

A vibrant Test Passage
for
Grade C and Grade D Exams.

TRANSCRIPTION NO. 265^{1A} { Budget Speech of Hon. Finance
Minister. }

Handwritten shorthand notes in Devanagari script, covering the entire left side of the page. Some legible words include '2001-02', '24/01', '01-02', '28/2001', and '2001'.

Sir, I beg to move:

That the Bill to give effect to the financial proposals of the Central Government for the / Financial Year, 2001-02, be taken into consideration.

Sir, I had, in my speech / in the House on 24th July, 2001, while presenting the Budget for / 2001-02, explained the main features of the proposals contained in the Bill. The EXPLANATORY memorandum circulated / to the hon. Members also contains the details of the specific provisions in the Bill. I do not, therefore, propose (100) to go over the detailed provisions of the Bill once again.

I feel GRATIFIED that the Budget has EVOKED a great deal / of interest, and during the debate on the Budget in this House, a number of very constructive suggestions were made / by the hon. Members with regard to some of the proposals contained in the Bill. I have also received / a large number of representations from members of the public, trade unions, voluntary organisations, professional bodies and chambers of commerce / on the proposals in the Bill. I express my sincere gratitude to all of them for giving us these valuable suggestions. (200)

I would like to assure the Hon. Members that we have given very careful consideration to all points / which have been made with reference to my proposals. I had stated in my Budget speech that I propose to make / structural changes in our tax system. As the hon. Members are aware, the Government have since set up a / Tax Reforms Committee to look into the entire tax structure. The Committee has been directed to submit an INTERIM report within / three months and the final report by February 28, 2001. While I will come (300) before the House with comprehensive proposals after the reports have been received, I seek the INDULGENCE of the hon. Members to / put forward proposals for amending some of the provisions in the Finance Bill, 2001.

Taking up the / provisions for direct taxes, in line with our objective of giving a THRUST to exports, I propose to increase / the tax incentive for exporters under Section 80 HHC of the Income-Tax Act. Profit on sale of Exim scrips / will be treated as exports profit in the proportion of the export turnover to the total turnover of the business. (400)

Hon. Members will recall that I had proposed certain modifications in the scheme of tax concession for tourism industry as / contained in Section 80 HHD of the Income-Tax Act. Under the existing provisions, this concession is / available only to approved hotels, approved tour operators and travel agents actually in receipt of payment from foreign tourists in / convertible foreign exchange. The modification proposed in the Bill was intended to secure that this tax concession would also be / available where payments for providing services to the foreign tourists are received in Indian currency from another hotel, tour operators, etc. (500) out of the funds obtained by conversion of foreign exchange received from the foreign tourists. In the various representations / received by me, it has been pointed out that under the proposal in the Bill, the tour operators would stand / to lose. Recognising the contribution made by the tour operators in attracting foreign tourists to this country, I wish / to make it clear that extending the tax concession to hotels and travel agents will not be at the cost of / our tour operators. With this END in view, I propose to move an amendment to the Bill to secure that the (600) receipts in foreign exchange, eligible for COMPUTING the concession, do not get reduced by the payments made to another hotel, / tour operator etc. for providing service to foreign tourists.

Under a proposal in the Bill, the tax concession available to / Indian companies in relation to receipts of ROYALTY, commission, fees and similar payments from a foreign source for export of technical / know-how or rendering of services outside India is to be extended to the non-corporate resident taxpayers. I propose to / further enlarge this tax concession and make it available to technical or professional services rendered from India to concerns abroad. (700)

This will, however, not cover cases where the technical or professional service is rendered to non-residents in India. / I further, propose TO DO AWAY with the existing requirement of obtaining prior approval of the tax authorities, in respect of / agreements with the foreign concerns.

Under an amendment to the Income-Tax Act proposed in the Bill, interests on STICKY / loans in the case of financial institutions and banks will be charged to tax only for the year in which / interest is actually received, or is credited to the profit and loss account whichever is earlier. (800)

I propose to provide that interest tax on such interests will also be charged only in the year in which the interest is actually / received, or is credited to the profit and loss account, whichever is earlier, by the bank or financial institution. (840 words)

Handwritten shorthand transcription of the printed text, written in a cursive style on lined paper.

Most expected Test Passage
for
Grade C and Grade D Exams.

TRANSCRIPTION NO. 266 } Continued Budget Speech of Hon. Finance
Minister,

Handwritten shorthand notes in Devanagari script, covering approximately 20 lines of text.

Hon. Members would recall that I had stated in my Budget Speech that the credit institutions will have the freedom/ to pass on the burden of interest tax to the borrowers by adjusting suitably the rate of interest. It has been/ brought to my notice that in many cases where term loans have already been sanctioned, the credit institutions / may be able to VARY the rate of interest because loan agreements do not contain a provision permitting such variation. / I propose to move an amendment to the Bill to provide OVERRIDING legal authority to the institutions to vary the (100) rate of interest, if they so desire, in order to pass on the burden of interest tax to the borrowers. / Further, I also propose to exempt from the imposition of interest tax cooperative land MORTGAGE banks, cooperative land development banks / and cooperative societies engaged in the business of banking which cater primarily to the needs of farmers and village artisans. /

My proposal to extend the coverage of the expenditure tax to the expenditure incurred in RESTAURANTS providing superior facilities like / air-conditioning has been generally welcomed because these restaurants are PATRONISED by the AFFLUENT sections of the society. (200) It has, however, been pointed out that the CRITERIA for identification of restaurants, expenditure in which would come within the purview of the / proposed tax, is CUMBERSOME in the form in which it is contained in the Bill. I, therefore, propose to modify / it and adopt a single criterion, which will be that the restaurant is air-conditioned. I will be moving necessary / amendment to the Bill for this purpose.

I propose to make some modifications to the proposals in the Bill relating / to deduction of tax at source from certain payments. The requirement to deduct tax from interest on bank deposits will (300) apply only to interest on term deposits other than recurring deposits. Further, cooperative land mortgage banks, cooperative land development banks, / primary agricultural credit societies and primary credit societies will be taken out of the purview of this requirement. We would / thus exclude from the AMBIT of tax deduction at source most of the depositors from rural areas. Further, I am sure / that these modifications will ensure that the small taxpayers are not put to any HARASSMENT as a result of the / proposed requirement of deduction of tax at source from bank interest and WITHDRAWALS from the National Savings Scheme. (400)

Hon. Members may be aware that under an existing provision in Section 197A of the Income-Tax Act, individuals not having any tax liability can obtain payments without deduction of tax at source by furnishing a declaration / in writing in duplicate in the prescribed form. I am directing the Income-Tax Department to give wide publicity to / this provision and make the REQUISITE forms available at the bank counters.

It has been brought to my notice that the / proposed requirement of deducting tax at source from winnings from races and payment of commission on sale of lottery tickets (500) would impose an ONEROUS burden on persons responsible for paying these amounts. With a view to MITIGATING this hardship, / I propose to provide for a THRESHOLD limit of Rs. 2,500 for deducting tax at source from / winnings from horse races. Tax will be deducted at source on commission etc., on sale of lottery tickets only if / the payment at any time exceeds Rs. 1,000.

I also propose to make a clarificatory amendment to Section 32 / of the Income-Tax Act relating to deduction for depreciation in COMPUTING business profits for tax purposes. (600) Under the proposed amendment, no depreciation will be allowed in respect of any plant and machinery the cost of which gets / AMORTISED, in one or more years, under any other provision of the Income-Tax Act.

The Bill contains a proposal / to amend Section 273A of the Income-Tax Act and Section 18B of the Wealth-tax Act / to provide one more opportunity for disclosing unaccounted income and wealth. Hon. Members would agree that this facility should not be / open-ended. I, therefore, propose to provide that it will be available only up to 31st March 2002. (700)

The Bill contains a proposal under which the DISCRETION of the Income-Tax authorities to entertain application / for registration of charitable or religious trusts and institutions will be restricted to three years from the creation of trust / or establishment of the institution. It has been pointed out that this proposal may prove to be harsh, particularly for / trusts and institutions in remote areas who might not be fully informed about the INTRICACIES of tax laws and procedures. / I, therefore, propose to provide that a trust or an institution may apply for registration at any time. (800)

However, an application made after the expiry of one year from the date of its creation or establishment will relate back to / the date of such creation or establishment only if the delay beyond the initial one year is for valid reasons. (840 words)

Handwritten shorthand transcription in Urdu script, covering the right side of the page. It includes various symbols, numbers, and characters corresponding to the printed text on the left. Some numbers like 197a, 32, 273a, 18b, 81, and 02 are visible within the shorthand.

TRANSCRIPTION NO. 267^A } Speech of hon. Commerce
and Industry Minister }

At the outset, I would like to say that the Government and the members of the Cabinet—the honourable Finance Minister, / myself and the Prime Minister—have spent several sleepless nights on this problem almost from the time when we took over / in 1992. Shri C. Rajgopalachari, who was then the Chief Minister of Madras, had brought / this problem to the attention of the Government of India. It was he who suggested that as a short cut / to solving the problem of the handloom industry, the area of reservation might be increased and sarees and dhoties might (100) be reserved for handlooms. He was IMPELLED to do that because of the INTENSE suffering of the handloom weavers in / South India. The Madras State, as it then was, retained the largest number of handloom weavers. There is no point / in our saying today that millions of families are suffering or in our EVALUATING them in terms of numbers, / for the reasons that our statistics are all wrong. But there is no denying that the quantum of human beings dependent / on the handloom industry is a very appreciable number. It does not matter whether the total number of handlooms (200) is 28 lakhs or 16 lakhs in 2002. So, we need not quarrel about the numbers affected. / If there are sixteen lakhs of LOOMS and there are eighty lakhs of people starving, there are a number of / people who starve because of these unfortunate weavers not getting any work and all that follows is no income, no food, starvation and the misery multiplies. It is essentially a human problem; it is not so much an economic problem; / and we have been approaching this problem from the human angle. It is no question of there being any dispute (300) in regard to what should be done for our unfortunate countrymen, who are dependent for their SUSTENANCE on a particular type of / living, on a particular type of economic activity which basically is UNSTABLE. But, somehow or other, it is the / responsibility of every citizen of this country and of the Government, which the citizens have placed into power, to see / that that misery is relieved. All the disputes that we had amongst ourselves, Mr. Rajgopalachari and the members of the Central Cabinet / have been in regard to the methods that have to be adopted, whether an OUTRIGHT reservation would help Madras. (400)

Handwritten shorthand notes in Devanagari script, including the year 1992 and 2002, and various symbols and abbreviations.

In point of fact, it would not have helped Tamil Nadu because of various circumstances and the priorities of movement / which is an OBLIGATION that is laid on me as Commerce and Industry Minister. We were able to indicate to the / Railway Administration that since the dhoties and sarees were available in plenty in South India, the priority need not be / given for mill-made dhoties and sarees from Bombay and Ahmedabad. It must be CONCEDED that the reservation artificially EFFECTED / by means of utilization or a correct utilization of priorities has given Tamil Nadu an advantage far above the reservation (500) that we have achieved by laying an EMBARGO on mills that they should not produce more than 60 percent of / dhoties they produced in the past. So, the picture is not all the same everywhere. What is good for Tamil Nadu / is not good for U.P., Bihar, West Bengal, Orissa, Rajasthan and Punjab. The net result of / our restricting production of dhoties by mills in the initial stages had resulted in the prices of dhoties going up, / because in many areas the handloom industry did not produce dhoties. Actually, before 1950, U.P. had (600) no looms producing wide width dhoties and sarees and it was in 1950 that the U.P. Government / financed about ten looms for producing wide width dhoties and sarees because they were in short supply in / 1950.

It would not be right for the honourable Members to say in these circumstances that all that / we have done is an EYE-WASH, that we are cheating somebody, that the mills are cheating us and that / we are cheating the Members of Parliament and the public. MAYBE, some cheating does take place. After all, if cheating (700) does not take place, there will not be Section 420 in the I.P.C. That is why, / we have provision in the Penal Code.

Sir, the position today in regard to the handlooms all over has / slightly changed. I must say this that I am not really boasting. I am only doing my duty, what is / my duty as a Member of the Cabinet which has been put in power by the Congress Party, that / if there is any item in the hundreds of items which the Commerce and Industry Ministry is responsible for, to which (800) I DEVOTE personal attention, I should say it is the handloom industry. Sir, my honourable colleague knows we have hardly / any difference of opinion. I and my colleague, the Finance Minister, have hardly any difference of opinion in any matter.

(840 words)

Handwritten shorthand notes in Devanagari script, including the number '1950' and '420'.

TRANSCRIPTION NO. 268

When I move this resolution, I am aware that it will not be received kindly by certain sections of the House. / We have heard arguments for RATIONALISATION from interested people, and we have heard statements from the SPOKESMEN of Government. / NEVERTHELESS, I am happy that this House has today an occasion to discuss this problem. I am sure that if / the Labour Minister is going to speak, he will admit that this is the most burning problem agitating the mind / of the working classes in India. From everywhere you hear the cry. In fact, after this motion was accepted and (100) news came in the papers, hundreds of telegrams have been received by me. Most surprisingly of all was, not only / the workers engaged in the jute and other mill industries, but also the workers from many other sectors, including agriculture, are writing / to me. I have got a number of those letters here. From Kerala, I get letters from agricultural workers / who are thrown out of employment by the ON-COMING of tractors for which we have got a Central organisation / and about which our Government seem to be so happy. Here, I have got a letter from an employee of (200) a bank in Mumbai the Bank of India. He says that 40 temporary employees of that Bank are / going to be thrown out because some mechanical device is about to be introduced. So, this is a question / which should be very carefully considered by this House, with all the seriousness which it deserves.

We are not prepared to / discuss rationalisation IN ABSTRACT. Gentlemen who know much about it may do well not to waste their time in telling us about the advantages of modernisation and development of machinery and all that. They are all well known. We are (300) discussing a CONCRETE problem in a concrete situation.

Now, let us turn, for a moment, to the textile industry, / the largest industry, occupying an important position even on a world scale, an industry for which our people have fought with / SWEAT and tears against the British. It employs nearly 7 1/2 lakhs of workers. In this industry, rationalisation / is being introduced or is proposed to be introduced in all the centres. Nobody will say that this is done / in the interest of production, because only last year, we heard cries of over-production raised even in this House. (400)

Textile is one of the few sectors where the targets laid down in the Five Year Plan have been EXCEEDED. / Its problem, therefore, was not one of fall in production, but of over-production. And in 2003, / we saw the picture of total or PARTIAL CLOSURE of mills. At that time, our Government, of course, standing / between the capitalists and the workers, did not remain QUIET. They immediately RESPONDED TO the complaints of the capitalists. / Concessions were freely granted, the export duty on cloth was reduced and the excise duty on medium and COARSE cloth was raised, / (500) hitting the vast majority of the consumers. But to the Government, that is a minor matter.

Neither the mill-owners nor / the Government thought of the consumer then. Both now speak for rationalisation in the name of the ordinary consumer. / The mill-owners do not want more profit. That is not at all the objective. The problem before the textile industry / as made out, is not one of fall in production, but over-production.

Now, let us come to the attitude of the / Government with regard to this. Statements have appeared from Government spokesmen from time to time PURPORTING to protect the (600) interests of the workers, prevent unemployment etc. For example, in February last, the Minister of Labour told pressmen in / Calcutta that Government would not allow any rationalisation or MECHANISATION which would result in RETRENCHMENT. He said the Planning Commission / had formulated schemes in this respect and there was no idea of improvement which would result in the retrenchment of / even a single worker. But, the Labour Minister of Uttar Pradesh, speaking to pressmen in Lucknow, said that there was / nothing like a Government rationalisation scheme. He said that the employers had prepared a scheme and the Government's efforts were (700) to see that a formula agreeable to both labour and employers should be worked out. So, he TAKES IT FOR GRANTED / that rationalisation is bound to come into effect whether the worker is going to be thrown out or not. / and he says that the possibility of a settlement between the workers and the management should be EXPLORED. This is / a very serious statement to make, but I make it knowing the full responsibility because HAD it not been for / the aid of the Government, this gross injustice would not be allowed to be worked out. The moment the workers (800) who are thrown out, get together in their trade unions and make their protests, in the name of law and order, / they are prevented from PURSUING their efforts and their families are DOOMED to poverty and so many other hardships. (840 words)

Handwritten notes in Hindi script, including the year 2003, are present on the right side of the page.

TRANSCRIPTION NO. 269

Handwritten notes in Urdu script, including the year '1998' and various annotations.

After an EXHAUSTIVE speech that my hon. colleague, the Finance Minister, has made, I have very little to say. / The reasons for the modification of the AWARD have also been given in the statement ANNEXED to the order of the / Ministry of Labour dated 24th August, 1998, and placed on the Table of the House. / Ever since the publication of the APPELLATE Tribunal's award, when RUMBLINGS of growing DISCONTENT on both sides began to be heard, / I have been greatly concerned on two accounts. Firstly, I have been most anxious that the state of tension (100) which has existed in the relationship between employers and employees in the banking field during the last five or six years / should relax and give place to an ENDURING relationship, based on goodwill and CONTENTMENT. Secondly, I have been equally / anxious that while the terms of final settlement of the dispute should not be such as to injure the CAUSE / of banking in the country, they should be fair to the vast number of what are known as the lowest / categories of bank employees and who have put up with much trouble and expense during all these years of costly LITIGATION. (200)

It is true that Government has been given the power, under the Industrial Disputes (Appellate Tribunal) Act, to accept, / reject or modify the award of an industrial tribunal, if and when Government is satisfied that it is EXPEDIENT, / in the public interest, to do so. It cannot be disputed that the said powers should be exercised by Government with / due care and CAUTION in EXCEPTIONAL circumstances, and for very strong reasons of public interest and that the modification of / an award of an industrial tribunal by executive action is PRIMA FACIE not desirable. I also SUBSCRIBE TO the views (300) expressed by many honourable Members that the SANCTITY of the award which is in the nature of a judicial PRONOUNCEMENT / should be respected by CONVENTIONS and PRECEDENTS. Honourable Members have heard from my colleague, the Finance Minister, how the full / burden of the Appellate Tribunal award might have BROUGHT ABOUT a crisis in the banking industry. In particular, he has / told the House how banking facilities in rural areas might have suffered a serious SETBACK on account of the burden. / The arguments that he has ADDUCED are before the House, and I would request hon. Members to consider them DISPASSIONATELY. (400)

If any bank is really going to suffer a serious setback, I am sure that this House and, / I VENTURE to say, all sections of it will accept the necessity of modification, however much they might ordinarily condemn such / a step as being bad in principle and unacceptable in practice. After all, it is only in a healthy economy / that bank employees or any other groups of wage-earners can hope to secure a reasonable living. No doubt, Government / must take care to see that the awards of judicial and QUASI-judicial bodies, ARRIVED AT after the most exhaustive (500) studies and researches, are not lightly BRUSHED ASIDE and that none but the gravest consequences are allowed to justify any / modification which might go against the immediate interests of the weaker side, that is, labour. Government have placed all their / cards before the House and it is for the hon. Members to decide whether their judgement is right and / whether it has been taken only after the most careful consideration.

It cannot be a pleasant PROSPECT for any Government to / pass orders which will have the effect of DEPRIVING low-paid employees of a portion of their EMOLUMENTS, and when (600) they undertake such an UNENVIABLE but perhaps inevitable task, they would be doing so after careful consideration. Governments are / no more INFALLIBLE than individuals, but no Government worth the name can afford DELIBERATELY or NEGLIGENTLY to CLOUD its VISION and / judgment by PARTIALITY or careless ASSUMPTIONS. I would, therefore, appeal to hon. Members not to doubt the BONA FIDES of Government. / If Government, in fact, have gone wrong, it is for the employees to place facts and figures before them / with a view to PERSUADING them to change their decision. According to one estimate made by the employees, 70 per cent (700) or so of the employees stand to LOSE by the amended award. If that is so, employees would do / well to supply lists of persons who will be suffering a reduction in their emoluments.

Finally, I must appeal to / both employers and employees to consider these problems OBJECTIVELY and dispassionately. They have been before courts and tribunals for the last / five or six years and have EXPENDED a good deal of time, temper and resources in the prosecution of the / judicial proceedings. It is time that they SETTLED ALL OLD SCORES and got down to the business of banking. (800) Their own prosperity is directly LINKED to the prosperity of the bank they serve. In this Bill I do not / quite understand one peculiar thing. In all other legislations we have the feeling that Government wants to take more powers.

(840 words)

Handwritten shorthand transcription of the printed text, written in a cursive style on lined paper.

TRANSCRIPTION NO. 270

Handwritten notes in shorthand script, covering approximately 25 lines of the page. Some legible fragments include "2003" and "2003".

Mr. Chairman, Sir, as the other hon. Members have pointed out, this Bill has had a very CHEQUERED history. / I do not think in the history of Parliament, after this country became independent, any Bill has suffered the DURESS of / circumstances so badly as this Bill has suffered. But ALL THE SAME, it does indicate the confused thinking of the / Government of India. Really, how to explain the situation? This Bill has been introduced again in the Fourth Lok Sabha. / As the hon. Member, Prof. D.C. Sharma, pointed out, this Bill has ASSUMED really a very peculiar character because, (100) somehow or other, neither the Government nor the persons have been able to explain fully as to what exactly they / want to do with the PATENTS in this country. This Bill was also introduced in the Third Lok Sabha but / it could not be passed. It was always said that it was due to lack of time which prohibited this Bill / to be passed. The life of one Lok Sabha is five years. I am surprised that in the life / of the Second Lok Sabha, it was not passed; in the life of the Third Lok Sabha, it was not passed and (200) it has now come in the Fourth Lok Sabha. Let us really expect that this Bill will see a better / FATE now.

It is not that there was any lack of material. As the hon. Member who just spoke before me / pointed out, many committees were appointed. First of all, a committee was appointed by the Government of India / to go into the entire law of patents. A Patents Enquiry Committee was appointed which went into the entire details of / patents system and formulated proposals based on U.K. pattern. That was introduced in December, / 2003 (300) but it LAPSED. I do not think that the Government can convince this country or outside that this piece of / proposed legislation lapsed because of lack of time. We are not so INNOCENT as all that that we could not / find time for an important law when we require this law to be passed or to be given a shape / because of the requirements of rapid technological developments in the country. Does it create a good impression? The whole world / has always been talking about our patents. In the last twelve years, we have not been able to do anything. (400)

The Government has not come forward with its mind made up and it is really a great tragedy that this Bill is one of the many instances of how much confusion there is in the thinking of the Government VIS-A-VIS / modern requirements of economic development. This is only one instance. There are many others. But this instance is / a clear example of how much confusion there is in the Government thinking about the basic requirements of industrial growth / and economic growth which can compensate for and which can really keep its pace with the economic development in other countries. (500) I will not go beyond this. But I would certainly say that I do not believe that DESTINY only / has had its hand in restraining this Bill in one form or the other.

Now, this Bill has come / before the House. The recommendation is that the period of patents should be reduced from 16 years to 14 years / in the case of drugs and chemicals and 10 years in the case of others. When we are discussing this matter, / we should realise and accept our own limitations.

I may just give one instance of the Pimpri factory which is (600) a public sector undertaking. This factory has invented two drugs. Many countries are wanting the patent and also wanting to / manufacture the drug. On the other hand, we have not been able to manufacture this drug yet and put it / in the market. For, in practice, we have a very OUT-DATED system of marketing. Our distribution system is not / up-to-date. In other countries, for instance, in a country like Japan or America, they spend millions of dollars / on research; and the moment the research is completed, they apply every strength and TAP all their resources into the (700) DRIVE to put that commodity in the market, as soon as the investigation is found to be fruitful. But they also / have a capacity to withdraw the drug OVERNIGHT or within a week or a fortnight in case it is found / that the drug has not succeeded. I think it was an original product of Germany, and it was given as / a TRANQUILLISER to women, especially CONVALESCENT and PREGNANT women. It was noticed that this drug had created some adverse effects / on pregnant women and when the babies were born, they were found to be DEFORMED. Immediately, the Drug Controller in (800) the U.S.A. issued a notification that that drug should be withdrawn from the market, and I think that / within a week or a fortnight this drug was withdrawn. So far, there were only two or three exceptional cases.

(840 words)

Handwritten shorthand transcription of the printed text, written in a cursive style on a lined background.

TRANSCRIPTION NO. 271

[Handwritten shorthand notes in Devanagari script, covering approximately 80% of the page's width.]

I had no intention to take part in this debate, but looking at the different points of view which different / hon. Members have put forward, I think, I should mention the position as it is with regard to groundnut oil. / It is a commodity the production of which varies from year to year. It has got, to a large extent, / to depend on the climate, rain and so forth. It is difficult to EVALUATE the crop because groundnut is grown / in different parts of the country and it begins to move in one part in October and November and (100) in some other parts in December and January. Therefore, it is difficult to evaluate the exact position of groundnut. Besides, / we do not have correct data as regards the crop. Unfortunately, our statistics with regard to agricultural production are MEAGRE / and it is difficult to know exactly what the crops are of different commodities, and therefore, it is difficult to evaluate / even the crops.

I would also like to inform the House that of the total crop of groundnuts, exports are / to the extent of 2 1/2 to 5 per cent. There is not so much of surplus (200) as it is somehow or other felt here. So, whatever the export policy of the Government, it reflects on the price structure. / That very small percentage of export has a BEARING on the price structure of groundnut. Because there is a / very small percentage of surplus, if a little more is exported, the price goes up, and if a little less / is exported, there is always a tendency for the price to fall.

I heard an hon. Member say that the / policy should be such that the growers must know BEFOREHAND what it is. This year, if I may just illustrate, (300) in the beginning the prices were much higher than what they are today. The prices have dropped, even though export / was allowed because the export duty was put in. Last year, the prices were much lower in the beginning of the / season and then they went up. It is a difficult thing and I can appreciate the difficulty of the / hon. the Commerce and Industry Minister with regard to what the export policy should be; it is also difficult for him / to follow exactly the effect the export policy will have on the internal price structure in the next year. (400)

It is very well to say after the event that if the policy had been of this nature, / it would have been better for the price structure. I do agree that it would be better for every interest concerned / if the policy can be of a long range so that everybody knows what the position would be. I do not know / whether it would be possible for the hon. Minister to follow that policy because of the difficulties / I just pointed out. But if it is possible to formulate a policy on a long range basis, it would be (500) in the interest of everybody concerned, because people would know exactly what the policy is.

The question of the export policy / is also ALLIED WITH a number of other questions. Formerly, we used to export groundnuts. Then, we stopped exporting groundnuts / except a very small quantity. Now, we export more oil. There is also the other consideration whether for the oil, / we should export the vegetable ghee or the HYDROGENATED oil. All these things depend not only on the internal factors / but also on external factors. It has also been said that we should not allow so much quantity of this oil or that. (600) We must allow more quantity and by allowing more quantity we might perhaps have our prices go up / or perhaps by allowing less quantity the prices may go down and things like that:

There is also another / factor which has a bearing on this, the world price factor, the world supply and demand, and that depends on / our prices and the adjustment of export duties. The policy, as I see, is that the maximum benefit of the / export price must go to the State and whatever little margin is left should go to the exporters. (700) That has been the policy till now because there has been a seller's market and, that is why, we could DICTATE with / regard to prices. Now, the position has changed completely. In the world, it has become a buyer's market and, therefore, / it has to be considered whether in the buyer's market we can dictate our prices. As the hon. Commerce Minister / pointed out, according to world supply and demand position, there is a very small surplus. Certainly, the small surplus or / small DEFICIT does account a great deal for the change in prices. The prices go down definitely even if there is a small surplus. (800)

The world prices are so high with regard to oils and fats that a slight surplus / is definitely bound to bring down the prices. I do feel that the policy must be a long-range one. (840 words)

Handwritten shorthand notes in Devanagari script, corresponding to the typed text on the left. The notes are written in a cursive style on lined paper.

A luscious passage for dictation

TRANSCRIPTION NO. 272

I would like to take the House into the history of these provisions as they were discussed in the Constituent Assembly. / Even at the time when the present Article 369 was being considered by the Constituent Assembly, / there was a body of opinion which felt that limiting the Parliamentary JURISDICTION in respect of commodities like food grains / and other agricultural products for a period of five years was taking a short view of the question. / The basis of the decision of the Drafting Committee could be understood from para 14 of the letter written by the (100) Chairman of the Drafting Committee to the President of the Constituent Assembly.

I am making reference to this letter of the Chairman / in order to point out that the recommendation of the Chairman of the Drafting Committee to the President / of the Constituent Assembly was based on a previous ENACTMENT, namely, the provisions of the India (Central Government and Legislature) Act / of 1946, which gave life in regard to the power exercised by the Central Legislature over / those matters for a further period when the war legislation came to an end.

It is not often that (200) one looks back to what happened during the time when the Constituent Assembly was discussing. But it did give me / a certain pleasure, when I was looking into the proceedings of the Constituent Assembly to find that a friend of ours, / who is a Member of this House, had the FARSIGHTEDNESS to feel at the time when Article 306 / of the Draft Constitution was being considered that the duration of the validity of the provisions of that Article / should be extended from 5 to 15 years. In fact, at that time the hon. Member expressed the opinion that (300) in matters like FOOD-STUFFS, minerals, etc., the power of the Government of India should be kept INTACT. Anyway, the Constituent Assembly / did not accept the suggestion made by him.

Even prior to this particular Article being taken up for consideration / by the Constituent Assembly, in the several discussions that took place in regard to the distribution of powers between the / Centre and the States, it was felt that Parliamentary control should be provided over essential commodities other than those / EXPRESSLY covered by item 52, List I, and item 33 of List III attached to the Constitution of India. (400)

Handwritten shorthand transcription of the typed text on the left side of the page, including numerical markers like 369, 306, 1946, 15, 52, and 33.

I remember the discussions that took place between the Drafting Committee of the Constituent Assembly and the Chief Ministers of / the States and the Ministers of the Central Government, and I would like to recall that our late LAMENTED / Dr. Shyama Prasad Mookerjee, who was then Minister of Industry and Supply, expressed himself in those discussions that control of Parliament / should extend not merely to trade and commerce and the products of the industries which were within the legislative competence / of Parliament, but should extend also to other commodities, the control of which was declared by Parliament by law (500) to be EXPEDIENT in the public interest. That is, he felt that Parliament should have the power to extend the range / of control over commodities, other than those covered by item 52 of List I, Schedule VII. There was a / considerable amount of discussion on this point at that particular meeting with the Chief Ministers of States, and it was / then decided that an item similar to item 33 in List III of Schedule VII should be provided and / might prove adequate. The present Chief Minister of U.P. at that time very APTLY indicated that though the Centre (600) might have legislative powers in regard to some of these commodities, these powers have been and are being exercised only / for the purpose of preparing a SKELETON legislative measure, and that the provinces are left to deal with the rest, / as the provinces made rules and the rule making even in regard to matters about which the main legislative power / was with the Centre. No conclusions were reached in that meeting in regard to AUGMENTING the powers of Parliament / in respect of all products which Parliament might consider at some time or other to be of national importance. (700)

The idea of extending the powers of the Centre in respect of the development of agriculture including ANIMAL HUSBANDRY, FORESTRY and FISHERIES / and supply and distribution of food was again MOOTED in the Lok Sabha on the 31st August, 2009 /

The next stage in respect of the consideration of this matter was when the Ministry of / Commerce and Industry appointed the Commodity Controls Committee. This Committee in its report, in paras 36 to 44, has discussed / the entire question of the RESERVE powers of the Central Government to enable it to exercise control over any commodity at any given time. (800)

A reading of these paragraphs would, I humbly suggest, AMPLY compensate the effort undertaken. / This Committee held that entry 33 of the Concurrent List provides only a partial solution of the problem before us. (840 words)

Handwritten shorthand transcription of the printed text, written in a cursive style on lined paper. The text is written in Urdu script and covers the entire right side of the page, corresponding to the printed text on the left. It includes the same content as the printed text, such as the discussion on legislative powers and commodity control, and ends with the word 'us' and the word count '(840 words)'. There are some additional markings and numbers in the handwriting, such as '31-2009' and '36, 44'.

TRANSCRIPTION NO. 273

Handwritten notes in shorthand script, likely representing the spoken words of the Deputy Chairman, covering the entire left side of the page.

Mr. Deputy Chairman, Sir, I wish to speak a few words on this Bill. Sir, I feel that there was / no necessity for moving this Coffee (Amendment) Bill as the Coffee Board administration has been carried on efficiently with the cooperation / of all the members of the Board, both elected and nominated. I do not know what the Government are / aiming at by moving this amending Bill. Government have not pointed out in what way the elected representatives of growers / worked against the interest of the Government or the Board or the planters. Instead of DECENTRALISING powers, they seem to (100) concentrate powers in the Centre. I think, Sir, this is a bad policy. The Government should decentralise powers and distribute / the same among the people.

Sir, I know that the nominations representing several interests such as labour, consumers, trade, etc., / are being made by the Government. Till now, the coffee growers used to elect their representatives to the Board. / They had the right of FRANCHISE and used to elect representatives in whom they had confidence. But this Bill CONTEMPLATES to / DEPRIVE the planting community even of their elementary right of electing their representatives. What is the object and background of this amendment, I want to ask? (200)

The hon. Minister was pleased to say that this Board is on the ANALOGY / of the Tea Board and all that. There are three Boards now—the Coffee Board, the Rubber Board and the Tea Board. / The functions of this Board are different from the functions of the other two Boards. You cannot place / the functions of the Coffee Board on an equal footing with those of the Tea Board or the Rubber Board. / The same rules as can be APPLIED to the Rubber Board cannot be applied to the Coffee Board. (300)

Sir, the coffee industry is now facing a great crisis. The prices of coffee both in the internal as well as in the / external markets are going down from year to year and the cost of production is on the increase. / The cost of MANURE and ESTATE implements has gone up beyond limit. The increased labour wages, introduction of provident fund and / bonus and several other provisions of the Labour Act are standing in the way of development and progress of the / coffee industry. Sir, our coffee production is not much and we are not able to COPE WITH the foreign competition. (400)

Sir, with a view to earning more and more foreign exchange, our Government are exporting more and more coffee. / With that object in view, they have closed almost all Coffee Houses in India. Now, we have neither the home / nor the external market for our coffee. The prices obtaining in the external market are lower than the prices obtaining in India. / This is the situation.

In this connection, I should like to say that the Coffee Board marketing policy / is not SOUND and is not appreciated and the Board requires efficient elected representatives of coffee growers to give sound advice (500) and CHALK OUT sound policy to help this industry. Till now, from top to bottom all are being nominated, / except representatives of growers. They have introduced the nomination system which is against the principles of democracy. What harm is there / in continuing the right of franchise so far given to the planting community to elect their representatives? I do not know / who gave this sound advice to the Ministry of Commerce and Industry.

Sir, even the Coffee Board, when they / came to know that this Bill would be moved in Parliament, passed a resolution opposing the Bill. (600) There are a number of nominated members who oppose this Bill. I was a member of the Coffee Board then. When RUMOURS spread / that this kind of amending Bill would be brought forward before Parliament, they passed a resolution opposing this. Therefore, Sir, / in this age of democracy, when we are giving more and more powers to the people, why not have elected / representatives for the Coffee Board? We used to elect our Chairman formerly and he had a right of appointing labour representatives, etc. / Now, the Centre wants to take away all powers and they want to carry on the administration. (700) Should they not like to get the co-operation of the planters, growers, consumers, traders and others? Why should they have the / nomination system, I cannot understand. I request the hon. Minister to consider this case and see to it that the / system of election of the representatives of big growers is retained and the planting community is not DEPRIVED OF their / right of franchise which they have exercised so far. Till now, the administration has been carried on very smoothly. / It was going on very efficiently. The present Chairman is a nice gentleman. He is taking a lot of interest. (800)

I propose even the Chairman should be elected as a matter of course by the members of the Coffee Board. / I request the honourable Minister kindly to see that the Coffee Board is given the right to elect its own Chairman. (840 words)

Handwritten shorthand transcription of the typed text, covering the right half of the page.

TRANSCRIPTION NO. 274

{ Speech of hon. Minister of
Employment and Labour }

[Handwritten shorthand transcription of the speech, covering approximately 25 lines of text.]

The measure before the House is intended to remove some GRAVE deficiencies in our arrangements for the training of technical PERSONNEL. / At any time, in any country it would be a matter of very great importance that for the functioning / of its industries there should be technical personnel of satisfactory quality and in adequate numbers. For India, at this stage / of her economic development, when the country is making the maximum effort for rapid industrialisation with a view to achieving / what we call self-sustaining progress, there is nothing more important, among the REQUISITES for the success of our Plans, (100) than this one factor of the availability of suitably trained personnel in sufficient numbers. This deficiency has PERSISTED for some time. / It has been brought to our notice by several committees that we should try to PERSUADE the employers / to make arrangements for the training of APPRENTICES. The Committee, of course, touched the question of INSTITUTIONAL TRAINING also. / Defects are to be removed in the case of both kinds of training, viz., institutional training and apprentice training. Regarding institutional training, / in the course of past ten years we have succeeded in making adequate arrangements. We had the experience, (200) in the course of the Tenth Plan and also, I should say, the Second Plan, of shortage of technical personnel of various grades / for certain industries. Therefore, we set up institutions and training centres in order TO MAKE UP that deficiency and / now we are in a happier situation. In respect of many categories of trained personnel, we have now adequate arrangements / for training. In the case of CRAFTSMEN to whom this measure refers primarily, I may just give some recent figure. / At the beginning of the Eleventh Five Year Plan, we had facilities at the training centres of the Ministry of (300) Employment and Labour for training only about 10,000 persons and now at the end of the Second Five Year Plan, / the figure has risen to 42,000. We have PROJECTED various steps which will enable us to take / this figure up to one lakh at the end of 12th Plan. Similarly, in the matter of technical education of / higher grades also, the requisite facilities are being provided so that we do not ANTICIPATE any serious difficulty there. / But, obviously, training in institutions is incomplete without a certain period of what is called 'INPLANT' INSTRUCTION which is very necessary. (400)

Therefore, it has to be ensured that they get some practical training. Now, we have been experiencing certain difficulties / in this direction also. We have found difficulty in placing the youngmen who come out of our institutions in various plants / and industrial establishments in order that they may acquire skill by practical training. We have found much greater difficulty regarding / the full course of apprenticeship in the case of those who do not go through the institutional training first. / Sir, I may explain that there are two aspects of this legislation for the training of apprentices. (500) One is the objective of regulation and enforcement of certain standards so that if a person receives training in one place, he can go to / any part of the country for that type of work, because there will be the guarantee that he had received / training of the requisite standard. That will ensure MOBILITY of trained personnel throughout the country and also ensure that proper / standards are being observed in training. The other aspect is that we have to make sure that we are able to / provide the industries with a sufficient number of technical personnel of this type. Therefore, the main objective which is (600) sought to be implemented through this legislation is that we lay down the standards or provide for the standards / that have to be observed in the course of this training programme and also that the industry has to make arrangements to / provide facilities for a certain PROPORTION of its employees being admitted as TRAINEES for apprenticeship.

I will now refer to / the various clauses of the Bill just to explain very briefly the scheme of this proposed legislation. Chapter II refers, / in the first instance, to the qualifications for being engaged as an apprentice. The age should not be less than 14 years, (700) and certain standards of education and physical fitness as may be prescribed have to be satisfied. Then the / procedure is laid down as to how an apprentice enters into a contract of apprenticeship so that a number of / conditions AFFECTING the relationship of the apprentices with the industrial establishment, with the employer, are properly laid down. Apart from these conditions, / it deals with various other matters which are referred to in SUBSEQUENT clauses. Sir, the period of training / is also to be prescribed. In the case of those who have passed the trade tests conducted by the Council, (800) the period of apprenticeship shall be determined by the Council, and in the case of other apprentices this will have to be / prescribed. There is a provision which lays down how this contract could not be brought to a close.

(840 words)

Handwritten shorthand transcription of the printed text, written in a cursive style on a lined background.

TRANSCRIPTION NO. 275

Mr. Deputy Chairman, Sir, I rise to support the Motion which has been moved by my friend. As he has / pointed out, oil is a very important element in the industrial development of any country today and ESPECIALLY those countries / which are in the process of development have found that if they were to base their industries SECURELY on oil, / the whole development is fairly quick and that it is possible for them to get good returns in a short time. / So, while fully agreeing and even EMPHASISING the need for the nationalisation of oil industries in all its aspects in India, (100) I am afraid that because of the past mistakes of the Government of India even if we were / to pass this Resolution today, it will not be effective in one of the most CRUCIAL sectors of the oil / industry, namely, the oil REFINERIES. When agreements were entered into by the Government of India with the oil refineries, / many of us pointed out that these were INIQUITOUS agreements and they will work against the interests of this country. / At that time, our voice was not HEEDED and it was said from the side of the Government that they had (200) done all that they could to protect the interests of the country and that the agreements marked a further stage of / development in our economy.

History has shown that the CRITICS of the Government were right and the SPOKESMEN of the / Government were in the wrong. We know that the present Minister in charge of oil is very anxious to / see that the oil industry develops as fast as possible in the public sector and he is doing all he can / to see that the industry is so developed. He is also trying to see that the profits that are being (300) earned by the distributing companies as well as by the refining companies are brought to some reasonable level. / This House knows how difficult this task has become and how endless NEGOTIATIONS have gone on for years before any CONCRETE / results could be had. At first, we had only half decisions. Today, I do not know if any FIRM decisions / have been taken—decisions not only on the part of the Government but decisions which have been accepted by these / companies—and whether the Government even today is at all in a position to enforce these decisions on these companies. (400)

Handwritten shorthand notes in Devanagari script, covering approximately 15 lines on the left side of the page. The notes appear to be a transcription of the spoken text, using various symbols and abbreviations characteristic of shorthand systems.

Then Sir, there is the question of distribution. We have got the Indian Oil Corporation which is now undertaking / more and more the distribution of the products which are coming from East European countries and from Soviet Russia. / I do not wish to go into the question of prices of these oil products. It is fairly well known that the / prices at which Russia and the East European countries sell their petroleum products abroad VARY to a very great extent. / But what the reason for the variation is, I have got no data to find out. But that need not worry us. (500) After all, we want oil products and if we get them at cheap rates for whatever reasons, / for whatever considerations, we should not mind welcoming the opportunity that has come to us as a result of that. / I am quite sure that my country is capable of looking after its own interests in spite of any considerations or / any MOTIVATIONS that might be guiding these countries to sell their products to our country at cheap rates, in case / these motivations and considerations are not in the interests of our country. We have no data to find out whether (600) these considerations and motivations are against the interests of the country or not, but as long as we are getting / these products at cheap rates without any STRINGS attached, I see no reason why we should not welcome that opportunity, / and the Government has done well in seeing that these products are distributed through the public sector distributing companies. / But here again, have we SUCCEEDED in mastering the problem of distribution? We are still GROPING. We read all sorts of / reports in the Press to the effect that HEROIC efforts are being made by the Indian Oil Corporation to distribute the products that are coming from abroad. (700) I live in Mumbai and I hear rumours that when these products are / received from abroad, the India Oil Corporation has many times been found to be unprepared for receiving these products / and they have often to be stored in the storage capacity of the very foreign companies against which we are raising / our voice today. Here again is a sorry state of affairs. Once we accept this challenge of distributing the products / through our own public sector companies, we should be in a position, as early as possible, to stand on our own legs (800) and not depend on the mercies of these foreign companies. The same is the story as regards petroleum / products also. It is a well known fact that shortly we will do better regarding raising of crude oil.

(840 words)

Handwritten notes in Urdu script, appearing to be a transcription of the typed text on the left. The notes are written in a cursive style and cover the right side of the page.

Handwritten shorthand notes in Devanagari script, covering the left side of the page. Some legible words include '2001', '23', and '2001'.

Sir, this is a short Bill and the background of this legislation is briefly as follows. The House is aware that / in the AUTUMN session of Parliament last year, an amendment was made to our law relating to patents by / INSERTING a new provision, namely, Section 23 to the Indian Patents and Designs Act, 2001 / with a view to empowering the Controller of Patents and Designs to grant liberal working licences to the interested parties / in respect of patents for food, medicines, SURGICAL or CURATIVE DEVICES at any time after a patent has been granted (100) on terms and conditions to be determined by him. On that occasion, Sir, some Members were anxious to know the action / taken by the Government on the recommendations of the Patents Inquiry Committee. I have just introduced a COMPREHENSIVE Patents Bill / which INCORPORATES most of the important recommendations of the Committee.

Sir, the House would appreciate that it would take some time / for the comprehensive Bill which involves a complete OVERHAUL of the present legislation perhaps and may necessitate a Motion / for reference to a Joint Select Committee to be passed by Parliament. In the meanwhile, it has become necessary for (200) us to make an amendment to Section 23 of the Act for the purpose of VESTING the Controller of / Patents and Designs with powers to grant compulsory licences for the manufacture of INSECTICIDES, etc.

Considering the VITAL part that / agriculture plays in our economy, it is most important that the manufacture of these insecticides etc. on a large scale / should be encouraged and that we should not allow any LOOPHOLE in our legislation which can be EXPLOITED by the / interested people. It is for this purpose, Sir, that it is proposed to take powers to enable the Controller (300) to issue licences for these articles exactly in the same manner as for food, medicines and surgical and curative devices.. /

Sir, clause 2 of the Bill is intended to enlarge the scope of the existing Section 23 of the / Indian Patents and Designs Act, 2001. so as to include insecticides, GERMICIDES, etc. along with food and medicines. / Clause 2 of the Bill is intended to insert a new sub-section, namely, sub-section (4), in the existing / Section 23 to equip the Government with the necessary powers by enabling them to notify the category of articles. (400)

The House will appreciate that it is impossible to DRAW UP an EXHAUSTIVE list of the articles for which / it may be necessary for the Controller to grant in future compulsory licences so that articles are produced and made available / to the public at lowest prices CONSISTENT with the PATENTEE DERIVING a reasonable advantage from his rights under the patent. /

Sir, the amendment of which notice has been given by my senior colleague actually seeks only to clarify some AMBIGUITIES / in the Bill. As I pointed out last year, in some countries, such as Japan and Germany, articles like food, (500) medicines and curative devices have been kept outside the scope of the patents law. We, Sir, however, have no intention / to PROHIBIT the grant of patents to inventions in the field of food, medicines, insecticides, germicides, etc. Indeed, we want / our scientists and technical men to play their part and to invent more and more in these fields. / At the same time, Sir, I hope that all sections of the House will agree with me that where patents for these / articles are secured, it should not be allowed to be exploited to the DETRIMENT of the national interests. It may be (600) asked that the powers sought to be taken under sub-Section (4) are too SWEEPING in nature and are / likely to discourage our inventors from taking out patents for their inventions because they may fear that Government may take away / all the fruits of their inventions by the issue of notifications such as are mentioned in the sub-section. / I may, however, assure the House that such APPREHENSIONS are absolutely UNFOUNDED. Provision has been made in the Bill that / before a notification directing the issue of a licence can be issued, the Central Government must apply its mind and (700) satisfy itself that it is EXPEDIENT or necessary in the public interest that a licence under the patent should be granted. / Even after a notification has been issued, the Controller has to satisfy himself that the article should be available / to the public cheaply and that the patentee is assured of a reasonable return for his patent. In other words, / Sir, while we are anxious that the articles in respect of which special powers have been taken should be made / available to the public at reasonable rates, we are also equally SOLICITOUS of the interests of the inventor and have (800) made a specific provision that in settling the terms of the licence, the Controller must ensure that the inventors do not / feel neglected. On the other hand, it is necessary that a reasonable compensation is made to them for inventions. (840 words)

Handwritten shorthand transcription of the printed text, written in a cursive style on lined paper.

TRANSCRIPTION NO. 277

Handwritten notes in Urdu script, including dates like 1935, 2000, and 2001, and various symbols and lines.

The main purpose of this Bill is to provide more facilities for rural agricultural credit by the Reserve Bank of India. / I think it would be proper for me to give a background of the activities of the Reserve Bank / of India in this direction. Practically from the beginning of the Reserve Bank, this was one of the main fields / of activities of the Reserve Bank. In 1935, the Rural Credit Branch of the Reserve / Bank was started with three separate sections including research and statistics. Since then, it has been going on expanding its (100) activities as regards the provision of facilities for agricultural and rural credit. When last time the Reserve Bank (Amendment) Act / was passed in 2000 some hon. Members raised the question of further expanding the activities of the / Reserve Bank in the field of rural and agricultural credit facilities. The Finance Minister gave a sort of assurance / that he would get this matter examined and, if possible, a further amendment of the Reserve Bank Act would be EFFECTED / so that the Reserve Bank might give greater rural credit.

In PURSUANCE of that assurance of the Finance Minister, (200) the Reserve Bank set up an informal committee in 2001 to examine this matter. It was a / committee of experts and I think Prof. Gadgil presided over it. This informal committee of economists made certain recommendations, / and these may be broadly CATEGORISED as those requiring amendment of the Reserve Bank Act and others were of an administrative / character and did not need any legislative measures. The Reserve Bank naturally examined these recommendations and gave effect to some / of the recommendations which did not require any amendment of the Reserve Bank Act.

In this case, the Reserve Bank (300) has undertaken a COMPREHENSIVE survey, on all-India basis, into the present conditions and requirements of rural finance. A standing / advisory committee has been set up to ADVISE the Reserve Bank on matters PERTAINING TO agricultural credit with a view to / RENDERING the Bank's activities in respect of agricultural credit increasingly effective. The Reserve Bank is giving active assistance to / the State Governments in tackling problems of rural credit, particularly in regions which are comparatively less developed. I think hon. Members / would RECALL that under these provisions the Reserve Bank has already advanced TO THE TUNE OF Rs. 12 crores. (400)

That is done under Section 17 of the Reserve Bank Act. Certain other activities are to be undertaken now / and it has been decided to amend the Act accordingly.

In the present amending Bill, we want to widen the scope of / seasonal agricultural operations. Then, we are providing here for loans for cottage and small scale industries. So long, / the Reserve Bank was not advancing any money for small-scale or cottage industries. The House will RECOLLECT that for some time now, / particularly in view of the developing problem of unemployment, Government have decided to give more emphasis to cottage and small-scale industries. (500) So, the Reserve Bank would now be in a position to provide funds for this sort / of industry also, and that is to be done through the State Cooperative Banks and also State Finance Corporations. / Very recently, in this House a question was asked about the activities and formation of State Finance Corporations. About two years ago, / an Act was passed by the House, enabling the different State Governments to set up State Finance Corporations, / but AS YET not much progress has been made in this matter by the different States. I hope that under this (600) provision, the State Finance Corporations would be in a position to get loans from the Reserve Bank. It will give / a fresh IMPETUS to the different State Governments towards the formation of State Finance Corporations.

In this Bill, we are also / trying to provide intermediate loans through State Cooperative Banks from 15 months to 5 years. So long, it was / only a short-term loan that was provided by the Reserve Bank for seasonal agricultural operations and loans could be / advanced only for three months. But now, we are providing in this Bill that medium-term loans also may be given by the (700) Reserve Bank through the State Cooperative Banks and the period of such advances would VARY from 15 months to 5 years. / The limit up to which the Reserve Bank could advance to State Cooperative Banks is Rs. 5 crores. /

Then, there is another provision by which the Reserve Bank could advance loans to the Industrial Finance Corporation. Some time ago, / this House passed an amendment to the Industrial Finance Corporation Act which in Section 20 provided that the Corporation would / be entitled to get loans from the Reserve Bank. That was only so far as the responsibility of the Industrial Finance Corporation was concerned. (800)

But there was no CORRESPONDING provision in the Reserve Bank of India Act authorising the Bank / to advance loans to the Industrial Finance Corporation, though for some time it was advancing some money to the Corporation.

(840 words)

Handwritten notes in shorthand script, likely a transcription of the printed text, covering the right half of the page.

Handwritten shorthand transcription in Devanagari script, covering approximately 25 lines of text on the left side of the page.

I would like to add that the hon. Member's impression that whatever has been put into these companies from the / Consolidated Fund is done without an APPROPRIATION, is not correct. No money can be paid out of the Consolidated Fund / without some appropriation of some kind or the other. Therefore, Sir, the real issue is not so much of paying / MONEYS out of the Consolidated Fund, or the form of organisation, but the powers of the Comptroller and Auditor-General / and the authority of the executive as well as Parliament over these organisations, especially in regard to financial (100) matters, that is to say, financial control. In regard to the position of the Comptroller and Auditor General, when we / bring forward that particular legislation which we have in mind or when we INSERT that chapter, undoubtedly, we shall make / a provision there which will ensure that the Comptroller and Auditor-General is enabled to exercise the functions which the / Constitution intended that he should exercise. In the case of organisations which are owned entirely by Government, of course, / there is no question. It will always be provided that the Comptroller and Auditor-General shall audit. The doubts will (200) arise in respect of companies or corporations, MAYBE in which Government have only a share. Now, some limit / would have to be indicated, above which the whole concern would be regarded as sufficiently a State concern to ATTRACT the / exercise of the functions of the Comptroller and Auditor General. And at the appropriate time, I have no doubt / that the House will be invited to give its thought to these matters and we might remove any doubts that might / be LINGERING in the mind of the Comptroller and Auditor-General or in the mind of the Public Accounts Committee. (300)

Next, I come to the control of Parliament. The hon. Member quoted something from the U.K. As far as / I can decipher, the Public Accounts Committee is never ELIMINATED. I do not know whether I misunderstood him. ANYWAY, / I make the statement that all reports and accounts issued by the corporations are presented to Parliament and CONSEQUENTLY are subject to / SCRUTINY by the Public Accounts Committee. It is the Comptroller and Auditor-General who does not always FIGURE in / these matters. But, there is a move to appoint an officer equal in status to the Comptroller and Auditor-General. (400)

Parliament comes in when moneys are APPROPRIATED. Parliament comes in when the Public Accounts Committee reports on how these appropriations / have been used, and when the Public Accounts Committee considers this, there is no document that can be WITHHELD from the / Public Accounts Committee. I think much has been made of the answer given by my hon. colleague in regard to / the furnishing of lists of contracts. It may be that certainly, as the Prime Minister pointed out, if Parliament / does insist that all the contracts must be placed before the House, they have a right to demand, (500) but as a matter of practical PRUDENCE it may be that these things are not necessary. In other words, public officers who / exercise certain functions carry their heads, so to speak, on a PLATTER and ready to be KNOCKED OFF, if it is / shown and proved afterwards to the satisfaction of Parliament that they have not properly CARRIED OUT their duties. / Therefore, I do not see how there has been any DETRACTION from the authority of the Parliament exercised through the Public / Accounts Committee by the mere creation of corporations with the knowledge and consent of Parliament. Let us now confine this (600) issue to the very clear and over-simplified case of a corporation created by an Act of Legislature. Therefore, Parliament itself / would be invited to exercise a certain measure of SELF-DENIAL, or at least to agree to a measure / of self-denial by the executive in its financial control. And if that is the situation, if experience proves that / the thing is not working properly, then it may be that we may have to revise the whole basis of / what we call our MIXED ECONOMY. It may be that we find that our BUREAUCRACY is not capable of handling (700) some of the matters which have been ENTRUSTED TO them. The hon. Member referred to a Food Secretary having been / appointed as Managing Director or something of the Shipyard and the Secretary-General being appointed as the Chairman of the / Shipping Corporation. He probably does not recall that that particular person had been for fourteen years in the Commerce and Industry Ministry /

Now, so far as these negotiations are concerned, the hon. Member is under a very wrong impression. / I myself can VOUCH to this that I have been concerned at almost every important stage with the negotiations, from the (800) financial point of view, in regard to the oil REFINERIES or with negotiations going on regarding steel today. So far as / steel is concerned, there is an AD HOC Committee which includes the Prime Minister, the Production Minister and myself. (840 words)

Handwritten notes in Urdu script, likely a transcription of the typed text, covering the right side of the page.

TRANSCRIPTION NO. 279

Mr. Deputy Speaker, Sir, this short Bill seeking to make certain amendments to the Indian (Tariff) Act with a view to / granting protection to the power and distribution transformers industry and to continue or discontinue protection to certain other industries / seems to suggest that it is not very much other than routine business. Sir, it is true that Government come forward / with amendments to the Tariff Act NOW AND THEN and try to claim that they have come here to give protection to certain national industries.

Sir, we all URGE that the PARAMOUNT necessity of our country is industrialisation, (100) and therefore, any Government action which might seek to improve the process of industrialisation in our country is COMMENDABLE. / But as some of the speakers have already said, when Government have brought forward this Bill, they should have given a / report as to the action they have taken for the development of these particular industries. You know, Sir, / and I want to emphasise it, that by mere continuation of the protective duty for all time to come, it is not possible / to industrialise our country. We have to go to the basic needs of the industry. Sir, as the hon. friend (200) who spoke first on this Bill said, Government promised that they were going to appoint a committee / to go into the entire cost structure and see whether there was any possibility of the further development and further utilisation / of the productive power of this particular industry. Therefore, I feel when the Government have come forward with such an amendment, / they should give us a comprehensive report as to what action they have taken and whether they actually appointed a / committee to look into all these problems.

Sir, the first point has been already discussed by some of the friends (300) here about the power and distribution transformers industry. It is absolutely necessary for us to see that we have more / electric power. Therefore, the development of the power and distribution transformer industry for the manufacture of distribution transformers is absolutely necessary. / Here, some allegations were made, but we have got to see that the type of transformers that we manufacture / here must be given to the people of India at the price which they can afford. Of course, for sometime / more in certain categories of industries, it may be necessary for us to pay more for the foreign products. (400)

But we must also see that these industries must be developed properly and they must not take advantage of the / protective duties or the national feeling of the consumers of our country. Therefore, Sir, I feel that some attempts / have to be made to see whether the transformers that are produced here are having a good market or not. / All these factors must be taken into consideration before Government bring forward an amendment to protect a particular industry. Mere protection / is not enough. They must see that the industry develops and to that END, steps must be taken. (500)

Then, another thing which is sought to be protected is body panels including tops and sides for cars. This Bill seeks to / legalise the notification made by the Commerce Ministry to this effect. Sir, in moving this amending Bill, the hon. Minister / said that he hoped that because of this protection, cars here would sell cheaper than foreign cars imported here. / We know that, in comparison, after taking into account the duties the foreign cars have to pay, the cars assembled here / are cheaper. But that is not enough. It is nearly four or five years since this industry has been established (600) and we have to see to what extent it has been able to satisfy the needs and requirements of the / consumers of the country AT LARGE. Sir, we saw reports about a year or so back that the Hindustan Motors factory wanted to close down because its production had no market. Since then the Governemnt have taken some steps to protect the Indian manufacturers against foreign competition. But I feel, Sir, that their policy should be so guided that in the / case of those articles which can be produced or for which SUBSTITUTES can be produced, an attempt should be made (700) and direction should be given to the manufacturers TO GO IN FOR them. Otherwise, it will mean unnecessary protection to / industries which will MOUNT UP the cost for the consumer. Therefore, I hope Government will consider all these aspects and / put a limit up to which protection is to be given. We know about the sugar industry. I do not / want to go into detail. The sugar industry has been protected for more than 20 years and, yet, we do not know / whether it can stand on its own legs. Sir, I find that the policy of Imperial Preference is still being continued. (800)

I wish, I am not misunderstood that I am against giving protection to the industries. What I / want to stress again and again is that any protection by Government should necessarily be need-based and purpose-oriented. (840 words)

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A special subject of law

TRANSCRIPTION NO. 280 { Speech of hon. Foreign Minister
on Extradition of fugitive criminals }

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Sir, the position regarding EXTRADITION of FUGITIVE criminals from this country was covered originally by three STATUTES, two of them / of the British Parliament, the Extradition Act of England and the Fugitive Offenders Act of England, and the third, the / Extradition Act of India, which has regulated the procedure governing extradition from this country. Both the Extradition Act and the / Fugitive Offenders Act passed by the British Parliament became inapplicable after our Independence because the first Act applied to such / territories as were notified as foreign territories by an Order in Council of the British Crown, and the second related (100) to the British POSSESSIONS and COLONIES. The Supreme Court held that the Fugitive Offenders Act did not any longer apply / to this country. It was, therefore, felt absolutely necessary that a new law should be passed regulating the question of / extradition of fugitive criminals from this country and the matter was referred to the Law Commission. The Government received a / report from the Law Commission, on the basis of which the present Bill has been framed.

The scheme follows mainly / one pattern in substance though in regard to the question of procedure for countries which are not Commonwealth countries, (200) and Commonwealth countries which are notified as such and as offering an arrangement for extradition of criminals with the Government of India, / the procedure is a little different though, again, in substance it is the same. The whole question BOILED DOWN / to certain fundamental principles which we have followed. First of all, we have defined in the Second Schedule 'Extradition' and 'Offences'. / That means that no treaty between the Government of India and any foreign country or any Commonwealth country can / include any offence which is not within the Second Schedule but it can enter into a treaty with regard to (300) some of these offences, either all or some of them.

With regard to Commonwealth countries, if the Government of India / come into an arrangement with any Commonwealth country and such an arrangement is notified and Chapter III is notified / as being applicable to that country, then the procedure prescribed in Chapter III will apply to such a Commonwealth country. That / means there is no automatic application of this Act with regard to any foreign country or with regard to any / Commonwealth country. There must be a prior notification applying, in either case, Chapter III or other Chapters in any case. (400)

The second principle that we have followed is that there must be a proper safeguard in the matter of extraditing / criminals from this country who are sought to be extradited by their parent States on charges of criminal offences. / The precautions had become necessary because it is now a certain principle of international law that no civilised country will agree / to extradite the persons who are charged in their parent States with political offences. Our present Bill makes it / quite clear that there shall be no extradition on the ground that the person, sought to be extradited, has been accused of a political offence. (500) In order to get out of this prohibition, many States adopt, or have adopted in the past, / a DEVICE of seeking extradition apparently on charges other than political. But really once the man is taken to / his parent State, he is made liable for other offences of a political nature. So, we have taken the precaution / of seeing that there is an inquiry for this purpose, first by the Central Government, then by a proper judicial / authority, a magistrate, exercising his powers either as a High Court or as a Sessions Court, and secondly, even after (600) the Magistrate's order the Central Government again deciding finally whether to extradite the person concerned or not, and also prohibiting / extradition in certain circumstances such as for political offences or for the trial of a person for offences which are not / mentioned in the requisition for extradition. The Magistrate must be satisfied that in the country which seeks that extradition, / there is a law which prohibits the trial of the person extradited for any offence other than an offence for / which extradition has been sought. So, it is now IN CONSONANCE WITH THE accepted principles of international law. (700) That is, only for known criminality that person may be extradited, but if he is not a criminal but he is simply / being sought to be taken to his parent State to be tried for political offences, he shall not be extradited / by this country or any country. This is the scheme of the Act.

With regard to foreign States, the procedure / adopted is that there must be a notification declaring that the Act applies with regard to a particular State and / the notification must also publish the extradition treaty showing what are the offences mentioned in the Second Schedule (800) which are COMPREHENDED by the treaty itself. And once that country is notified as such, a foreign country having such a treaty, / then if any fugitive criminal from that country is here, that country may seek extradition by moving through diplomatic representatives.

(840 words)

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TRANSCRIPTION NO. 281

{ Speech of hon. Home Minister
in the Lok Sabha }

Handwritten shorthand notes in Devanagari script, including dates like 1998, 1999, and 2001.

I shall briefly explain the GENESIS of this Bill. It was in 1998 that the / Local Self-Government Ministers' Conference passed a resolution recommending that the Central Government should, in consultation with the State Governments concerned, / appoint a committee to examine the question of DELIMITING the CANTONMENTS. As a result of that in 1999, / a committee was appointed, presided over by Shri S.K. Patil, to go into this question. The committee submitted / its report in November 2001 and made certain recommendations to the Government which were duly considered. (100) The opinions received generally favoured the Bill. The Select Committee suggested two minor amendments and the Bill was passed / by the Council of States, as it was reported by the Select Committee.

The House will thus see that the Bill / comes to it not only with the stamp of public approval but also with the SEAL and sanction of / a representative assembly.

ADMITTEDLY, the Bill does not solve cantonment problems. It carries out only certain amendments of a minor / character with a view to improving the mechanism of the Act. The opposition to the Bill has come not (200) in regard to the actual provisions but in regard to its scope, and it has been said that the Bill / does not go far enough to meet the problem of DEMOCRATISATION. The main objection to the Bill is that it does not / provide for democratisation and that it does not VEST full municipal Government in the cantonment boards.

On the question / of democratisation, the Local Self-Government Ministers' Conference in 1998 clearly recognised that, for reasons connected / with security and the health of the troops, the areas where troops were QUARTERED should be under the general control (300) of the army authorities. The Patil Committee too was of the view that cantonments were military stations primarily and not / civil towns and that the cantonments should in fact maintain, as far as possible, in the FORESEEABLE future, their original / characteristic of military stations, considering all the circumstances associated with the present state of the country in its political, economic / and public health aspects. It is also significant that the Patil Committee particularly noted that even amongst the civilian population / of the cantonments there are substantial elements, often in a majority, who are APPREHENSIVE of the consequences of their transfer. (400)

I have explained the policy of the Government regarding democratisation in the Council of States in detail and I should / not like to WEARY this House by repeating the same. But I should like to mention just a few things / briefly. I am quite sure that we do not intend to ENTANGLE the army with the competition and CONTROVERSIES which are / INEVITABLE in a normal civil life. The army must be above these. And one of the justifications, and great / justifications, of the present constitution of the cantonment boards with their official majority is that in areas in which the (500) PREDOMINANT interests are of the army and the military population, we should avoid giving these boards a constitution which would / either mean the VIRTUAL DISENFRANCHISEMENT of the military population or that the special interests of the army in these areas / would be ENTRUSTED TO those who do not know much about the army. In fact, one of the BENEFIC ENT results / which I see flowing from the system that prevails today is that the HIERARCHY of the army and the representatives / of the civil population in the area are brought together to serve a common purpose, namely, the administration of the (600) area in the best interests alike of the armed forces and the civil population INHABITING the area. I do not see / why hon. Members should VISUALIZE any INHERENT CONFLICT of interests in these matters merely because the official or military / elements would be in a majority. In fact, a conflict of interests is more likely to arise if that section / of the population which has a smaller sphere of interest is given an over-WEIGHTED majority. Nor do I see / why hon. Members should necessarily ASSUME that the administration of the cantonment boards would be undemocratic or not sufficiently watchful (700) of popular interests. I am entitled to ask them if they are right in assuming that with popular representatives / in this House and popular representatives in the Government a disregard for democratic procedure and responsibility would, in any way, be / possible in the administration of these bodies. In the ultimate analysis, the administration of a country is carried on by individuals. / What is material is the ultimate responsibility of these individuals who were responsible to an AUTOCRATIC power. Time now / is when they are responsible to the elected representatives of the people. I should like my hon. friends to consider carefully an answer to this question (800) because that answer is VITAL not only to the administration of the cantonment boards / as we envisage it but also to a large number of problems which very much affect us in this country. (840 words)

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Re: Appointment of Scheduled Castes and Scheduled Tribes in Government Service

TRANSCRIPTION NO. 282 { Speech of hon. Home Minister }
in the Lok Sabha }

I do not propose, Sir, in the beginning to make a very long speech for the simple reason that / I am more anxious to hear and to profit by the observations of my hon. friends who will follow me. / A number of amendments have been TABLED, and I imagine that many of those amendments will be moved and very many constructive and helpful suggestions will be made.

The House is aware that under the Constitution there is a Special Officer / appointed by the President. I should like, at the very beginning, to pay a TRIBUTE to his hard work (100) and the DEVOTION with which he has worked will be shown by the very EXHAUSTIVE report that he has submitted / to this House.

In all our discussions you will please RECOLLECT that leaving aside the Part C States, the administration of all / affairs including affairs relating to Scheduled Castes and Scheduled Tribes rests, in the first instance, with the State Governments. / So far as Part A States are concerned, their AUTONOMY is fairly large, or rather, in this particular matter we can only / give them advice, offer them suggestions, or give them money. So far as the Part B States are concerned, (200) it is true that under the Constitution DIRECTIVES may be sent, but they are also carrying on their affairs with fully elected / legislative bodies, and I just remind the House that the power of giving directives is not an unlimited power in ^{terms of} / period of time. It is only for ten years. Four years are expiring, and another six years will remain. / Therefore, while we discuss the affairs of Scheduled Castes and Scheduled Tribes, we should remember, as far as possible, that the / actual administration lies in, what I may call, the provincial sphere. Of course, so far as the Government of India (300) or the Central Government Departments are concerned, many questions may be raised. I see whenever the Parliament is in session / that Members are very keen to know whether advantage has been given to the Scheduled Castes and the Scheduled Tribes / in regard to their reserved seats. Hon. Members would have seen in the report as to what actually has been done. / I should like, at the outset, to assure every single Member of the House that the Central Government spares no / pains, to see to it that the Scheduled Castes and the Scheduled Tribes have the fullest opportunity of rendering public service. (400)

Handwritten shorthand transcription of the printed text, written in a cursive style on lined paper.

I would beg hon. Members to remember that when we appoint a District Magistrate, for instance, he is not merely / a District Magistrate for looking after the Scheduled Castes living in that district whether they are one lakh or two / lakhs or twenty lakhs, but he is the District Magistrate for the entire district. He is the District Magistrate for / the high castes and the low castes and the Muslims and Sikhs, everybody. Therefore, the Public Service Commission or the / appointing authority is bound to have some regard for efficiency. But there are certain appointments in which we cannot take any risk. (500) Our anxiety is there and our anxiety is shared by the Union Public Service Commission that all opportunities / should be afforded to the Scheduled Castes and the Scheduled Tribes. I do not want to repeat what I said on / the last occasion that we have relaxed the rules as to age limits. I am sure that the Union Public Service / Commission, when these candidates come for VIVA VOCE examinations or interviews, makes due allowance for the fact that there is / bound to be a great deal of difference as between boys or candidates who are coming from, let us say, (600) well regulated families, wealthy families, and young men who are coming from rather lower income groups. I know that the / Commission makes allowance for this fact. But, when all is said and done, you cannot take very many risks / in this matter. What is much more important is that there should be every effort made for their educational UPLIFT, and / concessions should be given, scholarships should be given. I am all in favour of these young boys from the Scheduled Castes / and backward classes to be sent to England and foreign countries for education. (700)

Then, there is another matter. I know that in urban areas untouchability has practically disappeared and complaints are RIFE that this is not so in rural areas. / I know that. But you have got to take your countrymen as they are. I promised last year / that we will take every possible legislative step to remove untouchability and punish untouchability, and I may inform hon. Members / that before Parliament rises, I may either introduce a Bill against untouchability and for punishment of offences arising out of the / practice of untouchability, or publish it in the GAZETTE and then we will discuss it in the coming Budget Session. (800)

But the point that I am raising is that the COERCIVE process can go only to some extent. / We must not forget the importance of the PERSUASIVE process. You cannot ride the high horse only by adopting coercive measures.

(840 words)

Handwritten shorthand notes in Devanagari script, corresponding to the typed text on the left. The notes are written in a cursive style on lined paper.

Mr. Deputy Speaker, I am glad that different sections of the House have stated their views on this very important / problem. I am glad this subject has come before this House and also the other House. I can READILY and / immediately assure all sections of the House that the Government is not only interested, is not only SYMPATHETIC, but is also / anxious to take action in the matter. I made that position very clear when the Industrial Disputes Act was discussed / in this House as well as in the other House. I had stated clearly that the Government was anxious to (100) see how best it could bring the working journalists within the scope of the Industrial Disputes Act. In fact, Sir, / when the Times of India workers' case came before this House in the form of a short notice question, / I immediately tried to do my best and tell the employers that, whatever the definition be at the present moment, / about which we are carefully looking into, the employers should give the same benefit to the working journalists though they do / not come within the purview of the definition or though there are doubts whether they come or not. (200) I am happy to say that the employers have agreed to my suggestion and are trying to carry out the suggestion, namely, / giving the advantage of the benefit to the working journalists also. No doubt, a case has been referred to / by my hon. friend, the Mover of the Resolution, and I have made a promise on the floor of the House. / I made a promise to that gentleman who came and met me and immediately the Government had written to the / employers as to why this case was made an exception. I hope I will hear from the employers. (300)

Shri T.N. Singh, is a Member of the Press Commission over which Justice Rajadhyaksha presides. I have very great respect / for the Chairman because he was the ADJUDICATOR in many important disputes between the employers and the workers and his judgement / was much appreciated by the workers and the employers. I have anticipated the amendment moved by my hon. friend who / desired that the Press Commission, if it wants to go into this matter, should inform us of its INTERIM findings / by the 15th of January. At my request, my hon. colleague, Dr. Keskar has already informed the Commission of this. (400)

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Dr. Keskar has also stated that it is my humble view that the Industrial Relations Bill should come up and / is expected to come up early, and therefore, we would like to have their view before the end of January. / That also, we have made clear to the Commission and I do hope that the Chairman of the Commission and / the various gentlemen of the Commission who are there will consider this request and will ACCEDE to the request made / by me on behalf even of all the different sections of this House. Anyway in the last three or four months (500) the working journalists have made a great HEADWAY by bringing forward their issues before both these hon. Houses / and I am sure it is great education to the employers.

Another point has been placed before the House / by my hon. friend, Mr. T.N. Singh, and some others who said that there was VICTIMISATION or fear of victimisation / if these working journalists appeared before the Press Commission and gave evidence. I want to appeal to the employers, knowing as / they must, the view of the Government to protect the interests of the working journalists, that they should take a (600) democratic view of things and they should be pleased that their employees who are working journalists are given the right / to appear before the Press Commission to express their views as much as the employers who desire to express their / views in support of their CONTENTIONS. I, therefore, appeal to the employers not to become nervous, not to become shy, / not to become angry with their employees because they would like to appear before the Commission. I want to appeal / to them that they should, on the other hand, be pleased and happy that their employees are independent, are prepared to express their views. (700) I am absolutely certain that the employers will take note of this fact that if / really there are cases of victimisation or there are going to be cases of victimisation, and if I am convinced / that there has been victimisation because they appeared before the Commission, I shall try to use my best office to / see that that victimisation is not RESORTED TO.

The Resolution which my friend has brought forward is one near to / my own heart, and I can assure him that irrespective of the attitude I may have to adopt for practical (800) reasons, my sympathies are wholly with the Resolution. I have intimately known journalists ever since I started my own public / CAREER, and I have had life-long interest in the welfare of the working classes in general in our country. (840 words)

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TRANSCRIPTION NO. 284 { Debate on President's Address }

Mr. Chairman, Sir, I support the President's Address and also the Motion of Thanks moved by Shri Gadgil. The members of the / Opposition are not present in the House and it appears that some members of our own party are / playing their role. It is good for the opposition to play their role and it is also good to point out / one's own SHORTCOMINGS in the interest of the country. At the same time, I differ with some of the / points referred to by my friends. With regard to matters concerning women, it is necessary to understand that immediate results (100) cannot be expected of measures taken by the Government. It is a long drawn process, and we would be able to / achieve the results of those programmes, which have been formulated, in due course. Respect of women varies from one / family to the other. But I am sure that my hon. friend must be giving due respect to the women FOLK / in his family. It is natural that everyone will have to change his attitude towards women in order to give / respectable position to them in the society; and no government can reform the society within a few days. (200) It is possible to change the PSYCHE and MORALE of the people through LAUNCHING effective programmes. The programmes being implemented by our Government / would bear results in due course.

One hon. friend is quite senior and has been active in politics / for the last forty years. He is fully aware of what politics used to be in the British period. The hon. President / has also mentioned it in his Address. The issue of TERRORISM in Bihar and Andhra Pradesh has been HIGHLIGHTED in it. / It is absolutely true that the States of Bihar, Uttar Pradesh, Orissa and West Bengal were badly affected by FEUDALISM. (300) Its main reason was that the British rulers entered the country through West Bengal and the States of Bihar / and Uttar Pradesh were badly affected by LANDLORDISM. Many changes have taken place in the last forty years. It would be / unfair to say that only Bihar is the centre of TERRORIST activities. We are aware of the fact that / feudalism had the maximum impact on the States of Bihar and Uttar Pradesh. But the programmes implemented by our Government / in the last forty years have checked this trend. We always forget that along with one's gradual development, (400)

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one automatically develops negative thinking also. We should not anticipate development only in the positive sense; it includes negative aspects too. / When a poor man becomes rich, his MODE of thinking is not changed. It is changed in due course of time. / The prevailing conditions in Bihar are its living example. I do not mean to say that it applies to Bihar only; / it applies to other States as well. The British rule might have been the primary cause of terrorism in Bihar / as it has been indicated by the hon. President, but same is not the case with Andhra Pradesh. (500) Members of the opposition are not present in the House today. The State Government is chiefly responsible for encouraging FEUDALISTIC / tendencies in the State of Andhra Pradesh.

Another important issue covered in the President's Address is agriculture. It is a / well known fact that India is an agricultural country. Never before, so much attention has been paid in this field / as it has been paid during the last ten years. We can prove this through the fact that we have / succeeded in achieving the target of 3.6 per cent growth rate, in spite of facing the DROUGHT situation. (600) The hon. President has also pointed out this feature in his Address. It is a great achievement in itself. / We have also been able to increase our production of foodgrains to 166 million tonnes and it is likely / to touch 170 million tonnes. The whole credit for this achievement goes to farmers and agricultural / labour of the country.

Our programmes have been the major contributing factors in our achievements. The schemes for farmers envisaged / in the last Budget which are PRESENTLY under operation by the Government have had their substantial IMPACT on the record production of foodgrains. (700) Even in future, we will be able to show to the entire world that in the field of agriculture India / stands amidst the ADVANCED countries of the world.

Another major achievement of our Government under the leadership of hon. Shri / Rajiv Gandhi has been the development of science and technology. By developing rural areas in any form we are, IN EFFECT, / developing the country. The present Budget has many welcome provisions related to the development of rural areas. / What is sad about it is that whenever there is such a Budget we find a number of OBSTACLES in our way. (800)

We have not been able to implement some of the programmes of the last year's Budget. I would suggest that / all the provisions made in the Central Budget should be EVALUATED at the State level and at the district level. (840 words)

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Statement of hon. Minister of Industry made in the Rajya Sabha
on Industrial Policy of the Government

• (1000 words)

TRANSCRIPTION NO. 285

Mr. Deputy Chairman, Sir, there has been a wide spread expectation among the public and in the Press regarding Government statement / on industrial policy. I had given an indication that this statement would be presented to Parliament before the end of the / current session. I am therefore happy, Sir, to be able to place on the Table of the House, / the statement on industrial policy. While doing so, I would like to take the opportunity to refer to some of the / main features of the statement.

For the past 20 years, Government policy in the sphere of industry has been (100) governed by the Industrial Policy Resolution of 1956. While some of the elements of that Resolution / in regard to the desirable pattern of industrial development still remain valid, the results of actual policies in the industrial / field have not been up to the expectations or declared objectives. The new industrial policy must therefore be directed towards / removing the DISTORTIONS of the past so that the genuine ASPIRATIONS of the people can be met within a time-bound / programme of economic development.

A new approach is called for in several areas of our national life. (200) This new approach should reflect not only our vast resources and special ENDOWMENTS but should show particular concern for the utilisation / of these resources and endowments for the AMELIORATION of the living conditions of the majority of our people. The main THRUST / of the new industrial policy will be on effective promotion of cottage and small-scale industries widely DISPERSED in rural areas / and small towns. For this purpose, an EXHAUSTIVE analysis of industrial products has been made to IDENTIFY those items which are / capable of being established or expanded in the small-scale sector. The list of industries which would be exclusively (300) reserved for the small-scale sector has been significantly expanded and will now include more than 500 items / as compared to about 130 items earlier.

While the existing definition of small-scale industries will remain within the small-scale / sector, special attention will be given to units in the TINY sector, namely, those with investment in machinery and / equipment up to rupees one lakh and situated in villages or in towns with a population of less than 50,000 / according to the 1991 census figures. Schemes will be drawn up for making available margin money assistance. (400) Government will consider introducing special legislation for protecting the interest of cottage and household industries with a view to ensuring / that these activities which provide self-employment in large numbers get due recognition in our industrial development.

The FOCAL point / of development for cottage and small-scale industries will be taken away from the big cities and State capitals to / the district HEADQUARTERS. In each district, there will be one District Industries Centre. Under the single roof of the District / Industries Centre, all the services and support required by small and village ENTERPRENEURS will be provided in the proper way. (500)

In order to provide effective financial support for promotion of small, village and cottage industries, the Industrial Development Bank of India / has taken steps to set up a separate wing to deal exclusively with the credit requirements of this sector. / It will co-ordinate, guide and MONITOR the entire range of credit facilities offered by other institutions for the small and cottage sector / for whom separate wings will be set up in these institutions, particularly nationalised banks. Banks will also be expected / to EARMARK a specified proportion of their total advances for promotion of small, village and cottage industries. (600)

The growth of the cottage and small-scale industries sector has been TARDY mainly for want of satisfactory marketing arrangement for their product / The marketing of goods of this sector with its CONCOMITANT ^{requirements} of product standardisation, quality control, market surveys will therefore, need / special attention.

The Khadi and Village Industries Commission will work out detailed plans for development of these village industries by / adopting modern management TECHNIQUES. Especially for the production of footwear and soaps, special programmes would be drawn up to increase / progressively their share in the total production of these items in the country. The list of items CURRENTLY (700) under the PURVIEW of the Commission will be considerably expanded, and the State and national level organisational structure of the Commission will be / REVAMPED so that it can more effectively fulfil the role ASSIGNED to it.

Along with Khadi, the clothing needs / of the masses can be progressively met through development of the handloom sector which provides employment to the hulk of the people / engaged in the production of textiles. Government will not permit any expansion in the weaving capacity in the organised / mill and powerloom sector. In order to provide adequate supply of yarn for the handloom sector, the Government will ensure (800) that the handloom sector has priority in the allocation of yarn SPUN in the organised sector. In case there is / any shortage, Government will ensure that steps are taken to increase spinning capacity. (840) Further, in order to provide ready / market for handloom products, it will be ensured that the organised mill sector does not provide unfair competition to the / handloom sector. Certain items of textiles are already reserved for production in the handloom sector. The Government will enforce the / existing reservation and further extend it to other items.

The development and application of technology appropriate to our socio-economic conditions (900) has so far not received adequate attention. It will HENCEFORTH be an integral part of industrial policy and the Government will ensure / that this important area gets adequate attention. Special arrangements will be made to ensure an effective and co-ordinated approach for the / development of suitable, small and simple machines and DEVICES for improving the productivity and earning capacity of workers in small / and village industries.

The role of large-scale industry will be related to the programme for meeting the basic / minimum needs of the population through wider DISPERSAL of village and small-scale industries and strengthening of the agricultural sector. (1000 words)

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for practice by
Supreme Stenographers

The SCAM is basically a deliberate and criminal misuse of public funds through various types of securities transactions with the / aim of illegally SIPHONING of funds of banks and PSUs to SELECT brokers for SPECULATIVE returns. The latest / irregularities in the securities and banking transactions, are MANIFESTATIONS of this chronic disorder since they involved not only the Banks / but also the stock market, financial institutions, public sector undertakings, the central bank of the country, and even the / Ministry of Finance and other economic Ministries in varying degrees.

The most unfortunate aspect has been the emergence of a culture of (100) non-accountability which PERMEATED all sections of the Government and banking systems over the years. The state of the country's / system of governance, the persistence of non-adherence to rules, regulations and guidelines, the alarming DECAY over time in the / banking systems has been fully exposed. These grave and numerous irregularities persisted for so long that eventually it was not / the observance of regulations but their breach that came to be regarded and defended as "market practice". Through all these / years the ability of the concerned authorities to effectively ADDRESS themselves to the problems has been tested and found WANTING. (200)

The consequences of these irregularities in securities and banking transactions are both financial and moral. During the period from July, / 2001 to May, 2002 the most glaring proof of the NEXUS between the / irregularities in banks and the overheating of stock market which came to light is explained by the graphic representations / of the BSE index and the fact that there was a sharp increase in securities transactions, during the / corresponding period, of the banks involved in serious irregularities related with the scam. What is more apparent is the systematic and deliberate ABUSE of the system by (300) certain UNSCRUPULOUS elements. It is ABUNDANTLY clear that the scam was the result / of failure to check irregularities in the banking system and also liberalisation without adequate safeguards. There is also some evidence / of COLLUSION of big industrial houses playing an important role. It is because of these elements that the economy of / the country had to suffer and while some gained, thousands of crores of investors lost their savings. The criminality of the / PERPETRATORS of the scam becomes all the more DESPICABLE as it was during this period that the country was (400) passing through most TRYING times, economically and financially. An observation that the Committee has been CONSTRAINED to make at a / number of places in the succeeding Chapters is that for all these not many have yet been identified and effectively punished. /

The second aspect about which the Committee expresses its grave concern is the supervisory role and responsibility. / That supervision failed from top to bottom is both self-evident and is detailed in the report. Amongst all the / witnesses that appeared before the Committee, the Committee seldom came across an instance where responsibility for wrong was FORTHRIGHTLY accepted. (500)

In the course of investigation, the Committee found that most of the irregularities in securities transactions that took place in / 1991 and 1992 had been indulged in by various banks even much earlier. / Certain earlier inspection scrutiny reports of RBI called by the Committee revealed various irregularities in securities transactions / by various banks. It is thus evident that many of the irregularities in securities transactions that took place in / 1991 and 1992 had been building up since the mid-80's, if not earlier, (600) and could have been minimised if the authorities concerned had HEEDED to the early warning signals. The RBI / issued several circulars, including the one in July 1991, prohibiting these misdeeds and yet everything that / was sought to be prevented in fact, ACCELERATED and assumed uncontrolled dimensions.

A broad analysis of the information obtained by / the Committee from various sources reveals that apart from a direct flow of funds to the stock market through sanction / of authorised or unauthorised credit facilities to some brokers by some banks by way of overdraft and discounting of bills covering (700) shares and debentures, there had been FRAUDULENT MANIPULATIONS of the investment portfolio in some banks (including their subsidiary financial companies) / to divert the funds to certain brokers to FUEL the unprecedented rise in share prices.

On the question of EXPOSURE, / there are varying figures. Janakiraman Committee speaks of this as Rs. 4,000 crores whereas Central Bureau of Investigation have assessed these / at Rs. 8,000 crores on the basis of cases registered by them. In addition, the Committee examined the / figure provided by the office of the Custodian which assessed the amount on the basis of various claims and counter-claims PREFERRED by various AGGRIEVED parties. (800)

The Committee are of the opinion that it is difficult to estimate the huge sums / of money which were illegally utilised by various SCAMSTERS for their personal gains during this period because the monies were / repaid and the transactions completed. (840) The monies 'Lost' represent the deals which could not be completed because either the monies / were SWINDLED or BRs and SGL transfer forms held by banks are of doubtful value. Further, because of / imperfect contracts, it may not be possible to enforce the contract and recover the money.

The Committee did not (900) independently attempt this exercise as three separate specialist bodies had already attempted it. The Committee are of the view that / it is the duty of the Ministry of Finance to undertake this responsibility by either INSTITUTING a separate Committee for / the purpose, or through the same Committee.

After examination of the type of transactions by the banks, the Committee regret / to note that the banks had, in BLATANT violation of the RBI guidelines relevant thereto, entered into a / large number of buy-back transactions and indulged in irregularities like misuse of BRs, Bankers Cheques, etc.

(1000 words)

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