

bent on the part of the Central Health Ministry to bring in a more comprehensive legislation without further delay in the immediate future.

SHRI M. P. BHARGAVA (Uttar Pradesh): Mr. Deputy Chairman, the Bill is a non-controversial one and does not require much of comments but I want to bring one point to the notice of the hon. Minister of State and that is to see if the proviso to sub-clause (2) of clause 2 could not be deleted. That is the only one point I wanted to make.

SHRI B. N. DATAR: So far as the points raised by my hon. friend opposite are concerned, similar points had been raised in the other House, and though they had nothing to do with this Bill, as rightly accepted by him, I had the matter enquired into. It was true that unfortunately there were certain tragedies in the South. Thereafter, a Commission was appointed and that Commission's Report, the Kerala and Madras Food Poisoning Cases Enquiry Report was received. During the last session of Parliament, the Health Minister promised the House that he would initiate action with a view to seeing that such tragedies did not occur and also to see whether a general comprehensive measure for the purpose of improving the present Poisons Act should or should not be taken into account and considered. For that purpose, a committee was appointed. That committee examined and approved short-term and long-term measures to be taken to implement the recommendations of the Commission. After their report was received regarding the amendments to the Poisons Act relating to the regulation of import, manufacture, sale, transport, distribution and use of pesticides, a Bill was prepared and that is now under examination. Naturally, that Bill will have to be considered by the Ministries concerned, namely, the Ministry of Health, the Ministry of Food and Agriculture, etc. I am quite confident, Sir, that as the hon. Member himself pointed out, a comprehensive measure will be placed before Parliament in due course.

So far as the other question regarding Kashmir is concerned, we are governed by certain agreements which have been included in the regulations issued by the President. Therefore it is that we have said through a proviso that "... it shall not apply to the State of Jammu and Kashmir except to the extent to which the provisions of this Act relate to the importation into India of any specified poison". This is within the terms of the agreement that has been entered into between the President and the State of Jammu and Kashmir as authorised by the Constitution. That is the reason why we can introduce only this provision in this Bill.

MR. DEPUTY CHAIRMAN: The question is:

"That the Bill further to amend the Poisons Act, 1919, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

MR. DEPUTY CHAIRMAN: We shall now take up clause-by-clause consideration of the Bill. There are no amendments.

Clauses 2 to 4 and the Schedule were added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI B. N. DATAR: Sir, I move:

"That the Bill be passed."

MR. DEPUTY CHAIRMAN: The question is:

"That the Bill be passed."

The motion was adopted.

THE INDIAN ELECTRICITY (AMENDMENT) BILL, 1958

THE MINISTER OF IRRIGATION AND POWER (HAFIZ MOHAMMAD IBRAHIM) : Mr. Deputy Chairman, I move:

"That this House concurs in the recommendation of the Lok Sabha

[Hafiz Mohammad Ibrahim.] that the Rajya Sabha do join in the Joint Committee of the Houses on the Bill further to amend the Indian Electricity Act, 1910. and resolves that the following members of the Rajya Sabha be nominated to serve on the said Joint Committee:—

1. Shrimati Pushpalata Das
2. Capt. Awadhesh Pratap Singh
3. Shri J. C. Chatterjee
4. Shri G. R. Kulkarni
5. Sardar Darshan Singh Pheruman
6. Shri Braj Bihari Sharma
7. Shri N. M. Lingam
8. Shri Bibudhendra Misra
9. Shri B. C. Nanjundaiya
10. Shri Rama Bahadur Sinha
11. Shri K. L. Narasimham
12. Shri Devendra Prasad Singh
13. Shri Jaswant Singh
14. Shri A. N. Khosla, and
15. Hafiz Mohammad Ibrahim

When dealing with this motion, I will speak on three points. The first of them is the necessity for the amendments which are embodied in the Bill which is proposed to be referred to a Joint Select Committee. The second point is the principles involved in the Bill and the third point is the amendments themselves. Of course, it will not be possible for me, nor is it at all necessary at this stage of the discussion of this Bill to go into details in regard to each and every amendment. By selection I will speak on a few of them, in order that I may be able to show in what way and manner the principles which are involved in this Bill are translated into amendments which are embodied in the Bill.

As far as their necessity is concerned, I may say that the principal Act, the Indian Electricity Act, 1910, was passed 48 years ago. During this period certain amendments were introduced and certain amending Acts were passed, but unfortunately none of the amendments could cope with the situations which have been arising

since then on account of the all-round developments which have taken place in the world and along with them in India. During this practically half a century, the world, and along with that, India also has undergone vast changes in the various spheres of human activity. Practically complete transformations have taken place.

We are at present dealing with electricity. I will place some material before hon. Members in order to enable them to know what change in the sphere of electrical development has taken place in India since 1910 up to the year 1957. They are in the shape of figures which I am placing before the hon. Members to achieve the purpose which I have mentioned. In the year 1910 in the whole of India, in

all there were only 19 generating stations, out of which 6 were hydroelectric and 13 steam and oil stations.

The installed capacity of all these was 31,000 kilowatts. It is very easy to conceive, when the installed capacity was 31,000 kilowatts, how many miles of transmission lines there may have been, as also the number of substations or the number of consumers.

I think it might not have been more than a few thousands. But if we compare the conditions which were prevailing then, in the year 1910, with the conditions prevailing today, or in the year 1957, we will find a vast change. In the year 1957, the figures of installed capacity in India were: Steam plants—1597, oil plants—228 and hydro-electric plants—1061 megawatts. The total number of plants was 451. The installed capacity was 28,86,000 kilowatts. So there is a vast difference. From this it can be imagined that many new needs might have arisen during this period, to meet which there might have been no provision whatsoever in the Act which was passed in the year 1910 or there may be some provisions which might have become obsolete today, after the lapse of half a century. This is the first need for which this Bill, which is being referred to a Joint Select Committee, has been framed by the

Government.

As far as the principles involved are concerned, I will read out the portion of the note with me in which the principles have been stated. They are five in number. In order that hon. Members may be well aware of them and they may have an opportunity to consider them fully I should read out to them those principles. They are:—

"To make available to the consumers served by the State Government Department the same facilities that are enjoyed by consumers served by private licensees."

Here I may say one thing for the information of the hon. Members. Government generates and distributes, that is, the Government Departments in charge of electricity are generating and distributing electricity, as also the Electricity Boards and Municipal Boards, wherever they may be, in the public sector. The field of electricity has been occupied by the public sector, if I correctly remember, at this moment probably to the extent of 50 per cent, today. The rest is in the hands of licensees and others. In order that the public sector may provide the same sort of facilities, this principle has been adopted in amending the Act of 1910:

"To tighten control over the operational activities of licensees."

Probably I need not say anything about it. Hon. Members themselves will fully realise without being told by me what may be the position and what may be the relations between the licensees and the consumers and what may be the necessity of tightening the control over them.

There is another principle which is—

"To provide for the inspection of electrical works and installations of the Central Government."

There are certain Departments of the Central Government which have got electrical installations and works, and they are not at present, according to law, subject to inspection by the inspectors who are at present

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inspecting the works of other bodies. So, this obligation will be created in regard to the inspection by the inspectors.

"To make amendments consequential to the establishment of State Electricity Boards under "the Electricity Supply Act of 1948."

I know that it is already within the knowledge of Members that the Parliament of India passed an Electricity Supply Act in 1948. Among other things, one provision was made therein for the establishment of State Electricity Boards, and so many States have so far established those Electricity Boards. On account of their establishment certain necessities have arisen for which there exists no provision at this time in the Act of 1910 which is governing the entire field of electricity. Therefore, certain amendments have been placed in the Amending Bill which is going to the Select Committee.

Before I come to the amendments, I would like to state one thing in order that the hon. Members, if they like, may note, and it will be useful for them for future purposes of this Bill which is going to the Select Committee—I mean, which of the clauses or the amendments included in the Bill cover what principles. Of this I have got a list, and if the hon. Members or any hon. Member asks, I will give him. I may not read this list at present, and probably it will be better if I give this list to any Member who would like to have it from me. But I have got the list with me.

Then, Sir, as I said, I would come to amendments. I am going to take up the amendment first, which relates to the creation of a legal obligation on Government. In connection with that I read a portion of a note in which something is said, which the hon. Members will follow, and they will be able to understand fully what is the purpose of that amendment about which I am speaking at present.

[Hafiz Mohammad Ibrahim.]

"Under the Act persons living in the areas of supply of licencees or those served by a State Electricity Board are entitled to certain rights and privileges in respect of extension of the distribution mains, requisitioning the supply of energy and meters, supply of energy for public lighting and freedom to use energy in a prescribed manner."

These are certain facilities which under the law the licencees are bound to provide to the consumers, but in the case of the Government this obligation does not exist. Just a short while ago, I pointed out that a very big field of supply at present is in the hands of Governments and the public bodies. But there is one thing I may point out, that in spite of there being no legal obligation, the Governments or the Government Departments have been giving those facilities at present. Still, in spite of that, it is necessary that the same sort of legal obligation should be created in the case of Government and Government Departments, so that they may realise the obligation as they have been doing and there may be no failure in future on their part. When this obligation is created on Government, it will vest in one officer in charge of the department. He will be responsible for all that job. In this connection there arise cases in which prosecutions also are launched. Sometimes it may happen that a Government officer who is in charge of the department, on account of something, may have to be prosecuted. But in order to give protection to him, a provision has been inserted in this Bill that in such a case Government sanction or Government permission for the prosecution will be necessary. This is one amendment.

Now, Sir, about the position in regard to the supply of energy. Let us take the case of a locality or a street where at present there is no electricity. I am a licensee. If six persons of the street ask me to take my mains

to that street, then there is an obligation on me to do that. In these days this sort of restriction has to be relaxed to a great extent, so that people may be able to get electricity as and when they like. Sir, an amendment is being introduced in the Bill to reduce the number of persons to two. If two residents of the locality apply, then on the licensee it is incumbent to take the mains to that place.

There is one more thing. If I apply for connection, the licensee will take the line to my house or to my place up to 100 feet. Whatever cost will have to be incurred in this connection will be borne by the licensee himself. If any cost beyond that is to be incurred in respect of connection to my house, then that has to be borne by the applicant, by the consumer. But whenever the undertaking of the licensee is purchased and for the purposes of compensation estimate is prepared, then that portion of the cost which is a part of the capital of the licensee, the entire price of that, is included in that, although it has already been paid by the consumer to him. Now an amendment is being introduced so that money which has been paid by a consumer to the licensee, will not be included at the time of the estimate, and that will not form part of the compensation at all. This is one amendment.

There is one thing which I have probably left untouched. That is very necessary. When I was speaking about the reduction of the number from six to two, there I should have mentioned one thing more. That is this. One has to guarantee the licensee that he will be consuming so much electricity for two years and he will be getting a reasonable return. That "reasonable return" has been the bone of contention in so many cases. This question has been a disputed one so many times, and so many matters have arisen on account of it. Therefore, in this amending.

Bill, a provision has been inserted that this return will be 15 per cent, of the cost instead of any liquid amount, any fixed amount. This 15 per cent, has been fixed on the basis of experience and an examination of so many cases of this nature which were available. They were examined and it was found that 15 per cent. will be a reasonable amount. So, it has been adopted for the purposes of insertion as an amendment in this Bill.

At present, the position is like this. I am living in a rented house. I want electricity. I cannot get it unless the house-owner agrees to it. My house can be connected with electricity with the permission and consent of the owner of the House. If one looks at the conditions prevailing today, particularly in the big cities and towns where thousands and thousands of people are living in rented houses belonging to others, one will find that they are unable to enjoy the benefit of electricity. Now-a-days, I think it will be very hard for them and they will be leading a very miserable life. So an amendment has been introduced by which it has been provided, that the consent of the owner will not be necessary for this. But there is one thing. Whenever the house will be returned to the owner, it shall have to be returned in the same condition in which it was taken.

There are certain cases in which it is felt necessary that the Government may have the power of regulation which may be resorted to by it in times of need. At present, the Government have got no power for regulation of any sort. Therefore, for that regulation also, a provision has been introduced. Whenever a genuine necessity will be felt in the opinion of the Government, the Government shall intervene and regulate. That provision will be availed of if it is included in the Act. There is one provision in the shape of an amendment in this Bill for this purpose.

I will tell you about one thing more here because that has been of a very recent experience. When there is a shortage of supply, necessity has been felt for imposing control, that is, a sort of regulation. But that could not be done under any law except by having resort to a special law for the purpose. The laws were enacted and Passed by the legislatures enable the Government to impose that sort of a control. Well, that expedient, I think, will be done away with if this power of regulation is vested in the Government. This also will serve the purpose.

Another thing: At present electricity is not used only for domestic purposes. For various purposes it is being used. Among them, certain uses, under certain circumstances become distinguishable and hence essential for certain purposes. If a purpose is essential, at present there is no power in anybody to declare that this will be essential and this will be deemed to be non-essential. The Government is being invested by this amending Bill with the power to decide in certain circumstances, that such and such purpose for which electricity is used will become essential and that purpose will be given priority and preference over other purposes, on account of its being essential. So, this sort of an amendment is also there.

A case like this might have come to the notice of some hon. Members also. If I am a licensee and my licence is going to expire some time after—after one year or eight months—then I lose all interest. I do not think myself responsible to provide any facilities to those people who come to me in connection with electricity. I forget them. Similar is the case when a notice of revocation is given to a licensee. In order to do away with such a situation, a provision in the shape of an amendment has been inserted in this Bill that the Government will find out the purchaser and finding one, they will ask the licensee to hand over

'Hafiz Mohammad Ibrahim.] the undertaking to him though till then no sale has taken place. The sale will take place afterwards— matters will be settled afterwards— but everything will continue and go on as of yore. But this electricity undertaking will be handed over to the purchaser and he will work there with interest because he will be owning that in future. In the licences which are granted, generally an area is fixed in which it is compulsory for the licensee to provide electricity and a stipulated period is also mentioned there for this. If any licensee does not avail of that in a compulsory area, if he does not provide electricity within the time fixed for that, there is no help. No one can do anything against him. Now, in this Bill, an amendment has been inserted that if a licensee will do this, then he will forfeit his security—the security which he deposits at the time of taking out the licence.

Then, Sir, there is one thing which is very insignificant. The Government Departments and the Electricity Boards are going to be given representation on the Central Board of Electricity.

An electrical inspector investigates into the accidents which take place. Sometimes, some documentary evidence may be necessary. Sometimes, some oral evidence of some people may be required. But it has been our experience that certain inspectors have tried to persuade the people to come forward and state things to them or to produce certain documents, but that attempt has failed. So, on the basis of this experience it has been considered necessary that these inspectors should be vested with the powers which are enjoyed by the civil courts in the matter of evidence under the Civil Procedure Code. Similar powers will be given by this amendment to the inspectors also. So far, no Government installations have been inspected. They will also inspect them like other installations.

Then, Sir, there is a set of rules at present which does not apply to Government. Those rules relate to the provision of regular supply of energy to consumers, the electric traction, the qualifications of electrical inspectors and the power to inspect certain places. Through this amendment these rules are also being made applicable to the Government Departments supplying electricity.

There is one more thing in regard to licensees. If a licensee has enjoyed a licence for 50 years, a certain option to choose comes into play, and if that option is not exercised on the expiry of those 50 years, then it can be exercised 20 years after that. In this way it becomes 70 years. Now these two periods of 50 and 20 are being reduced to 20 and 10, respectively, in the amendment that has been provided for.

Well, Sir, now I do not think I should take any more time of the House. The Bill is going to be referred to the Joint Committee. **And** after all the Legislature has to see the soundness of the principles involved in a particular Bill, and when those principles are approved, then only the Bill is referred to a Select Committee. When it comes back from the Joint Committee, each and every amendment which may be embodied therein will be thoroughly examined by us here in this House and the other House and every Member will have every opportunity to say anything and propose any amendments that he likes. Therefore I need not take so much time of the hon. Members. I only pointed out a few things in order to enable the hon. Members to see how far and in what way the principles on which this Bill is based have been translated into action. With these few words, Sir, I commend this motion for acceptance by the House.

MR. DEPUTY CHAIRMAN: Motion moved:

"That this House concurs in the recommendation of the Lok Sabha

that the Rajya Sabha do join in the Joint Committee of the Houses on the Bill further to amend the Indian Electricity Act, 1910, and resolves that the following members of the Rajya Sabha be nominated to serve on the said Joint Committee:—

1. Shrimati Pushpalata Das
2. Capt. Awadhesh Pratap Singh
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11. Shri K. L. Narasimham
12. Shri Devendra Prasad Singh
13. Shri Jaswant Singh
14. Shri A. N. Khosla, and 15. Hafiz Mohammad Ibrahim."

SHRI V. PRASAD RAO (Andhra Pradesh): Mr. Deputy Chairman, it is nearly half a century since the previous enactment was made, and now the Government is coming forward with this amending Bill. It has not come a day too soon. In 1953, the Government did appoint a Committee to go through the whole Bill and to suggest the necessary amendments, but unfortunately I think the Government has seen only to the quantitative aspect of the whole question— increase in the production of electricity—and it has not taken into account the vital role that electricity has come to play in the life of the nation and in the life of our people. I am sorry to say that still the Government is thinking of electricity in terms of production only just like any other industrial concern, but not as a basic amenity that should be provided to its citizens. Sir, if one goes through the amendments sug-

gested here or the speech that the hon. Minister has made, it becomes perfectly obvious to one that the Government has not changed its basic attitude towards the distribution of electricity. It has been pointed out by the hon. Minister while moving this motion that in 1910 we were producing about 31 thousand kilowatts of electric energy. Now it is a little over 2·8 million kilowatts of electric energy, but with regard to production, if we see the proportion as between the public sector and the private sector, I am afraid the proportion has not changed very much. In 1910, out of the 31 thousand kilowatts that were produced, nearly 15 thousand kilowatts were produced by the Government and 16 thousand by the private concerns. In 1957, when we are professing a socialistic pattern of society, when our Prime Minister has been talking about a revolution in the matter of energy, still we are producing almost in the same ratio, as far as the public sector is concerned. To give you some correct figures, Mr. Deputy Chairman, I think the public sector is producing a little over 16 lakh kilowatts of electric energy while the private companies are producing about 12 lakh kilowatts of electric energy. By the end of the Second Five-Year Plan we are to produce about 5·7 million kilowatts of electric

energy. Out of this the public 4 P.M. sector is scheduled to have an installed capacity of 4·3 million k.w. of electrical energy but I am afraid out of the 4 projects that were included in the reappraisal or rather in the pruned plan, Rs. 51 crores are yet to have an installed capacity of 4·3 million k.w. but unfortunately I think the Finance Minister did not allocate funds more than Rs. 28 crores, as I understand. So even this target of 5·7 million k.w. and even the 43 million k.w. in the public sector is not going to be achieved and it is being axed in this reappraisal and pruning. What I mean to impress is that the attitude of the Government towards basic power production has not much changed in spite of the statements of the Prime Minister, in spite

[Shri V. Prasad Rao.] of the statements made by the Planning Commission that a country cannot progress without the basic production of electricity as such.

Coming to the specific measures that are proposed in this amending Bill, let me take up the question of nationalisation of these electrical undertakings.

[THE VICE-CHAIRMAN DR. R. B. GOUR
in the Chair]

I told a little while ago that no reorientation of attitude has come about in the Government. There are certain electrical concerns that are not actually producing any electricity but are indulging themselves in parasitic existence. We, who are abolishing jagirs and zamindaris, find that these jagirs and zamindaris are still existing in the production of electricity. Take " the Electrical Company of Calcutta. It is now taking electricity from the D.V.C., a State enterprise. They are being supplied electrical energy by Government at the rate of 6 or 7 naye paise but they are charging the consumers about 36 to 38 naye paise. It is actually by acting as a middle-man that last year they had netted a profit of Rs. 10 lakhs.

SHRI J. S. BISHT (Uttar Pradesh): Is that not a subject for the West Bengal Government and the West Bengal Assembly?

SHRI V. PRASAD RAO: I am just stating that the Government has not orientated itself to the fact that electricity is not like any other industry but it is a basic amenity, it is a basic necessity. That must be provided for. Coming to the relevancy of this Bill itself, there is one provision. There is provision to take over the concern and for paying compensation. It is exactly in relation to that that I state this. In Cuttack there is an electricity concern—it is a British concern¹—called Messrs. Octavian Electric Supply Company, which has netted some lakhs of rupees simply by acting as a middle-man. They are taking electri-

city from the D.V.C. and are supplying at an exorbitant rate to the consumer. Like that there are so many concerns in India which are not at all engaging themselves in the production of electricity, are simply acting as middle-men and netting a clean profit. From which sources are they getting this electrical energy? It is from the Government that they are taking electricity and are giving it to the people, and for this—they are not producing any electricity as such—they are getting huge profits. While in the D.V.C, if the power system is taken as a separate entity, we are told that we had some loss but here by taking power from there, there is a company which is netting about Rs. 10 lakhs as profit. It is high time that we put an end to such things. Of course there is a provision here for taking over some of these concerns. I don't mean to say that every concern, every private company should be nationalised. Actually those concerns that are producing electricity may not be immediately nationalised but certainly those that are having a parasitic existence have no reason today to exist. I think they must immediately be nationalised.

Coming to the specific provision of taking over of such concerns, the compensation as per this Bill, would be the market price. I am surprised to find it. A concern that might have purchased its machinery about 2 or 3 decades ago can today come out and claim the market price. It is a very funny phenomenon. A generator that would produce about 1,000 k.w. or a turbo alternator that was producing 1,000 k.w. two decades ago might have not cost even one-tenth of what its present price is. Naturally many of these electricity producing concerns have earned more than 10 times, sometimes even more, than what they had invested a long time back. For that, now to pay the market value would be nothing but just giving them away the good tax-payers' money. Of course there is an argument that some 2 or 3 years back the stock of some of these electricity companies had come down. Sometimes it might

have been lower than the market price ; but that cannot be the argument today j that instead of the book value, the market value should be the compensation that should be paid for these parasitical companies. So the best thing would be to fix up the book value as the compensation, but if the market value happens to be less than the book value, then and then only the market value could be paid as compensation. I don't mean for a moment that these concerns should be expropriated but the compensation we pay must be realistic. It must be either the book value or the market value, whichever is less. I think the Joint Select Committee would go into this aspect of the question.

Then there is one welcome provision j made and that is, at present if an electrical connection is to be had, not one or two persons but half-a-dozen persons should pool themselves together and approach the concern and say: 'Here we are six people, we are going to be jointly responsible for these things and please give us the electric i •connection.' Now happily it is re- i duced to two but I don't know why it should be two persons. Supposing if ! my house is there alone, I cannot have electric connection unless I get some other friend of mine and get another Tiouse constructed near about me. It is meaningless. On the one hand the Government is demanding 15 per cent, of the cost of these service lines to the particular house. In that case if 15 per cent, is borne, I don't know how it matters whether it is borne by one person or 2 persons. If at all 15 per cent, is to be borne, it can as well be borne by one person. There is no reason why a minimum of 2 persons should be fixed for asking for a new connection. I think, as the hon. Minister has said, with an open mind he would consider it and also the Joint Select Committee when it deals with this. As for this charge of 15 per cent, if we recognise that electricity is not a luxury as in the days of yore but a necessity, then it will be realised that ■you are putting a premium on the i

person who wants a new connection. He may need the new electric connection for starting a light industry or to electrify a cottage industry or it may even be an electric connection for running an Ambar charkha. In that case if you say that the fellow who can invest only a few hundreds to start such an industry should pay 15 per cent of the service cost, I think there is absolutely no justification for that. On the other hand, you are putting a premium on the development of such a unit. Why should this figure of 15 per cent be kept sacrosanct? As I pointed out earlier, it is not going to be a business concern at all. It is like roads. It is like sewage. It is like water supply. It must be considered a necessity, as an amenity, to be provided to the city. Or else, by the mere fact that my house happens to be a bit out of the way, I cannot be discriminated against and asked to pay a huge amount of money, a sum more than the other gentleman who happens to be fortunate to have a house nearer the street. I think there is no validity for this 15 per cent. In the other House or in some other statement, I think the hon. Deputy Minister of Irrigation and Power came out with some figures and said that this 15 per cent, is necessitated because nearly 75 per cent, is needed as extra for the production of this extra electricity. I do not think that is a fact, because unless there is an installed capacity, unless there is the load factor, you cannot give a new connection at all.

THE DEPUTY MINISTER OF IRRIGATION AND POWER (SHRI J. S. L. HATHI): Not extra, but as cost of production. It is 7 per cent.

SHRI V. PRASAD RAO: May be but whether this gentleman is going to take the new connection or not, the power house is there running. The hydro-electric plant is already running. I do not know how this 75 per cent, is computed. I do not think it could at all be 7-5 per cent.

[Shri V. Prasad Rao.] That cannot be the cost of production of this extra energy. I can illustrate my point. If there is a power plant with a rated capacity of 1,000 k.w. and there is only a load of 900 k.w. if I am taking 2 k.w. of load, I do not think the extra cost would work up to as much as 7-5 per cent. Though I myself studied electricity, it is a bit beyond me and my comprehension to see how this could work out to 7-5 per cent. Even if it worked out to 7-5 per cent, you cannot put a premium on new connections. So I think the Joint Select Committee should go into this aspect of the matter and see that when new persons want to have new connections, they are not discriminated against. People who are living a bit outside the city, they are mostly the poorer classes and they should not be discriminated against. People who can afford to pay, who have the money and who live in posh localities, from them you can collect. But mostly in these new areas outside the city the workers live and it is mostly from these people that you are going to collect this amount. So this is going to be harmful to the poorer sections of the people who want to get electricity. I think the Joint Select Committee should go into this aspect and see that this percentage of 15 per cent, is reduced.

Next I come to some few technical points. In the big electrification schemes that are going on, 66 k.v. lines and 33 k.v. lines are going crisscross across the country. Even in cities these 33 k.v. and 66 k.v. lines are being laid without any proper master plan. I can understand these lines being laid in open spaces across fields, taking them on straight lines. But in cities and populated centres we cannot allow these lines according to the wishes of a particular chief engineer or executive engineer of electricity. So a stipulation should be laid that wherever the H.T. lines are passing over cities, or over populated centres, the consent of the local board must be obtained and for this

a statutory provision must be made. I know for instance, in our own city of Hyderabad, 33 k.v. and 66 k.v. lines are laid without the consent of the municipal corporation. Even in spite of the protest of the municipal corporation they were laid criss-cross. That is a dangerous thing. In ordinary open lands or fields it may be a different thing. But here the corporation may be planning a new colony or it may be planning a skyscraper ! or it may be planning a new market-ling centre and there such overhead ! lines should not be allowed. For this there should be a statutory provision that the local board's consent must be obtained. Better still, they should lay underground cables, even if the cost be a bit more.

Then I come to the distribution system. In most of the developed industrial nations, the distribution of the energy is by 110 volts, but here most of the D.C. energy is distributed by 230 volts. In order to obviate accidents, I think the Joint Select Committee must go into the question whether we can have at least for future developments a distribution system of only 110 volts, and a statutory provision should be made for that.

Then there is another matter. In most of the industrially developed countries, in those countries where electricity is very widely used, there is a statutory provision that for all their motors, there must be a proper earthing, earthing not only for the completion of the circuit but also to see that no disturbance is produced in the wireless equipments, because wherever these motors work, some high frequency or low frequency waves are produced and they tend to disturb the electronic receiving equipments. Therefore, a statutory provision was made in those places that wherever any motor was used, a condenser choke must be used to earth it so that no electric disturbance was allowed to come out. I hope, the Joint Select Committee will go into

this matter and see whether a similar provision is not necessary.

• Lastly, I come to the question of electricity boards. Of course, it is not directly relevant to this amending Bill, but as the hon. Minister himself said, in the larger context of the utilisation of electricity, it certainly comes in. We are sorry to see that in spite of the amendment of the Electricity Supply Act, still in four States, *i.e.*, Andhra Pradesh, Uttar Pradesh, Punjab and I think, Orissa also, no electricity boards have been constituted. By the constitution of electricity boards, the consumer is going to be represented. It is not Government alone that is going to decide about these things, but the consumer also is going to be represented there. Not only the consumer, but also the worker who is producing the electricity is also going to be benefited by the constitution of such boards, because the question of bonus can be decided when electricity boards are there. It cannot be put on a par with any other industry and just brought before a tribunal and argued out on behalf of the State Government that they are not making any profit and so no bonus need be paid. I think that should not be the argument, as far as the grant of bonus is concerned. Just as in any other government concern the workers are paid bonus, here also whether there is an electricity board or not, irrespective of that, the worker should be paid bonus.

Another thing that I want to say is this. I hope the Ministry would see to it that Electricity Boards in these four States are also constituted as early as possible. I hope, Mr. Vice-Chairman, the Joint Select Committee will go into these things. I do not want to go into further details.

Thank you very much.

SHRI AMOLAKH CHAND: (Uttar Pradesh): Mr. Vice-Chairman, I rise to support the motion for reference to a Joint Select Committee this Indian Electricity (Amendment) Bill, 1958.

Electricity, as has been pointed out by the hon. speaker who preceded me, is a matter of vital importance not only to society but to the country and the nation at large. We know the quantum of electricity produced in the country. In the year 1900, it may be of interest to know, the total production of electricity was only 10,000 kws. It was in the year 1903 that the Indian Electricity Act came into operation. In 1910, there were 10 plants producing 31,000 kws. of electrical energy. In 1958, the plants increased to 451, that is, about 45 times and the production of electrical energy increased from 31,000 kws. to 28 lakh kws. The ultimate aim is to produce 57 million kws. by the end of the Second Five Year Plan. Since the original Act of 1903, up to the present amendment proposed by this Bill, things have changed a lot; the very idea of electricity and the very use of electricity has been changed. When we are now thinking of amending the Act of 1910, I should have thought that the hon. Minister would have considered the idea of deleting the word "Indian" also from this Act. I think it would be worth-while considering whether new laws made to amend existing or old enactments should not contain provision for deleting the word "Indian" from all these enactments. In the year 1948, we passed the Electricity Supply Bill; it was after independence and I would like to remind the House that it was not then considered necessary to call it the Indian Electricity Act of 1948. Therefore, the first thing that struck me while going through this Bill was the word "Indian" and I think this should be looked into. In clause 2 also there is mention about the Indian Electricity Act of 1910. I have referred to this only because of the following reason. In 1910, in the conditions then existing, it was necessary that there should be the word "Indian" there. As you will find in another clause, an Act of the British Parliament which was also in force in India is now going to be repealed. That is under clause 3. Anyway, Sir, I need not stress on this point any more. Anyway, if one goes

[Shri Amolakh Chand.] through the history of the development of electricity itself and the law governing it, it will become quite clear that the Act of 1910 which is in force today needs vital changes. It has become obsolete to some extent and the rules made under the 1910 Act also need change.

I remember the days when electricity came first and in a particular locality only one or two could have afforded the luxury of electricity then. Under the rules there was a handicap also. If I had electricity in my house and if a neighbour of mine wanted that he should use electricity on the occasion of a marriage or some religious ceremony, then under the rules made under the Act, the person who had electricity was not permitted to lend it to the other person who did not have electricity in his house. I think, Sir, that such old-rooted rules and regulations should now be deleted. Even in the city of Delhi, you will find three or five Members of Parliament living in a compound, living in a chummy type of house. Everyone has got a connection but if there is any marriage ceremony or any other function or the Member decides to call a few dignitaries, the V.I.Ps., or his Own leader, the requisite energy cannot be supplied and when he asks his friend for help and if the friend helps, then both of them are supposed to have broken the rules. I would like the Joint Select Committee to look into such matters and make the law as favourable for the consumers as it may be possible. Where there is no intention of depriving the authority of the normal charges for the electricity consumed, there should be no such handicap in his way. There are, of course, rules. In cases where a person wants to take the line across a lane or a road without paying the necessary charges, the present rules in regard to such connections may continue because such a connection may interfere with traffic and other things but if there are five persons living in one line—and they are in the same lane, without intervention by any other lane—I

I see no reason why they should not be helping each other.

Another point which has struck me is about giving power connections by these electricity companies. I would like to bring to the notice of the hon. Minister that there are so many electricity companies which do not give power connections for the use of heaters, frigidaires or other such appliances. I think some way should be found out to see that every company gives this power connection to anybody who asks for it. I know, Sir, of cases where new industries cannot be put up because they say that the load on the line is so much that they would not be prepared to give power connection. In this connection, I would like to point out to the hon. Minister an interpretation by which so many persons are deprived of the use of electricity. It is said, Sir, that there is no spare load available on a particular line or in a particular locality in a big city. The reason for this is that they calculate only on the maximum number of connections and points given to the residents in that area. They compute this to be so many amperes and then say that no further connection can be given but that is doing the thing on a very wrong principle and on very wrong notions because the maximum points that have been given to a particular individual are not utilised daily; they would be used only on occasions, on some religious ceremony or on any other auspicious occasion. In a house if there are twenty points on the whole, the owner might use not more than three or four points every day. Maybe on some particular occasion, the twenty points may be used but not every day. In this case, therefore, there is a surplus of fifteen points. If they take this as the figure and find out the average load that is taken in at a particular locality, they would be able to arrive at the correct figure. They may then declare that so many kws., or so many amperes are available which may be given to other needy persons.

And this, I think, would only be possible if the methods of calculating are considered liberally and in favour of the consumers. We must begin to think that electricity is not a matter of luxury. It is a necessity these days when it is difficult to get kerosene oil, when people are advancing, when more and more electrical appliances **are** available and the radios are there. It is necessary that more people should take advantage of the power that may be available in a particular locality. The hon. Minister who has piloted this Bill knows about this power and electricity, as far as I know, from the year 1937, as a Minister, and it was in the year 1939, as has been mentioned in the Report of the Advisory Board, it was in U.P. when the present Minister was the Minister-in-charge of power there that he made an attempt to regularise or to do away with the deficiencies which were then prevalent and we find a reference to that. So, I am quite sure that under his guidance and the interest with which he is looking after power, etc. such discrepancies would not remain any more.

I have talked about the artificial scarcity of electricity. Now, the other point which I would like to stress is about rural electrification. I read in some newspaper that it is the Madhya Pradesh Government which has taken into its hands, and probably they have succeeded also in electrifying forty places in the rural areas. I do not know what is the actual scheme of the Government of India. When I was going through this amending Bill, I did not find any provision, nor any inkling anywhere in this big report as to whether there is some particular scheme of rural electrification. I am talking about this rural electrification because under the new hydels that are coming up, the new power projects that are coming up, it has become necessary that people in **the** villages should become consumers; and if they are not in a position to utilise the power that is being produced at such an enormous cost, well, no useful purpose will be served. But I am told

that it is becoming more and more difficult every day to get **rural** connections, except for tube-wells or for small industries. Now, Sir, I think there should be a scheme by which rural electrification should be expedited and encouraged.

Another important source of energy before electrical energy is the atomic energy, about which we heard today during the question hour and the Prime Minister said that 2r5 lakh kilowatts would be produced by 1969. Now, I do not know whether these rules and regulations and amendments that are before this House and which are going before the Select Committee, do contemplate something about distribution, etc. of this atomi-cally produced electrical energy. I think it would be proper and rather desirable at this stage to consider how the supply of that energy might differ from the ordinary supply.

Now, Sir, we know that electricity includes a private generator which an individual may have in his own residence, then public undertakings by local bodies, by the State Governments and all that. I think there is a good case that private persons who are running private generators for their own personal use may be permitted to give electricity to their own people in that particular locality. May I explain it further as to what I mean by it? Now, there is an old, big zamindar with a very big house in a rural area. There is no electricity available nearby. He has put up a generator. He is daily using it. But then under the rules he cannot give even a single point to the next man or his own person or in his own quarters, servant's quarters or officer's quarters, unless they are in the same continuation or something like that.

SHRI P. D. HIMATSINGKA (West Bengal): Where is the difficulty? If there is no licensee in that area, there is no bar.

SHRI AMOLAKH CHANT): But take the rules as they are now. Suppose I generate electricity. Normally

[Shri Amolakh Chand.] I will get a permission, but I cannot get a permission to supply it to others, my own people. What I say is that when you give a licence you may also permit him to give electricity to other needy persons.

(interruption.)

THE VICE-CHAIRMAN (DR. R. B. GOUR) : The hon. Minister says that such people are not there now.

SHRI AMOLAKH CHAND: There are. It is possible that they may die out very soon, but as long as they are there and as long as we can take advantage of their resources, I think we should allow it. Wherever there is a railway station and at a nearby place some private factory is generating power, the factory is allowed to supply electricity to the railway. Is that permissible, I respectfully ask. Then, why should not this be permitted? What is wrong in it?

(Interruptions.)

Then, there is the question of offences against the Electricity Act. Now, Sir, I know of cases, I know of people who are very intelligent in these matters. They would take electricity right from the service pole into their own house and nobody would know about it. Then, there might be persons who might just disconnect the meter or seal and use electricity and would not pay anything to the company. I know of such cases. So, I would like to make a suggestion and that is this that whosoever commits theft of electricity with intention to cause loss to the supplying company may be proceeded with under the present law as it is. But I would like to suggest that he may be debarred from using electricity or the house in which he has committed this theft, for at least a year or two. Now, when I propose this, what I mean to say is that you must let people understand that if anybody tries to steal electricity, he will be punished in the ordinary course. Well and good, but then he should be also debarred from having a facility for a year. I would

like the Joint Select Committee to look into it also.

Now, Sir, I think I should not take much time of the House. But then, let us see some of the clauses. I was looking into the definition of clause '(f) "electric supply-line".' I wanted to understand as to what would be the position of a transformer which does not come within any of the names given here, but which has been put on a surface line to reduce the voltage. Sir, we know that 2000 k.w. and 3000 k.w. and 4000 k.w. lines pass through the poles. But for domestic purposes you want to have this electricity at a voltage of 210 to 250. Now transformers are put. Supposing somebody takes into his head to remove the transformer, I feel he would not come within the mischief of disturbing the electric supply-line. (Interruption.) The whole electricity connection will be disturbed. That is right. I was submitting that where you have defined these electricity supply-lines—means a wire, conductor or other means used for conveying, transmitting or distributing energy—the word "transformer" should also be included. Then, "overhead line means an electric supply-line which is placed above ground and in the open air but does not include, live rails of a traction system." Probably the idea is that this line of traction belongs to the railways, and railway electricity does not come within this Electricity Act, even though I find that the electricity supplied to the Defence Services, the Naval Services and others is to be treated as electricity supplied by the Central Government. Anyway, these are the points which are to be considered by the Joint Select Committee. I find that aerodromes have now been included on page 3. This is a right step which ought to have been taken even much earlier, because with the advent of night air services, it is necessary that the aerodromes which we have should have electricity.

Then, I would refer to some other points which I have not been able to understand. On page 4, clause 5(ii)— "(2) Where in its opinion the public

interest so permits, the State Government may, on the application or with the consent of the licensee, and after consulting the State Electricity Board, and the Central Government where inat Government is interested,"—I have not been able to understand how the State Government is to decide whether the Central Government would be interested in a thing or not I think this needs to be looked into, because there is a confusion, and I think if that is removed, probably j There may be some advantage.

Now, Sir, as I was trying to point | out, in a State there is the Govern- j ment Electricity Department, there is I the State Electricity Board, and now ! we find in the Statement of Objects and Reasons of the Bill, that an ! attempt is being made to give the con- ! sumex the same rights from the Government Electricity Department and the State Electricity Board. I think it may be desirable to look into the I question whether there is yet any need | of having two electricity organizations i dn one State. Now, what is the scheme of affairs. In the Central Government you will have the Central Electricity Board. In a State Government you will have a State Electricity Board, and then there would be Government Electricity Departments. I do not know why it would now be necessary to have two such bodies in one indi- j vidual State, because what we usually find is, as far as production of electricity is concerned, all those electricity undertakings which are functioning, say, since before 1940 or even 1938, are all private Ones, run usually by companies like Martin and Company or any other company, to supply ■electricity in particular localities, for certain purposes, or to run cinemas, and thereafter, from 1939 onwards Government also owned some power houses, and as more and more hydels are coming' up, the distribution of electricity is in the hands of the Government. Probably what it means is that, where a Government is producing electricity and selling it direct to the consumer, it is the Government Electricity Department which is doing it. I Then there is the Government Elec-

i. iCiiy Board which supplies energy to -oine, and reguiaies some other things such as supply of electricity for tube-wells, which area should be electrified, which area can be electrified later on, and all that. What I mean to suggest is, whether it would not be proper for u.i to have one organisation in a State, and it should be organised in a way that all the interests, the interests of the consumer as well as the interests of the producer and the interests of the Departments of Government may be represented there in that organization. I do not think it is necessary to have duplicate organizations within a State. We would be having the Central Electricity Board, the State Electricity Board, and then the co-ordination between the Central Electricity Board and the State Electricity Board, and all that. So, what I would like to suggest is, when we are going to have more and more State enterprises in supplying electricity, in producing, distributing and generating electricity, why should there be two State departments in one State?

SHRI P. D. HIMATSINGKA: There are not two departments. The Central organization is for the Centre, and the State electricity organizations are for the different States.

SHRI AMOLAKH CHAND: Pfoably in West Bengal State that might be so. But I would draw your attention to the Statement of Objects and Reasons, page 23, second sentence from the top: "It is accordingly proposed to give the same rights to consumers of a Government Electricity Department as are enjoyed by those receiving supply from a State Electricity Board." That means it is not a Central Government Department. It only means the State Electricity Department. Anyway, we are not concerned with that so minutely. What I am suggesting is that there should not be two departments dealing with on_e subject.

There is another problem. Probably Mr. Hima^Tsingka will bear me out when I say that if you walk on the

[Shri Amolakh Chand.] streets of Calcutta, you will find gas lamps and we do not know when they are going to finish themselves. Then, you will find electricity also on some roads, and then on some roads you will find both gas and electricity going together. In the year 1958 it would be an anachronism to have gas lights. Gas we may have for cooking purposes and so many other things, for refrigeration, for heating water, etc. But lighting by gas, as you find in Chowringhee and other places in that Maidan area is so dim that you should have a torch light to see whether the light is burning or not. As we used to say in jail about the light which was being supplied to us—

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I have seen places—I do not exactly recollect—where people were to get electricity for three or four hours and that too when, I wanted to know. As far as the case of this Gas Company was concerned, I read in a paper that the Government of West Bengal was going to acquire it. We do not know what fabulous price would be paid for that. Sir, I was speaking about gas and electricity. Well, gas should be replaced by electricity as soon as possible or as conveniently as possible and there should not be occasions for having gas for giving power for light and other domestic purposes.

There are very many good points in the amendments and I need not say anything more about them except to find out why it is necessary that in public lamps and in street lights, a minimum should be put of two hundred and fifty watts and one hundred volts. I have not been able to understand it. After all, the local authorities are in charge of lighting the streets and I could not appreciate what is the idea of two hundred and fifty watts in one case and one hundred volts in another. I am referring to clause 22 where they say:

"...shall transmit or use energy at a rate exceeding two hundred and fifty watts and one hundred volts—

- (a) in any street, or
- (b) in any place,—" etc.

What I personally feel is that there will not be any shortage of electricity because of the production of electricity by the end of the Second Five Year Plan. My only worry is whether you would be able to utilise the electricity which is being produced with profit or not. As far as I know—and I was told—electric lines are being laid, but the machinery, the small motors and so many other things necessary for using electricity are not available. I think, probably by this time they have considered it and there will be no difficulty.

The hon. Minister was referring to giving Civil Code powers to electrical inspectors. I think that is quite right and the electrical inspectors should get more powers. But my only complaint is that in such cases where, some person has been electrocuted or some animal has come in contact with the live wire, the proceedings drag on for a long time. I think that they should look into it and see if more powers cannot be given to the electrical inspectors to dispose of the cases of compensation, etc. and that the persons concerned may get the money all right.

With these few words, I support the Bill for referring to the Joint Select Committee.

SHRI P. D. HIMATSINGKA: Mr. Vice-Chairman, the hon. Minister while introducing the Bill has explained the reasons why the amendments have been proposed, and the reasons have been very clearly explained and I need not go into them. The increased supply and the various authorities having come into the field of supply—have necessitated the new provisions that have been proposed in the Bill

To my mind, the provisions that have been introduced go a long way

in removing the difficulties which have been experienced so far by the consumers. One of the difficulties that used to be felt by the consumers having been situated at a distance from the supply line was that the companies generally would not undertake to give them connection as the initial cost in drawing the line to the house of the consumer was excessive and they did not expect a good return—or rather a reasonable return—from giving one or two single lines. That difficulty has been attempted to be met by the provision that if the return is 15 per cent, of the cost excluding the cost of the equipment in the substation, then the consumers can claim . . .

HAFIZ MOHAMMAD IBRAHIM:
Excluding that cost.

SHRI P. D. HIMATSINGKA: Excluding that cost.

— and he will be entitled to have that connection. As a matter of fact, as you will easily understand, Sir, whether the supplier is the Government or a private licensee, it is to the interests of the licensee to give supply because the more the consumers, the more the income. Therefore, ordinarily it is expected that connections will be given provided there is power available and provided it is found reasonable to give that connection. And there is no reason why anybody would be refused a licence. I know of various companies which have been eager to give out connections, but there are not consumers forthcoming as they would like to.

SHRI H. P. SAKSENA (Uttar Pradesh) : May I bring to your kind notice, Sir, and through you to the notice of the hon. Minister of Irrigation and Power, that Lucknow is going without new licences for a number of months because of the fact that there is a tangle, a tussle?

THE VICE-CHAIRMAN (DR. R. B. GOUR) : You can give your name for making a speech on this Bill. Let the hon. Member please continue.

SHRI P. D. HIMATSINGKA: There must be because the power is not available.

I did not, therefore, follow one of the points that was made by the hon. Member, Shri Amolakh Chand, that the companies do not supply power when the installed capacity—or rather the capacity that has been given to the different consumers in a particular locality—is quite sufficient for the load. He says that because the energy is not used every day, therefore additional supplies may be provided for other consumers. But he forgets what will happen when on particular occasions all the consumers use the full capacity. Then all the lines will go **out** or the voltage will drop and then there will be a complaint. As a matter of fact, the electric company must make a provision for meeting the full demand that may be made on their capacity . . .

SHRI H. P. SAKSENA: Why not abolish this company system?

Shri P. D. HIMATSINGKA: on account of the various consumers that have been supplied with power. Moreover, as you know, Sir, there was the other point that was made that a party should be allowed to have connection privately from one house to another. The same difficulty will be there also. It is not so easy a thing because the meters may have to be changed. Meters have a particular capacity. They are of the same capacity as the lines in a particular house. And if you give an additional connection on a particular occasion like marriage, there will be a very heavy demand and a very heavy load and the meter will go wrong and electricity will fail. It is a very technical thing and it is not very easy to make suggestions like the one made, to meet occasional difficulties of supply. You cannot play with electricity where it is a question of life and death. If there is the slightest mistake or if some slight thing goes wrong, that may cause a very serious accident. Therefore, that suggestion seems to me to be very impractical.

[Shri P. D. Himatsingka.] and I do not think that there should be any private connection allowed between one householder to another.

Similarly, I do not think that any electricity concern will be interested in creating an artificial scarcity of power. As I said, it is to their interest to be able to supply as much power as the capacity of their sub-station will permit.

Therefore, I feel that the Bill, so far as it goes, is quite sufficient for the purpose. But then again, I do not see where my hon. friend, Shri Amolakh Chand, finds . . .

THE VICE-CHAIRMAN (DR. R. B. GOUR) : Will you take more time?

SHRI P. D. HIMATSINGKA: No, no. I will finish in one or two minutes.

THE VICE-CHAIRMAN (DR. R. B. GOUR) : Is the House prepared to sit for a couple of minutes more?

(No hon. Member dissented.)

THE VICE-CHAIRMAN (DR. R. B. GOUR) : Please continue.

SHRI P. D. HIMATSINGKA: There are not two authorities. The provision in the Bill is that even when the supply is made by the Government Electricity Department, they also will come within the same rules. They also will be liable to supply power. They are under an obligation to supply electricity to other consumers just as the private parties do. Therefore, I do not see that there is any duplication of authority.

THE VICE-CHAIRMAN (DR. R. B. GOUR) : The House stands adjourned till 11-00 a.m. tomorrow—Wednesday, the 3rd December 1958.

The House then adjourned at five of the clock till eleven of the clock on Wednesday, the 3rd December, 1958.