THE DEPUTY CHAIRMAN]

deduction of tax) in respect of five completed accounting years 1964, 1965, 1967 and 1968, plus the aggregate of the sums, if any, transferred to reserve fund in respect of those five accounting years."

*The motion was negatived.*

THE DEPUTY CHAIRMAN: The question is :

"That the Second Schedule stand part of the Bill."

*The motion was adopted.*

*The Second Schedule was added to the Bill.*

*The Third Schedule was added to the Bill.*

*Clause 1—Short title and commencement*

SHRI J. P. YADAV : I move :

15. "That at page 1, for lines 7 and 8. the following be substituted, namely :—

'(2) It shall come into force on such date as the Central Government may, by notification in the official gazette, appoint.'"

*The question was proposed.*

SHRI P. GOVINDA MENON:

माननीया, मैं समझता हूँ कि मंत्री महोदय अपने आर्डिनेन्स को बचाने के लिए इस बिल को 19 जुलाई से ही लागू करना चाहते हैं। मंत्री महोदय हमेशा इस प्रकार प्रावधान रखते हैं कि जब सरकारी गजट में नोटिफिकेशन करें उसी समय से लागू हो। वास्तविकता यह है कि कानून पास होने के बाद ही उस कानून को लागू होना चाहिए। मैं इस मूलभूत सिद्धान्त की ओर अपने मंत्री महोदय का ध्यान आकर्षित करता हूँ कि जब यह पास हो जाय तभी इसे लागू किया जाय।

Madam, I cannot accept this amendment because the promulgation of the Ordinance was on the 19th day of July, 1969, and now we cannot fix another date on which this Bill replacing the same Ordinance shall come into force as an Act. The Act also should take effect on and from the 19th day of July, 1969.

THE DEPUTY CHAIRMAN : The question is :

15. "That at page 1, for lines 7 and 8, the following be substituted, namely :—

'(2) It shall come into force on such date as the Central Government may, by notification in the official gazette, appoint.'"

*The motion was negatived.*

The DEPUTY CHAIRMAN: The question is :

"That clause 1 stand part of the Bill."

*The motion was adopted.*

*Clause 1 was added to the Bill.*

*The Enacting Formula and the Title were added to the Bill.*

*Long title*

THE DEPUTY CHAIRMAN : There is an amendment but it is barred.

SHRI GODEY MURAHARI: Why is it barred ?

SHRI P. GOVINDA MENON : It is because only fourteen banks will be nationalised. So the word 'certain' appears there.

श्री बी० एन० मंडल (बिहार) : महोदया, जो एमेंडमेंट हमने दिया है वह इस तरह का एमेंडमेंट है कि जिस मतलब से इसका प्रिप्रम्बल है उसे पूरा करने के लिए मेरा एमेंडमेंट है। आज देश की स्थिति क्या है ? आज देश की स्थिति यह है कि 53 करोड़ आदमी हैं और जनसंख्या तेजी से अढ़ाई प्रतिशत दर से बढ़ती जा रही है। देश में औसत आमदनी एक रुपया है लेकिन देश की जो एक-तिहाई जनसंख्या है वह तीन आने, चार आने पर अपना गुजारा करती है। ऐसी हालत में इस बात की जरूरत थी कि प्लान के लिए वेशी से वेशी रुपये का इंतजाम करना। उस सिलसिले में इस बात की भी जरूरत थी कि जो देश में फारेन बैंक हैं और जो शेड्यूल्ड और नान शेड्यूल्ड बैंक बाकी बच गए हैं उन सबका राष्ट्रीयकरण किया जाय। इसीलिए मैंने संशोधन दिया है और मैं समझता हूँ कि वह संशोधन आउट ऑफ आर्डर नहीं हो सकता।

SHRI P. GOVINDA MENON : It is barred because we have already decided that fourteen banks alone will be nationalised, and they figure in the First Schedule. So the word 'certain' should be there.

THE DEPUTY CHAIRMAN : The question is :

"That the Long Title stand part of the Bill."

*The motion was adopted.*

*The Long Title was added to the Bill.*

THE DEPUTY CHAIRMAN : Before I take up the third reading there are two messages from the Lok Sabha.

#### MESSAGES FROM THE LOK SABHA

##### 1. THE CENTRAL SALES TAX (AMENDMENT) BILL, 1969

##### 2. THE SALARIES AND ALLOWANCES OF MEMBERS OF PARLIAMENT (AMENDMENT) BILL, 1969

SECRETARY : Madam, I have to report to the House the following messages received from the Lok Sabha signed by the Secretary of the Lok Sabha :

(1)

"In accordance with the provisions of Rule 96 of the Rules of Procedure and Conduct of Business in Lok Sabha, I am directed to enclose herewith the Central Sales Tax (Amendment) Bill, 1969, as passed by Lok Sabha at its sitting held on the 7th August, 1969.

The Speaker has certified that this Bill is a Money Bill within the meaning of Article 110 of the Constitution of India."

(2)

"In accordance with the provisions of Rule 96 of the Rules of Procedure and Conduct of Business in Lok Sabha, I am directed to enclose herewith the Salaries and Allowances of Members of Parliament (Amendment) Bill, 1969, as passed by Lok Sabha at its sitting held on the 7th August, 1969."

Madam I lay both the Bills on the Table.

#### THE BANKING COMPANIES (ACQUISITION AND TRANSFER OF UNDERTAKINGS) BILL, 1969— *contd.*

THE DEPUTY CHAIRMAN : Now we take up the third reading. The Minister.

SHRI P. GOVINDA MENON: Madam, I move :

"That the Bill be passed."

*The question was proposed.*

THE DEPUTY CHAIRMAN : Now I want to appeal to the Members of the House that those who have already spoken may not speak again and only those who have not participated in the debate may speak. One Member only from every party or group.

SHRI LOKANATH MISRA (Orissa) : Madam, I shall take two minutes only. In the course of the long discussion, my party—and I suppose the Jan Sangh also—made some constructive suggestions in the shape of amendments to the Government for acceptance. We find that the Government is not responsive at all. Therefore we feel it is futile on our part to participate in the third reading of the Bill.

*(Interruptions)*

If you keep on shouting I would be on my feet for long. Madam, it is they who are causing delay, not I. In a democracy, I feel, Madam, that members of every party have the right to speak and express their views on the floor of the House. Now, if that right is going to be throttled, then I would see that the Bill does not get through quickly, I will go on talking for half an hour and one hour.

SHRI M. M. DHARIA : How can you?

SHRI LOKANATH MISRA : I will go on talking and I will arrange that the Members of my party go on talking if that is the attitude.

DR. B. N. ANTANI : If you permit. Madam, I can go on speaking all night up to close in the morning.

SHRI LOKANATH MISRA: But that is not how we view at things. We want to behave in this House and we want others also to behave in this