

Wednesday, 30th April 1958

LOK SABHA DEBATES

Second Series

Volume XVI, 1958

(23rd April to 5th May, 1958)



FOURTH SESSION, 1958

(Vol. XVI Contains Nos. 51 to 60)

**LOK SABHA SECRETARIAT
NEW DELHI**

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LOK SABHA

Wednesday, the 30th April, 1958.

The Lok Sabha met at Eleven of the Clock.

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

रेलवे कारखाना, मंडुवाड़ ह

श्री भक्त दर्शन :

*१६२५. श्री स० च० सामन्त :

श्री बाजपेयी :

क्या रेलवे मंत्री २२ अगस्त, १९५७ के तारांकित प्रश्न संस्था १०७७ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि उत्तर प्रदेश में बनारस के पास मंडुवाड़ीह में रेल इंजन के पुर्जे बनाने वाले कारखाने की स्थापना की दिशा में इस बीच क्या प्रगति हुई है ?

रेलवे उपमंत्री (श्री शाहनवाज ला) : मंडुवाड़ीह में रेल-इंजन के पुर्जे तैयार करने का कारखाना खोलने के लिये एक इंजीनियर-इन-चीफ के अधीन एक संगठन बनाया गया है जिसका प्रधान कार्यालय वाराणसी में है। जिस जगह कारखाना बनाना है उसकी जांच-इंडिल कर ली गई है।

कारखाने के लिये ३५० एकड़ जमीन की ज़रूरत है जिसमें से ३३१ एकड़ जमीन भूमि अभियर्हण अधिनियम के आपात-उपबन्ध (Emergency Provision of the Land Acquisition Act) के अधीन ली जा चुकी है। बाकी जमीन ली जा रही है।

कारखाने के लिये तकनीकी कर्मचारियों की ज़रूरत पूरी करने के लिये एक तकनीकी ट्रेनिंग स्कूल बनाया जा रहा है। इस स्कूल के साथ एक वेसिक ट्रेनिंग वकंशाप और एक होस्टल भी बनाये जा रहे हैं। आशा है कि लगभग तीन महीने में ८० ट्रेंड प्रैनिट्सों की पहली टोली की ट्रेनिंग शुरू हो जायेगी।

श्री भक्त दर्शन : इस बयान से मालूम होता है कि अभी पूरी जमीन भी प्राप्त नहीं की गई है और अभी तो केवल तैयारियां ही हो रही हैं। मैं जानना चाहता हूँ कि इसमें इतनी देरी होने का क्या कारण है ?

श्री शाहनवाज ला : जी ये महज तैयारियां ही नहीं हैं। ३५० एकड़ में से ३३१ एकड़ जमीन यू० पी० गवर्नर्मेंट ने हमारे हवाले कर दी है। थोड़ी सी बाकी रह गई है और वह भी बहुत जल्दी मिल जायेगी।

श्री भक्त दर्शन : क्या माननीय मंत्री महोदय यह बताने की कृपा करेंगे कि इस सम्बन्ध में जो तैयारियां हो रही हैं, उसके बाद उस संस्था का काम कब से शुरू हो जायेगा, वास्तविक रूप में ?

श्री शाहनवाज ला : कुछ काम अभी जारी है मकान बगीरह बनाने का। मशीनरी दूसरे मुल्कों से मंगाई जायेगी जिसके लिये फौरेन एक्सचेंज की ज़रूरत है। वह भी किसी हद तक मंजूर हो चुका है और मैं उम्मीद करता हूँ कि जो काम है वह पूरे ज़ोर के साथ जल्दी ही शुरू हो जायेगा।

श्री भक्त दर्शन : मैं जानना चाहता हूँ कि इस फैक्ट्री पर कुल कितना रुपया लगने वाला है और उसमें फौरेन एक्सचेंज पर कितना रुपया लगेगा और उस फौरेन

एक्सचेंज को प्राप्त करने के लिये क्या कोशिश की जा रही है?

श्री शाहनवाज खान : कुल रूपया लगभग पाँच करोड़ इस पर स्वर्वं आयेगा जिसमें से १ करोड़ १४ लाख रुपये के करीब फौरेन एक्सचेंज का उसमें एलिमेंट है। इसमें से तकरीबन ५० लाख रूपया फाइनेंस मिनिस्ट्री ने फौरेन एक्सचेंज के लिये रिलीज़ कर दिया है। बाकी जो है उसके बारे में भी मैं उम्मीद करता हूँ कि जल्दी ही वह भी आ जायेगा और कोई बड़ी दिक्षित शायद हमारे सामने न आये।

श्री तंगामानी: May I know the period of training for the 80 trade apprentices who are going to receive training three months hence?

श्री शाहनवाज खान: That is a matter of detail, and there is still some time to go. I could not give the exact period.

श्री तंगामानी: Is it a long training or is it just for a few months?

मैरि प्रेसर: It is a matter of detail.

श्री शाहनवाज खान: It is a fairly long training.

श्री दमानी: May I know the capital and the repairing capacity of this factory, and how many persons will get employment in that factory?

श्री शाहनवाज खान: We are expecting that approximately 2300 persons will be employed in this factory. The annual capacity of this factory, we hope, is going to be 1200 tons of machine (heavy and light) forging, 3000 tons of machine (ferrous) castings, and 840 tons of non-ferrous machine castings. This is the output in addition to other things.

श्री जोचिम अल्वा: Having taken an overall account of the number of locomotives necessary for the next five years, may I know whether we have also taken into account the

imports we are making of locomotives both from the East and from the West?

श्री शाहनवाज खान: All that has been taken into consideration.

श्री गोराय: Are Government satisfied that the necessary parts cannot be manufactured in the existing workshops on the railways?

श्री शाहनवाज खान: This matter was gone into very carefully by the Workshops Reviewing Committee, and it is as a result of the recommendations of the Workshops Reviewing Committee that this factory is being put up.

श्री फरोज़ गांधी: May I know whether Government have now entered into an agreement with the Tata Locomotive Co. for the production of 100 locomotives a year? By 1960-61, these 100 locomotives a year will not be required by the railways. May I know whether Government have taken this into account and arranged their further production beyond 1960-61 accordingly, because the requirements would have been completed, and 100 will not be required?

श्री शाहनवाज खान: We are anticipating our requirements and making arrangements as far as possible.

श्री सुब्बियाह अम्बलाम: Is there any proposal to have a training school attached to these workshops, and if so, their capacity, and the duration of the course?

श्री शाहनवाज खान: I think the same question was asked before. Yes, there is going to be a training school.

श्री गोराय: Will Government make the report of the Reviewing Committee available to us?

श्री शाहनवाज खान: I think it is already in the Library of the House.

डाक सेवायें

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*१६२६. { श्री म० ला० द्विवेदी :
[श्री क० ल० स० सेन :

क्या परिवहन तथा संचार मंत्री यह बताने को कृपा करें कि :

(क) क्या सरकार को ऐसी शिकायतें प्राप्त हुई हैं कि डाक से भेजे जाने वाले तारों, पत्रों तथा अन्य वस्तुओं को पहुंचने पौर बांटने में बहुत अनियमितता भा गई है ; और

(ख) यदि हां, तो इस स्थिति को सुधारने के लिये क्या किया जा रहा है ?

परिवहन तथा संचार मन्त्रालय में राज्य-मंत्री (श्री राज बहादुर) : (क) १६५७ के वर्ष में अ-रजिस्ट्रीकृत वस्तुओं एवं तारों के सम्बन्ध में प्राप्त शिकायतों की संख्या क्रमशः ४५१२० तथा ६४४६५ थी । अधिक अनियमित रूप से डाक-वितरण किये जाने की शिकायतों की संख्या तीन है ।

(ख) डाक तथा तार सेवाओं की कार्यकुशलता को बढ़ाने के लिये विभाग द्वारा किये गये सुधार कार्यों का विवरण पत्र सभा-पटल पर रखा जाता है । [वैसिये परिविष्ट ८, अनुबन्ध संख्या ६८]

श्री म० ला० द्विवेदी : मैं जानना चाहता हूं कि डाक व तार के अनियमित रूप से बांटे जाने की स्थिर सरकार को कब सगी क्योंकि मुझे याद है कि ५ मार्च, १६५३ को जो तार मैंने भरभा सुमेरपुर भेजा था वह वहां आज तक नहीं पहुंचा । इसकी स्थिर सरकार को कब लगी और क्या कार्यवाही की गई ?

श्री राज बहादुर : माननीय सदस्य को अनुभव होगा कि अक्सर तारों में या चिट्ठियों में कभी कभी देरी भी हो जाती है कि और कहीं कहीं ऐसा भी होता है कि जहां लाखों और करोड़ों की तादाद में तारें व चिट्ठियां जाती

हैं वहां एक आध गुम भी हो जाता है । जो प्राकड़े दिये गये हैं उनसे शात होगा कि इस तरह से आने वाली शिकायतों की संख्या बहुत कम थी पौर अग्रर उसका प्रतिशत हिसाब फैलाया जाये तो वह ००१५ प्रतिशत भाता है, जहां तक अरजिस्ट्रीकृत डाक का ताल्लुक है ।

श्री म० ला० द्विवेदी : क्या गवर्नरमेंट के ध्यान में यह बात भी आई है कि बहुत से पोस्टमैन डाक की जो बांटने वाली आर्टिकल्स होती हैं, वे उनको कूड़े में फेंक कर चले जाते हैं, उनकी डिलीवरी नहीं होती है ? इस तरह की भी कोई घटना क्या मंत्री महोदय के ध्यान में आई है ?

श्री राज बहादुर : ऐसी एक आध घटना हुई होगी लेकिन कहावत है कि वन स्वालो डज नाट में ए समर । एक आध घटना से यह नहीं कहा जा सकता है कि जहां करोड़ों की संख्या में चिट्ठियां बांटी जा रही हैं, तारें पहुंचाई जा रही हैं, उन सब की सब का इसी तरह से हाल होता है ।

Shri Achar: Are Government aware of the fact that the dates of the seals on the stamps are smudged and are not decipherable with the result that one could not check whether the articles are delivered in time or not?

Shri Raj Bahadur: That is a fact in the case of certain stamps and certain seals of the post offices. But that is on account of the fact that we have got to have all these seals prepared by a co-operative society at Aligarh. The only alternative before us is either to stamp out in the stamp factory itself and go on to some mechanised process for the manufacture of seals or to allow these five hundred or more persons to carry on with their work and keep them employed.

श्री म० ला० द्विवेदी : जिस बक्त इस प्रश्न की सूचना मैंने दी थी उस बक्त उसमें

मैंने कम से कम एक दर्जन उदाहरण इस बात के दिये थे कि समय पर तारे बगेरह नहीं पहुंचती हैं। अब इस विवरण में लिखा है कि एक कमेटी नियुक्त की गई है जो कि इस बात की जांच करेगी और सुझायेगी कि क्या क्या सुधार हो सकते हैं। मैं जानना चाहता हूँ कि इस कमेटी के टम्स आफ रेप्रेस क्या हैं?

श्री राज बहादुर : आपने उदाहरण दिये होंगे, उनका मुझे जान नहीं है। लेकिन जो प्रश्न है वह लिस्ट में छपा हुआ है। जहाँ तक जो स्टेप्स हमने लिये हैं उनका तालिका है, उनके बारे में एक विवरण मैंने सभा के पटल पर रख दिया है। जहाँ तक कमेटी की नियुक्ति का सम्बन्ध है, वह तो समय समय पर हम लोग विभिन्न चीजों को देखने के लिये नियुक्त करते रहते हैं और उनकी जो सिफारिशें होती हैं, उनको कार्यान्वित किया जाता है।

Shri M. L. Dwivedi: The Minister has not mentioned the terms of reference. What is the duty that the committee has to do?

Shri Raj Bahadur: The hon. Member will see that his question relates to what steps are being taken.

Shri M. L. Dwivedi: In the statement supplied by the Ministry, it is only mentioned that

"The Government has appointed a committee last June to look into the telegraph working and the report is likely to be received by the end of July."

I want to know what the specific duty of the committee is.

Mr. Speaker: In reply to the first part of the question the Minister has stated that so many telegrams have been delayed in delivery. In reply to the second part of the question as to what steps are being taken, Government have stated that they have appointed a committee to go into the

details and then make a report. Thereafter, they will implement these decisions. Shall we, on the authority of this question which has merely asked what steps are being taken, and to which the reply has been given that a committee has been appointed, go into the further details as to what has happened? It may arise in a distant manner, but not directly.

Shri Raj Bahadur: Even so, may I remind the hon. Member that the terms of reference of this committee also have been placed before the House so far as I remember at least on three occasions?

Shri Thimmaiah: May I know whether the complaints in this regard by the public are on the increase or decrease?

Shri Raj Bahadur: I should say that both the traffic as also the complaints are on the increase.

Shri Joachim Alva: Have Government not enough sanctions in their armoury to enforce penalties against defaulting postal peons?

Shri Raj Bahadur: I think it is not only through penalties or punishments that we can effect improvements in the service; we shall also have to take note of the fact that at many places our workers have got to work under very difficult conditions,—congested post offices, congested RMS vans etc. We shall not also conceal that fact from the House.

Shri Harish Chandra Mathur: Have Government got any system or machinery for test-checking and investigating these irregularities? If so, what is the conclusion?

Shri Raj Bahadur: That is there and I think a reference to that has been made in the statement also. At any rate, we have got the system of posting test letters and checking whether they reach in time and to see what are the defects or shortcomings in the service. That is always kept in mind.

Shri Tangamani: It is said in the statement that the Telegraph Inquiry Committee which was set up in June last year will submit its report in July this year. May I know whether that report will be made available to Members as directed by the Speaker, even though it may be inter-session period?

Shri Raj Bahadur: The normal procedure when a report is received is that it is examined by the Government and a resolution is passed on the recommendations accepted by Government, and then it is normally placed on the Table of the House.

Shri Prabhat Kar: May I know whether the present system of delivery of telegrams by motor cycle postmen now adopted in Delhi will be introduced in other important places also?

Shri Raj Bahadur: The system of using scooters for delivery of telegrams is one of the measures adopted to expedite and improve the delivery of telegrams. I hope that if the experiment succeeds in Delhi, we shall try to extend it to other places too, subject to the limitations of finance at our disposal.

Shri P. G. Sen: Is it a fact that the postal employees are adopting a go-slow process in their day to day work and going even so far as to refuse a part of the registration and money orders that people bring on the ground that they are already heavily burdened?

Shri Raj Bahadur: There may be certain instances where on account of some reason or other the employees might be resorting to go-slow tactics, but then by and large, that is not the state of affairs.

Shri P. G. Sen: Is it a fact that letters from the public to the postal authorities regarding these delays elicit no response from the administration, and that part (a) of the question is but a corollary to that?

Shri Raj Bahadur: I do not think that letters are not replied to. At least so far as the Ministry is concerned and the Directorate is concerned, I can say that complaints received by us are not only acknowledged but inquired into and disposed of on merits.

Workers of ex-Barsi Light Railway

*1929. **Shri Tangamani:** Will the Minister of Railways be pleased to state:

(a) whether it is a fact that about 350 workers of the ex-Barsi Light Railway were placed in lower grade when the Railway was taken over by Government on 1st January, 1954; and

(b) if so, what action Government have so far taken in the matter?

The Deputy Minister of Railways (Shri Shahnawaz Khan): (a) Yes, about 500 employees were absorbed in lower grades.

(b) The existing pay of some of these employees was protected. The matter is however again under consideration.

Shri Tangamani: After this railway was taken over by Government, out of these 2200 employees, as the hon. Deputy Minister has stated, 500 have been placed under lower grades. May I know whether the representations made by the Union will be considered in view of the fact as much as Rs. 4½ lakhs will be the amount lost by these 500 employees?

Shri Shahnawaz Khan: These employees have been making representations and we have been considering them. Some of their demands have already been conceded; others are under the consideration of the Ministry.

Shri Tangamani: Even those employees who have not been degraded,

namely, nearly 1900 employees, have not been paid their wages with retrospective effect, because this Light Railway was taken over on 1st April, 1954. The amount is really Rs. 100 per worker. Will Government consider the question of payment of this amount to these employees?

Shri Shahnawaz Khan: When this Railway was taken over, a committee of officers was appointed to assess the suitability of various people for being fixed in various grades. After the report of the committee was received, offers were made to the employees, after they accepted those offers, they were fixed in suitable grades. It is with effect from that date that they have been paid.

D.D.T. Spraying in Manipur

*1930. **Shri L. Achaw Singh:** Will the Minister of Health be pleased to state:

(a) whether spraying of D.D.T. is done only once a year in the villages of Manipur; and

(b) if so, whether it is proving effective protection?

The Minister of Health (Shri Karmarkar): (a) Spraying of D.D.T. is done twice a year in the villages of Manipur except in villages within about ten miles along the Burma Border area where spraying is done once a year.

(b) Yes.

Shri L. Achaw Singh: May I know whether spraying is also done in the villages in the hilly areas of Manipur?

Shri Karmarkar: Manipur has a lot of hilly areas; it is likely that places in distant areas are not taken up; but they will be taken up during the course of the malaria eradication programme which commences this year.

Procurement of Rice in Orissa

*1932. { **Shri Panigrahi:**
 Shri Sanganna:

Will the Minister of Food and Agriculture be pleased to state:

(a) whether the Union Government have assessed from the Orissa Government the total amount of rice procured so far by the State Government in Orissa;

(b) whether it has been assessed that the State Government will be in a position to meet the food requirements of the State till the next harvest;

(c) whether the State Government has requested the Centre for any special assistance in 1958-59 for undertaking minor irrigation schemes for supplying at cheap rates foodgrains to people and also for selling seeds to the farmers at cheap rates; and

(d) how far their requests have been taken into consideration?

The Deputy Minister of Food and Agriculture (Shri A. M. Thomas):
(a) and (b). Yes, Sir.

(c) and (d). The State Government had requested Rs. 60 lakhs as special assistance for minor irrigation works for 1958-59. As the details of the schemes were lacking and as the amount asked for was outside the Plan, the demand could not be considered for assistance at the time of allocations.

The entire amount for seeds asked for by the State Government totalling Rs. 1,09,667 was sanctioned as grant in order to enable the State to sell seeds at subsidized rates.

Shri Panigrahi: What is the requirement of the State so far as foodgrains are concerned for 1958-59 before the harvest?

Shri A. M. Thomas: Normally, Orissa is surplus in the matter of foodgrains. Last year, at the beginning there were floods and later on there was drought or some other difficulties; but we have cordoned off Orissa and export of rice from the State has been banned. Now the State Government itself is procuring rice. It has procured about 41,798 tons of rice and 17,158 tons of paddy. No demand has so far been received from the State Government for supply from Central reserves, so that the presumption is that Orissa would be more or less self-sufficient.

Shri Panigrahi: May I know whether there has recently been any agreement between the State Government and the Centre for the purchase of fine and superfine rice from Orissa?

Shri A. M. Thomas: Yes, the State Government has said that it may be able to procure about 20,000 tons of superfine rice for the Centre. Internal purchase for distribution within the State is on the basis that the quantity that has to be purchased and the price at which it has to be purchased have to be settled between the Central Government and the State Government and the subsidy will be met 50:50.

Shri Sanganna: May I know whether the commitment for export of rice outside Orissa is cancelled due to the scarcity conditions existing last year in Orissa?

Shri A. M. Thomas: It has not been cancelled. Still the ban exists.

Shri Jaganatha Rao: Have the Central Government fixed any target for procurement of rice in Orissa?

Shri A. M. Thomas: No target has been fixed.

Shri Surendranath Dwivedy: Have Government any idea of the procurement machinery in the State, that is, whether it is done through mill-

owners or through co-operatives or through gram panchayats?

Shri A. M. Thomas: The State Government has got its own procurement machinery. I do not have the details with me.

Shri Supakar: What, in the opinion of the Orissa Government, is the shortage of rice in the current year, and whether the amount of 41,000 tons procured will be sufficient to meet the internal requirements of the State?

Shri A. M. Thomas: The State Government is still continuing to procure. Of course, there is a shortfall of about 5 lakh tons from the production of 1956-57. The total production in that year was a little over 2 million tons. But the 1957-58 production is 1,755,000 tons, so that there is a short-fall to the extent of 5 lakh odd tons. But since the ban exists and normally Orissa is surplus in foodgrains, there may not be any difficulty.

Shri Supakar: May I know if the Government of Orissa has asked the Union Government to supply any rice to that State?

Shri A. M. Thomas: So far, no demand has been made for the supply from Central reserves.

Shri Panigrahi: May I know whether as a result of the imposition of sales-tax on the sale of foodgrains in Orissa, the prices of foodstuffs have increased recently in Orissa State?

Shri A. M. Thomas: The prices have not increased. The information with me indicates that the prices in Orissa vary from Rs. 14⁸/- to Rs. 16¹²/-.

Shri Sanganna: May I know whether it is a fact that the procurement price of rice in Orissa is not uniform throughout the State; and, if so, what are the reasons?

Shri A. M. Thomas: The procurement price is uniform; but for different varieties different prices exist. For common rice, it is Rs. 15⁸/-; for others, it is from Rs. 16 to Rs. 16¹²/-.

Sone River Barrage

***1533. Shri Kamal Singh:** Will the Minister of Irrigation and Power be pleased to refer to the reply given to Starred Question No. 1555 on the 6th September, 1957 regarding Sone River Barrage and state:

(a) whether the scheme has since been examined by the Central Water and Power Commission and the Planning Commission;

(b) if so, whether it has finally been approved by the Union Government and whether any modification or alterations of the main features or to the estimated cost have been made;

(c) whether this project would be taken up during the course of the present Plan period; and

(d) the expected time of completion of the project?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) The scheme is still under examination in the Central Water and Power Commission.

(b) Does not arise.

(c) Preliminary work on remodelling the existing canal, which is a part of the scheme, has started. A provision of Rs. 5 crores has been made for Sone Barrage and Gandak schemes in Bihar in the 2nd Five Year Plan.

(d) It is not possible to indicate the date of completion of the Project at this stage, as the scheme has not been finally approved.

Shri Kamal Singh: May I know whether the main barrage will be taken up during the Second Five Year Plan?

Shri Hathi: The Sone River Barrage scheme will be taken up in the Second Five Year Plan.

Shri Kamal Singh: May I know whether Government is aware that as soon as the Rihand Scheme will be ready, extra water of the Rihand river will be let out and will be avail-

able in the Sone river? May I also know whether it will be utilised, as otherwise it will remain unutilised?

Shri Hathi: The question is this. The Bihar Government sent this scheme in 3 different batches. The last scheme, that is, the High Level Canal Scheme was sent only a few months back. It does take time to examine technically and pass the various schemes.

Dr. Ram Subhag Singh: The hon. Minister said that the Bihar Government sent the scheme in 3 batches, first the remodelling of the existing canals; the second, the digging of new canals and the third, the construction of the main barrage. The hon. Minister also said that the remodelling work has been undertaken. May I know whether the undertaking of the remodelling work will serve any useful purpose if simultaneous increase in the quantum of water supply is not assured by constructing the main barrage?

Shri Hathi: The main barrage also will be constructed. But remodelling will, to some extent, be in a position to desilt and put the canals in operation.

Dr. Ram Subhag Singh: The present reservoir is not in a position to supply adequate water to the existing canals and the remodelling work has been undertaken. Wherefrom will the additional water be brought so that adequate supply may be made to the existing canals?

Shri Hathi: That is exactly the position. The pond level has to be decided. In order to add more area, it has to be decided what should be the pond level. That is really being examined and that is why the delay has been caused. Along with that these canals might be remodelled and preliminary work can start.

Dr. Ram Subhag Singh: May I know whether the Government of Bihar has approached the Government of India to permit the construction of the main barrage and whether they have also given an undertaking that they will

divert the funds of other projects for the construction of this barrage? And, if so, what is the attitude of the Government of India?

Shri Hathi: They have as yet sent only a project report for the construction of this barrage. That is being examined. So, there is no question of the Government of India giving the sanction for going ahead with the work unless the whole scheme is approved finally.

Shri Kamal Singh: In view of the present Sone canal silting up and there being a danger or possibility of its becoming totally unserviceable and in view of the additional water from the Rihand river being available by 1981, would the Government consider the sanctioning of this barrage and the work on the main barrage being taken up before the Rihand scheme is finished?

Shri Hathi: So far as the Government of India is concerned, they will expedite the technical examination of the scheme and try to give approval as soon as possible. But that might take some time because model experiments are to be taken in hand at Poona.

Traffic Jam at the Railway Crossing near Safdarjang

1935. { **Shri Tangamani:**
Shri S. M. Banerjee:
Shri Prabhat Kar:

Will the Minister of Transport and Communications be pleased to state:

(a) whether the residents of Vinay Nagar colony have represented to him that there is a traffic jam at the railway crossing near Safdarjang because of the narrow road; and

(b) if so, whether there is any proposal to widen this road specially near the Railway crossing to end this traffic jam?

The Minister of State in the Ministry of Transport and Communications (Shri Raj Bahadur): (a) and (b). Yes, Sir. The improvement of the road is

under consideration of the New Delhi Municipal Committee in consultation with the Town Planning Sub-Committee for Development of Delhi.

Shri Tangamani: Since this complaint has been in existence for quite a number of years and representations have been made, may I know whether the hon. Minister will at least consider the alternative proposal of diversion by means of an overbridge or otherwise?

Shri Raj Bahadur: May I remind the hon. Member that the Vinay Nagar colony itself recently sprung up and the traffic has increased only recently—that is lately within the last 2 or 3 years? The allegation that complaint has been there for quite a number of years is not understandable. There are obviously two ways, to overcome the difficulty, one by constructing a sub-way and the other by the removal of the aerodrome. These are the alternative proposals which will mean a good deal of expenditure. Nevertheless, we have a short-term plan also which is under consideration.

Shri Tangamani: When will this broadening of the road, which is the short-term plan, materialise?

Shri Raj Bahadur: The scheme that is under consideration is that we propose to have a four-lane road, for vehicular traffic and we propose to have a separate track for cyclists by a separate route.

भी भक्त बर्जन : क्या गवर्नमेंट ने इस सुनाव पर विचार किया है कि इस कठिनाई को हटाने का एक तरीका यह है कि सफदरजंग ऐयरोड्रोम के पिछवाड़े की तरफ विनयमार्ग की ओर से विनयनगर को जोड़ दिया जाय ताकि यह कठिनाई बहुत कुछ हल हो सके?

भी राज बहादुर : जो आमद रफ्त का रास्ता है वह तो उसके सामने हो कर है। ऐयरोड्रोम के पीछे से हो कर अगर कोई सड़क निकाली जाय तो ट्रैफिक उधर हो कर जायगी यह सम्भव है।

की भवत्ता दर्शन : इस पर विचार तो करने की कृपा की जाय ।

की राज बहादुर : सुझाव तो ध्यान में रखा जायेगा ।

National Savings Certificate

*1828. Shri Damani: Will the Minister of Transport and Communications be pleased to state:

(a) whether the difficulties experienced by the holders at the time of encashment of the National Savings Certificates have been brought to the notice of Government; and

(b) if so, the steps taken to remove them?

The Minister of State in the Ministry of Transport and Communications (Shri Raj Bahadur): (a) Yes, Sir.

(b) (1) Suitable instructions have been issued to Post Offices to see that no difficulty is experienced in the matter of identification by the holders at the time of encashment of their certificates.

(2) To resolve difficulties arising out of defects in the issue of certificates a blanket order, condoning minor technical and clerical irregularities has been issued. Powers of condonation have also been delegated to Heads of Circles and other subordinate authorities. Attention in this connection is invited to the reply and supplementaries to Starred Question No. 969 of Shri N. R. Munisamy on 14th March, 1958.

(3) A new set of Simplified Rules, called the National Plan Savings Certificates Rules, is under issue.

Shri Damani: The rural people have a fear in their minds about the difficulties and the delay in encashment. May I know what action has so far been taken to remove this fear of the difficulties and delays in encashment?

Shri Raj Bahadur: To obviate this difficulty a procedure has been introduced whereby the certificates up to a value of Rs. 200 can be paid at the door of the holder by the village postman serving the area on the holder making an application for the purpose to the village postman.

Shri Tangamani: In the statement we find a reference to starred question No. 969 which was answered on 14-3-58 wherein it was stated that no record was maintained about the value of the certificates which have been presented before 15-1-58 and which were still unpaid. May we know now what is the value of the certificates which have been presented and which could not be paid because of the difficulties?

Shri Raj Bahadur: There are two types of difficulties. One arises in the case of persons who are alive and hold certificates. In their case, the difficulty arises if they want to encash the certificate at a post office other than the post office of issue. There the difficulty of identification etc. have come to our notice. But, there also, we have evolved a certain procedure by which that difficulty is going to be obviated.

There are some certificates which are cashed or sought to be cashed on the death of the holder. In those cases we require certain legal formalities, the production of succession certificates, guardian certificates in the case of minors and others etc. Each case depends upon its own merits.

Shri Tangamani: I wanted to know the amount of the certificates that have remained unpaid after being presented for encashment.

Mr. Speaker: That does not actually or directly relate to the difficulties. Has the hon. Minister any reply?

Shri Raj Bahadur: I cannot give the statistics. But we took certain steps in consultation with the Ministry of Finance by which blanket orders were passed that clerical errors or difficulties arising out of clerical mistakes may be condoned; and for that

matter, powers have been given to the Postmaster General also.

Shri Ramanathan Chettiar: In how many places signatures are obtained from the purchaser of these certificates?

Shri Raj Bahadur: I think there is a form prescribed; I cannot give the exact number.

Shri Ramanathan Chettiar: More than 6 signatures are obtained.

Mr. Speaker: The hon. Member only gives information and does not seek information. If the hon. Member thinks that 6 signatures are too many, he may put a straight question as to why 6 signatures are taken instead of asking how many signatures are taken.

Shri Ramanathan Chettiar: May I know whether the Government will take steps to simplify the procedure?

Shri Raj Bahadur: It is for the Ministry of Finance to simplify the procedure for the purchase of such certificates, and to see whether lesser number of signatures can be sufficient.

Sugar Factories

*1937. **Shri M. R. Masani:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether certain claims on the part of sugar factories for additional payment by way of a revision of ex-factory prices fixed by Government in respect of sugar requisitioned by Government in the 1953-54 season are still pending with Government;

(b) if so, the number of such claims still outstanding;

(c) the reason for the protracted delay in deciding on these claims; and

(d) what steps Government are taking to expedite payment to the sugar factories concerned?

The Deputy Minister of Food and Agriculture (Shri A. M. Thomas): (a) Yes, Sir.

(b) 39.

(c) and (d). The delay is due to the time taken in collecting and scrutinising relevant data from the factories but steps are being taken to expedite settlement of these cases.

Mr. M. R. Masani: Is the hon. Minister aware that by a letter dated 16th January this year, some of the parties concerned were assured that the matter "will be finalised by the end of February at the latest", and we are now at the end of April?

Shri A. M. Thomas: Sir, it may take about six months more because several data had to be collected. The price was first fixed at Rs. 27-2-0, then it was raised to Rs. 29 and at the rate of Rs. 29 all the factories have been paid. Some factories resisted and said that their cost of production comes to much more than Rs. 29 and, therefore, they had to be paid more. So a formula was evolved to fix the prices of different lots of sugar requisitioned on the basis of the cost of production or the price realised by the factory concerned by free sale in the open market on the date of requisitioning, whichever is lower. So, these processes take some time, and all efforts are being made to expedite settlement.

Shri M. R. Masani: May I know how the Minister explains the letter written by Government in January in reply to an enquiry whether the parties may go to a low court or whether they can get any relief, and how now the Minister goes back on the assurance given in writing to the parties who threatened to go to the law courts?

Shri A. M. Thomas: The cost of production of all the 39 factories has been worked out and duly checked by the Chief Accounts Officer. Some more minor formalities remain to be carried out. I have already said that it may be possible to settle all the accounts within a period of six months.

Shri Ramanathan Chettiar: What is the total amount involved in this?

Shri A. M. Thomas: The approximate additional price that may have to be paid will be about Rs. 4 lakhs.

Shri Subbiah Ambalam: Is there no time-limit fixed for the disposal of applications for additional payments?

Shri A. M. Thomas: There is no fixed time; but a reasonable time would have to be taken, and there is no lapse on the part of the department concerned.

Shri M. R. Masani: Would the Minister agree that the delay since 1953-54 is surely unconscionable?

Shri A. M. Thomas: This revision was made sometime later, and all these processes have to be carried on. We have to ascertain the market price then prevailing and see which is lower. Then only we can fix the price.

Shri Joschim Alva: Has the Minister called for the records of these cases and passed any orders to expedite these matters?

Shri A. M. Thomas: That is an internal matter. Of course, the Minister has called for the file, but I think it is not proper that I divulge here the orders he has passed on it.

Concessional Railway Tickets

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*1955. { **Shri Bhakt Darshan:**
 { **Shri Nek Ram Negi:**

Will the Minister of Railways be pleased to state:

(a) whether it is a fact that concessional railway journey tickets issued during the summer months every year are available for the journey from Delhi to Pathankot only; and

(b) whether Government propose to extend this facility beyond Pathankot towards Jogindarnagar side also?

The Deputy Minister of Railways (Shri S. V. Ramaswami): (a) No, Sir; such tickets are issued from Delhi to a number of other hill stations also.

(b) No, Sir.

Shri Bhakt Darshan: इस तरह के जो टिकट दिये जाते हैं वे आखिरी रेलवे स्टेशन के लिये दिये जाते हैं। जैसा कि माननीय मंत्री जी को मालूम भी होता जोगेन्द्रनगर के लिये पठानकोट होकर रेलवे साइन जाती है और जोगेन्द्रनगर उस साइन पर आखिरी टरमिनल है। इसलिये मैं जानना चाहता हूँ कि जोगेन्द्रनगर को इस प्रकार की सुविधा देने में क्या कठिनाई है?

रेलवे उपराजी (श्री शाहनवाज खाँ): यह सहूलियत जो दी गई है वह तमाम हिल स्टेशन्स के लिये नहीं है। कुछ कुछ हिल स्टेशन्स को यह सहूलियत दी गई है। यह सहूलियत उन हिल स्टेशन्स को दी गई है जिनका महत्व कम होता जा रहा है ताकि वहाँ जाने वालों को तकलीफ न हो।

श्री भक्त दर्शन: जहाँ तक मुझे जात है पिछले दिनों रेलवे बोर्ड ने यह निर्णय किया था कि नये हिल स्टेशन्स के लिये यह कन्सेशन न बढ़ाया जावे। मैं जानना चाहता हूँ कि यह बैन कब तक रहेगा और कब तक इसके उठने की उम्मीद की जा सकती है?

श्री शाहनवाज खाँ: कुछ हिल स्टेशन छाटे गये हैं। फिलहाल इनकी तात्पाद बढ़ाने की उम्मीद नहीं है। जैसा कि माननीय सदस्य को मालूम है कि शोवर काउंडिंग बहुत ज्यादा है। हम उस भीड़ को कम करने की कोशिश कर रहे हैं। बढ़ाने की कोशिश नहीं कह रहे हैं।

श्री बलबीत सिंह: पठानकोट तो मंदान में वाकै है उसके लिये कन्सेशन टिकट इश्यू किये जाते हैं। मैं जानना चाहता हूँ कि जो पहाड़ के स्टेशन हैं उनके लिये इस तरह के टिकट क्यों इश्यू नहीं किये जाते?

श्री शाहनवाज खाँ: जो यात्री पठानकोट होकर श्रीनगर जाते हैं उनके लिये यह रियायत दी गई है। इसी तरह से जो सोग मसूरी को जाते हैं उनको देहरादून तक यह रियायत मिलती है।

वी दसवीं सिंह : सेकिन जो कुल्पू को आते हैं उनके लिये तो जोगेन्द्र नगर नजदीक पड़ता है : जोगेन्द्र नगर के लिये इस तरह की विधायत क्यों नहीं दी जाती ?

Shri Shahnawaz Khan: Sir, it is not included in the list of stations.

Tele-Communication Research Centre

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*1939. { Shri Subodh Hansda:
Shri S. C. Samanta:

Will the Minister of Transport and Communications be pleased to state:

(a) whether any Tele-Communication Research Centre has been set up in India;

(b) if so, where and when it was set up; and

(c) what is the amount spent on this Centre?

The Minister of State in the Ministry of Transport and Communications (Shri Raj Bahadur): (a) Yes.

(b) In Delhi from the middle of 1956.

(c) Rs. 8,35,000.

Shri Subodh Hansda: May I know what sort of research will be carried on at this centre?

Shri Raj Bahadur: The type of research conducted in this particular institute pertain to the development of tele-communication equipment—for example, the development of carriers, relay sets etc. There are a number of such items and it will take a long time for me to read all of them; I can place a statement on the Table of the House.

Shri Joachim Alva: We have plenty of foreign companies besides Indian concerns, selling their tele-communication sets both in Bombay and Calcutta and also in Delhi, and Government have been buying various equipments from them paying a lot of money. I want to know why Government did not set up this research centre up till now?

Shri Raj Bahadur: The research centre has been set up as and when we got the required technical know-how in respect of manufacturing telephone instruments as well as carrier equipments and exchange equipments. It is only after that that we can have development on the basis of a research institute.

Shri Achar: Has the centre submitted any report and any action taken on that?

Shri Raj Bahadur: They have been submitting their reports in regard to the various types of accessories or equipment that they have succeeded in making and, as I said, I offer to place a statement on the Table of the House.

Shri Supakar: May I know if the ITI at Bangalore is carrying on any research in tele-communication, and if under our agreement with ATE any research that they make in England is available for our use?

Shri Raj Bahadur: The ITI has also got its own unit. As a matter of fact, the House may be aware that we announced on the floor of the House sometime back that our engineers in the ITI developed this single-channel carrier and the three-channel carrier. They have now, with the assistance of ATE in England, also been able to develop a twelve-channel carrier system.

Production of Woollenised Jute

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*1940. Shri Rameshwar Tantia:
Shri V. C. Shukla:

Will the Minister of Food and Agriculture be pleased to state whether any step has been taken to introduce pilot scheme for commercial production of woollenised jute?

The Minister of Co-operation (Dr. P. S. Deshmukh): No.

Shri Rameshwar Tantia: As this woollenised jute will be a cheap article like the woollen goods which we are importing from Italy and

Japan, will it not be advisable to pilot such a scheme; or, will the Government give licence to the private sector to import such machinery?

Dr. P. S. Deshmukh: We will consider the question of giving a licence, if there is anybody coming forward for that purpose.

Shri Thirumala Rao: Has the Ministry got any technical or other general information with regard to this woollenised jute?

Dr. P. S. Deshmukh: A scheme worked by the Refugee Rehabilitation on an experimental plant in the Technological Research Laboratories has terminated on 1st April, 1958. There are certain experiments which are directed towards solving the problems of dyeing, poor wash fastness of the dye and softer feel etc. They are continuing.

Shri Thirumala Rao: Do Government consider the proposal of investigating the use of this material?

Dr. P. S. Deshmukh: Certain experiments, as I said, are going on.

Averted Train Accident

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*1941. { **Shri U. L. Patil:**
Shri Vajpayee:

Will the Minister of Railways be pleased to state:

(a) whether it is a fact that as a result of a rail crack being detected in time, the Up Calcutta Mail from Amritsar, on the 12th April, 1958, escaped a serious mishap;

(b) whether any sabotage was suspected;

(c) whether any enquiry has been made into the incident;

(d) if so, the findings thereof; and

(e) the action taken thereon?

The Deputy Minister of Railways (Shri S. V. Ramaswami): (a) At about 8:30 hours on 12-4-58, while the Keyman on duty was patrolling the track on his usual morning round, between Butari and Jandials stations on the Jullundur City-Amritsar Section of the Northern Railway, a rail fracture was detected by him at mile 288 1/17. He immediately protected the line by placing detonators and No. 5 Up Howrah-Amritsar which was coming from Butari side, stopped short of the fractured point.

(b) No.

(c) to (e). The fracture appears to have been caused due to a flaw in the metal. Investigations into the structure of metal etc. are being progressed.

Shri Joachim Alva: On the last occasion I asked whether the Railway Board have set up their own special unit to enquire about accidents and possible accidents. What I want to know is whether these kinds of minor accidents which could result in major accidents are being just shifted and left to Divisional Headquarters for enquiry, or, whether responsible members of the Railway Board make regular enquiries of even these trifling accidents which could result in major accidents?

Shri S. V. Ramaswami: The point about this particular question is about the averted accident. The flaw is sometimes due to the fatigue in metals, and it could occur suddenly. What happens is, we have got regular inspections. The Permanent Way Inspector does it every week. The special Permanent Way Inspector does it once in two or three weeks. The keyman does it once every day on foot. With all these, if the flaw does happen, well, we have got the keymen who save us from disasters.

Shri Joachim Alva: The hon. Minister has not replied to my question. My question is whether a responsible body like the Railway Board Headquarters in India goes into these small accidents.

Shri S. V. Ramaswami: I want notice.

Shri Dasappa: May I know whether information could be furnished as to when exactly these rails were laid there? How long is it, and how old are they?

Shri S. V. Ramaswami: I am sorry I have not got the information. If a separate question is put, I shall answer.

Silghat Railway Station Incident

***1943. Shri Tangamani:** Will the Minister of Railways be pleased to state:

(a) whether it is a fact that windows of Railway Station were broken and platform lamps smashed on the 28th March, 1958 at Silghat Railway Station on the North Eastern Railway;

(b) if so, the causes for the same; and

(c) whether any special trains were run on that day for Ashokastami Festival?

The Deputy Minister of Railways (Shri S. V. Ramaswami): (a) Yes, Sir.

(b) This happened after the Railway staff prevented some passengers from travelling without tickets on foot-boards and roofs of coaches.

(c) No, Sir, but two trains running between Chaparmukh-Silghat Stations were strengthened by three additional class III Coaches each.

Shri Tangamani: May I know whether it is not a fact that this accident occurred because there was not enough room for the passengers in the train?

Shri S. V. Ramaswami: No, Sir. It was because they wanted to travel without tickets and there was some checking.

Shri Tangamani: May I know whether in future at least, on special festival occasions, special trains will be run in this area?

Shri S. V. Ramaswami: It all depends upon the needs of the situation and on the occasion.

Shri Tangamani: In his reply to part (b) of the question the hon. Minister said that because the passengers were travelling on foot-boards, they were prevented from....

Mr. Speaker: The hon. Minister said that they travelled on foot-boards not for want of accommodation but to avoid purchase of tickets. Those people would not get into the train, because the moment the inspector comes in they will jump out. Therefore they travel on the foot-boards.

Shri Tangamani: When the accident happened, more than 100 passengers were there because they could not get accommodation.

Mr. Speaker: If the hon. Minister does not admit that it is not for want of accommodation but for want of tickets....

Shri Liladhar Kotoki: In view of the fact that there is great rush of passengers from the Chaparmukh, Nowgong side to Silghat station on Ashokastami festival, will the Government consider the necessity of providing special trains on such occasions?

Shri S. V. Ramaswami: I have already answered the question on this, put by the hon. Member from the other side. It all depends upon the occasion and the demands.

Shri Tangamani: May I know whether there was some festival in the neighbouring area during this period when this accident took place—on the 28th March, 1958?

Shri S. V. Ramaswami: I require notice.

Shri Tangamani: In answer to part (c) of the question, whether any special trains were run on that day for Ashokastami festival, the hon. Minister said, "No, Sir". Now he wants notice to find out whether there was any festival.

Shri S. V. Ramaswami: The answer is that two trains running between Chaparmukh-Silghat stations were strengthened by three additional class III coaches each.

Shri Tangamani: That is why I wanted to know whether there was a festival and whether they were going to run special trains. He could have said, "No."

Mr. Speaker: The hon. Member referred to festivals and the running of special trains on those days. What more festivals does he want?

Shri Tangamani: This particular festival.

Mr. Speaker: He admits that when this festival took place there, no special trains were run on that day—for the Ashokastami festival. What is the other festival that the hon. Member has in mind?

Shri Tangamani: This particular festival

Mr. Speaker: It is there in the question itself. I am not able to follow the question.

Shri Tangamani: When there was a supplementary from my hon. Friend on the other side asking whether special trains will be run for this particular festival, the hon. Minister said that he wanted notice.

Mr. Speaker: He has already answered that. He read the answer again.

Shri Prabhat Kar: The hon. Minister said that two third class bogies have been attached to this particular train running between Chaparmukh and Silghat stations. The very fact that two extra bogies were attached to the train is an admission that there is a special circumstance, and that is why the question has been put. May I know whether the Government are contemplating to provide a special train for that?

Shri P. C. Borooh: May I know if the Government were aware of the public representations made to the

Railway for the introduction of special trains on the Ashokastami day on that line?

Shri S. V. Ramaswami: If proper representations are made, we shall certainly consider them.

Shri P. C. Barooah: There were public representations made to the Railway for running special trains on that line on that day. May I know whether the Government were aware of that?

Shri S. V. Ramaswami: I require notice.

Mr. Speaker: Merely because of representation, are the railway authorities entitled to look into it and find out whether the attachment of two bogies are enough or a special train has to be provided for? Next question.

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सिविल-स्ट्रक्चर सीज़ा सदृक

*१६४४. { श्री भवत दर्शन :
श्री नेकराम नेत्री :

वया परिवहन तथा संचार मंत्री १५
मई, १९५६ के तारांकित प्रधन संख्या २२२३
के उत्तर के सम्बन्ध में यह बताने की कृपा
करेंगे कि :

(क) सिविकम की राजधानी गंगटोक में तिनबत की सीमा तक एक बोर्डर सड़क के निर्माण में इस बीच क्या प्रगति हुई है;

(ख) इस सड़क के निर्माण पर भारत सरकार द्वारा अब तक कितना धन व्यय किया जा चका है ; और

(ग) इस संडक का निर्माण कब तक पूरा हो जाने की आशा है ?

परिवहन तथा संचार मंत्रालय में राज्य-
मंत्री (श्री राज बहादुर) : (क) २०
भील तक काम पूरा हो चुका है। बाकी ६
भील के फासले तक काम की प्रगति लगभग
४० प्रतिशत है।

(क) ३४ लाख रुपये ।

(ग) १६५८ के अन्त तक ।

I shall now give the answer in English.

(a) Work completed upto 20th mile. Progress in the remaining length of 9 miles is about 40 per cent.

(b) Rs. 34 lakhs.

(c) By the end of 1958.

श्री भक्त बर्जन : श्रीमान, यह सङ्केत भवत भारत के लिये ही नहीं, बल्कि भन्तराष्ट्रीय महत्व की है, क्योंकि भारत से तिक्कत का व्यापार इसी मार्ग के द्वारा होता है। मैं यह जानना चाहता हूँ कि तीन वर्ष में इस काम को पूरा करने के लिये जो कार्यक्रम बनाया गया था, उसको पूरा कर्यों नहीं किया गया ।

श्री राज बहादुर : इस सङ्केत के महत्व से मैं पूर्णतया परिचित हूँ। प्रथम पंच-वर्षीय योजना में इसके लिये केवल ६ लाख रुपया था। १६५३ में काम शुरू किया गया। इस पंच-वर्षीय योजना में ४८ लाख रुपया है, जिस में से ३४ लाख इन दो सालों में खर्च हो चुका है। १६५८ तक यह काम पूरा हो जायेगा, ऐसा विश्वास किया जाता है।

श्री भक्त बर्जन : जहां तक मुझे जात है, यह सङ्केत केवल जीप चलने योग्य बनाई जा रही है। जब इस सङ्केत के रास्ते इतने बड़े पैमाने पर व्यापार होता है, तो बड़ी मोटरे और लारियां वर्गीकरण चलाने लायक इसको क्यों नहीं बनाया जा रहा है?

श्री राज बहादुर : माननीय सदस्य को जात होगा कि भ्रष्ट तक केवल लच्चवर वाली पर्गड़ी थी। उसके स्थान पर जीप वाला रास्ता बनाया जा रहा है।

श्री भक्त बर्जन : माननीय मंत्री जी को शायद यह जात होगा कि सितम्बर के

चन्तिम सप्ताह में हमारे प्रधान मंत्री लक्ष्मण से लौटते हुए इसी रास्ते से भारत लौटने वाले हैं। मैं जानना चाहता हूँ कि इस प्रवस्था में इसके प्राप्तिरी मार्ग को कम से कम जीप-बल क्यों नहीं बना दिया जाता है?

श्री राज बहादुर : माननीय सदस्य को मुझसे कहीं अधिक सूचना मालूम होती है।

Thermal Plant at Barauni

१९४५. श्री कमल सिंह: Will the Minister of Irrigation and Power be pleased to state:

(a) whether a scheme for a 30 M.W. Thermal Plant at Barauni has been received from the Bihar Government in view of the dearth of power in North Bihar;

(b) the estimated cost of the plant and amount of foreign exchange required; and

(c) what steps Government are contemplating to meet this demand?

The Deputy Minister of Irrigation and Power (Shri Hathi):

(a) Yes, Sir.

(b) The estimated cost of the scheme is Rs. 484 lakhs. Foreign exchange involved is Rs. 220 lakhs.

(c) The scheme has been examined by the Central Water and Power Commission and has been approved by the Advisory Committee on Irrigation and Power Projects. Under the scheme, it is proposed to install 30,000 K.W. of generating plant at Barauni and a net-work of 33 K.W. distribution lines in North Bihar.

श्री कमल सिंह: May I know when it is proposed to start the work, or whether there is any difficulty?

श्री हाथी: Now that the Technical Committee has approved of it, it will be for the Bihar Government to take up the actual execution of the work. It is not for the Government of India to start the execution.

Shri Kamal Singh: May I know whether the Government are aware whether any contract has been given to do this work?

Shri Hathi: The Bihar Government, as I understand, invited tenders for the machinery and equipment for the electrical part of the project.

Shri Kamal Singh: May I know if an offer has been received by an Indian firm in collaboration with a Hungarian firm to undertake to meet the entire foreign exchange in rupees and thereby circumvent the need for foreign exchange, as the hon. Minister just now mentioned that Rs. 220 lakhs of foreign exchange will be required?

Shri Hathi: I do not know the details of the various tenders which have been received and the terms that the firms have given.

Shri Dasappa: May I know whether the cost of Rs. 484 lakhs for a 30,000 K. W. plant is not on the high side and could not the cost be reduced?

Shri Hathi: It also includes the transmission line expenditure. The plant will cost Rs. 294 lakhs and transmission and distribution will cost Rs. 190 lakhs.

Shrimati Renu Chakravarty: May I know if any of the tenderers have stated that they are prepared to meet the entire foreign exchange component in rupees?

Shri Hathi: I have just now said that I have not got the information on that particular point.

Mr. Speaker: All the questions are over. I will call the hon. Members who were absent—Shri D. C. Sharma, Shri Ram Kishan, Shri Hem Barua and Shri Munisamy. All are absent.

Shri Joachim Alva: When a Member puts a question and he is down south, and when the question is admitted in his name, if it is a question of national importance, the Chair may use discretion in favour of the House and allow it.

Mr. Speaker: Before he goes, he purchases the ticket and makes all other arrangements. Why did he not make an arrangement with some other hon. Member to put the question?

Shri Joachim Alva: Another Member cannot put the question when it has been already tabled in his name.

Mr. Speaker: He can be authorised. The hon. Member is evidently not aware of this.

Shri Joachim Alva: You do not catch my point. If a question is admitted in a particular Member's name in the office, a second or third Member just loses the chance of getting it admitted in his name.

Mr. Speaker: I bracket all those names together. What is being done is, if more than one hon. Member puts the same kind of question, I club their names together and allow opportunity to every hon. Member. Even though he may be sitting, I call him before I call other hon. Members.

Did he put any question?

Shri Joachim Alva: No, Sir.

Mr. Speaker: The questions are all over.

WRITTEN ANSWERS TO QUESTIONS

Irrigation and Power Works under Bhakra Nangal Project

*1927. **Shri D. C. Sharma:** Will the Minister of Irrigation and Power be pleased to refer to the reply given to Starred Question No. 470 on the 25th November, 1957 and state the progress made with regard to the irrigation and power works under the Bhakra Nangal Project upto the end of March, 1958?

The Deputy Minister of Irrigation and Power (Shri Hathi): A statement giving the required information is laid on the Table of the Lok Sabha. [See Appendix VIII, annexure No. 69.]

Transport Development Council

*1922. **Shri Ram Krishan:** Will the Minister of Transport and Communications be pleased to refer to the reply given to Starred Question No. 609 on the 28th February, 1958 and state:

(a) whether the proposal to constitute a Transport Development Council and the Central Transport Co-ordination Committee has been finalised; and

(b) if so, the details thereof?

The Minister of State in the Ministry of Transport and Communications (Shri Raj Bahadur): (a) and (b). The composition and other details regarding these bodies have almost been finalised and will be announced shortly.

Suspension of Railway Employees

*1931. **Shri Hem Barua:** Will the Minister of Railways be pleased to state:

(a) whether it is a fact that about 50 employees of the old Assam Railway were placed under suspension in January and February, 1949 under the National Security Rules and that some of these cases of suspension are still pending; and

(b) if so, whether it is a fact that investigation into the conduct of the suspended employees has not yet been completed?

The Deputy Minister of Railways (Shri Shahnawaz Khan): (a) and (b). 18 employees (not 50) were placed under suspension. Out of these 18 cases, 11 have been finalised and action is pending in 7 cases.

Indo-Pakistan Canal Waters Dispute

*1934. **Shri N. R. Muniswamy:** Will the Minister of Irrigation and Power be pleased to state:

(a) whether it is a fact that Indo-Pakistan talks at official level for evolving a settlement in regard to

equitable distribution of the waters of the Indus basin are expected to be resumed in Rome on or about the last week of April, 1958 under the auspices of the World Bank;

(b) if so, who is likely to be sent; and

(c) what is the agenda for the meeting?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) The talks in Rome have started on 24th April, 1958.

(b) The following officers have been deputed to represent India:

1. Shri N. D. Gulhati, I.S.E., Joint Secretary (Leader).

2. Shri H. C. Kalra, Deputy Secretary.

3. Dr. J. K. Malhotra, O.S.D.

(c) The talks in Rome will be in continuation of the discussions held by Mr. W.A.B. Iliff, Vice-President of the world Bank, with the representatives of India and Pakistan during his visit in January this year, and are intended to explore further the possibilities of various approaches towards a settlement of the Canal Water Dispute.

Road Transport Corporation Act

*1942. **Shri Ram Krishan:** Will the Minister of Transport and Communications be pleased to state at what stage is the proposal for amending the Road Transport Corporation Act 1950, with a view to facilitate the smooth working of the Corporations set up by the State Governments under this Act?

The Minister of State in the Ministry of Transport and Communications (Shri Raj Bahadur): Several proposals for amending the Road Transport Corporation Act, 1950, have been received from the State Governments and others. These proposals are under examination at present. It is proposed to bring up before the House a consolidated amending bill in a few months time.

"The Lost Post"

***1946.** **Shri N. R. Muniswamy:** Will the Minister of Transport and Communications be pleased to state:

(e) whether the attention of Government has been drawn to the news item which appeared in the *Times of India* (Delhi Edition) dated the 2nd April, 1958 under the caption "The Lost Post";

(b) if so, how many letters, money order receipts and postal orders were found in the heap; and

(c) what action Government have taken in the matter?

The Minister of State in the Ministry of Transport and Communications (Shri Raj Bahadur): (a) Yes, Sir.

(b) Only 40 unregistered mail articles.

(c) 25 articles were delivered immediately. Addresses of 11 are not available. 4 could not be delivered since the addresses are washed out. Extra Departmental Delivery Agent had already left service on 27th February, 1958. If sufficient evidence is available it is proposed to prosecute the Extra Departmental Delivery Agent under Section 52 of the Post Office Act.

Water Coolers at Railway Stations

2979. **Shri Ram Krishan:** Will the Minister of Railways be pleased to state:

(a) the names of the stations where water coolers will be provided during 1957-58, Railway-wise; and

(b) the names of the stations where water coolers will be provided during 1958-59, Railway-wise?

The Deputy Minister of Railways (Shri Shah Nawaz Khan): (a) and (b). A statement is laid on the Table of the Lok Sabha. [See appendix VIII, annexure No. 70.]

Opening of Post Offices at Kodaikanal Hills

2980. **Shri R. Narayanasamy:** Will the Minister of Transport and Communications be pleased to state:

(a) whether it is a fact that the Government are proposing to open some more Post Offices at Kodaikanal Hills; and

(b) if so, the names of the villages where Post Offices are to be opened?

The Minister of State in the Ministry of Transport and Communications (Shri Raj Bahadur): (a) and (b). Yes, at villages Vadakavini and perumalmalai. A Post Office on non-returnable contribution basis could not be opened at Vadakavini so far as the mail route was considered unsafe. The one at Perumalmalai will be opened, if found justified.

Vacancies of Station Masters on Mysore Division

2981. **Shri Siddiah:** Will the Minister of Railways be pleased to state:

(a) how many vacancies of Station Masters are there in Mysore Division of Southern Railway; and

(b) how long they have been kept vacant and the reasons for the same?

The Deputy Minister of Railways (Shri Shah Nawaz Khan): (a) Nil.

(b) Does not arise.

Public Call Offices in Bombay

2982. **Shri Pangarkar:** Will the Minister of Transport and Communications be pleased to state the names of places where the Public Call Offices are proposed to be opened in Bombay during the Second Five Year Plan period?

The Minister of State in the Ministry of Transport and Communications (Shri Raj Bahadur): A statement is laid on the Table of the Lok Sabha. [See appendix VIII, annexure No. 71.]

Central Marketing Co-operative Society in Tripura

2983. Shri Dasaratha Deb: Will the Minister of Food and Agriculture be pleased to state:

(a) whether a Central Marketing Co-operative Society has been formed in Tripura;

(b) if so, how many branch societies has it got under it;

(c) who are the members of the Central Marketing Co-operative Society; and

(d) how have they been elected?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) Yes the Tripura Central Marketing Co-operative Society Ltd., has been registered on 25th March, 1957 with its registered office at Agartala.

(b) Nil.

(c) The following 24 individuals and five co-operative societies are members:—

INDIVIDUAL MEMBERS

Sarvashri (1) Sailesh Ranjan Dutta, (2) Sushil Kumar Gupta, (3) Sasanka Sekhar Gupta, (4) Monoranjan Deb, (5) Satish Lal Singh, (6) Sudhangshu Kumar Biswas, (7) Raj Prasad Reang, (8) Mukta Ray Reang, (9) Puspa Ray Reang, (10) Kripesh Chandra Purkayastha, (11) Bireswar Laskar Choudhury, (12) Sukhendra Bhattacharjee, (13) Pranabesh Sen Gupta, (14) Sudhindra Mohan Sen Gupta, (15) Aswini Kumar Das, (16) Sudhir Dutta, (17) Sitangshu Bhattacharjee, (18) Gharu Chandra Dasgupta, (19) R. K. Birjat Singh, (20) Haradhan Deb, (21) Indu Bhusan Bhattacharjee, (22) S. A. Ahad Madani, (23) Debendra Chandra Das, (24) Jitendra Mohan Saha.

SOCIETY MEMBERS

Konaban Sarbartha Sadhak Samabaya Samity Ltd., 2. Co-operative Transport Society Ltd., 3. Pabiachara Co-operative Purchase and Sale Society Ltd., 4. Kathalia Charra Co-operative Purchase and Sales Society Ltd., 5. Garzibazar Co-operative Purchase and Sales Society Ltd.

(d) They have not been elected. They have been admitted as members of the Society on purchasing shares, for which no election is necessary.

Allotment of Coal and Steel to Assam

2984. Shri Bhagavati: Will the Minister of Food and Agriculture be pleased to state:

(a) the demand for iron, steel and coal of the State Government of Assam under agricultural quota in 1956-57 and 1957-58;

(b) the quantity allotted during the said years; and

(c) the quantity lifted by the State from the allotted quota?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) to (c). A statement is laid on the Table of the Lok Sabha. [See appendix VIII, annexure No. 72.]

Buildings in N.E.S. Blocks

2985. Shri S. A. Mehdil: Will the Minister of Community Development be pleased to state.

(a) the number of buildings in one N.E.S. block;

(b) the cost of setting up a block; and

(c) the approximate yearly expenditure for each block?

The Minister for Community Development (Shri S. K. Dey): (a) The N.E.S. schematic budget provides for

construction of only block office building and staff quarters. Other constructions, if any, depend on the actual programme to be drawn up for each block having regard to local conditions and the requirements of the people as expressed through the Block Advisory Committee.

(b). and (c). Rs. 4.0 lakhs for three years.

Land under Cultivation

2986. Shri Jadhav: Will the Minister of Food and Agriculture be pleased to state what was the total area of land under cultivation in the year 1957-58 throughout all the States, Union Territories and Jammu and Kashmir?

The Minister of Food and Agriculture (Shri A. P. Jain): Data regarding total area of land under cultivation in 1957-58 are not yet available. The latest available data are given below:—

1956-57 (Provisional)		(Thousand acres)
	Net area sown	Gross area sown
(i) All States	317,979	361,869
(ii) Union Territories	1,627	2,184
(iii) Jammu and Kashmir	1,533	1,840
TOTAL	321,139	365,893

National Highway No. 6

2987. Shri P. G. Deb: Will the Minister of Transport and Communications be pleased to state:

(a) whether the progress in the execution of various development works on the National Highway No. 6 under the Sundargarh and Sambalpur Division in Orissa is satisfactory;

(b) if not, the reasons therefor; and

(c) the steps Government propose to expedite matters?

The Minister of State in the Ministry of Transport and Communications (Shri Raj Bahadur): (a) to (c). The progress on works already sanctioned has been satisfactory so far, but sanctions to new works are being restricted due to paucity of funds.

Reservation for Scheduled Castes, Scheduled Tribes and Anglo-Indians on Railways

2988. Shri Siddiah: Will the Minister of Railways be pleased to state the proportion according to which appointments are made in each Railway under Class III and Class IV posts for the Scheduled Castes, Scheduled Tribes and Anglo-Indians, and how it was maintained during the period 1956-57 and 1957-58?

The Deputy Minister of Railways (Shri Shah Nawaz Khan): Information is being collected and will be laid on the Table of the Sabha.

Grow More Food Schemes in Orissa

2989. Shri Panigrahi: Will the Minister of Food and Agriculture be pleased state:

(a) the target fixed for the State of Orissa under the Grow More Food Campaign for the year 1958-59;

(b) the different programmes of Grow More Food Schemes for which Central assistance has been extended for the year 1958-59;

(c) the broad features of the schemes and the money allotted separately for each of the schemes; and

(d) how much of this Central assistance is by way of grants and how much by way of loan?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) Estimated target of additional food production during 1958-59 would be 94,000 tons.

(b) to (d). A statement showing the requisite details is laid on the Table of the Lok Sabha. [See appendix VIII, annexure No. 78.]

Development of Forests in Andhra Pradesh

2990. Shri M. V. Krishna Rao: Will the Minister of Food and Agriculture be pleased to state the amount allotted to the Andhra Pradesh for the development of forests during 1958-59?

The Minister of Food and Agriculture (Shri A. P. Jain): The State of Andhra Pradesh have been allotted a sum of Rs. 13.80 lakhs including the Central and State share. Out of this, the Government of India will provide a sum of Rs. 5.88 lakhs (Rs. 5.04 lakhs as loan and Rs. 0.84 lakhs as grant). The balance will be provided by the State Government as their share.

Fruit Production in Andhra

2991. Shri M. V. Krishna Rao: Will the Minister of Food and Agriculture be pleased to state:

(a) the nature of the programme chalked out for the development of fruit production in Andhra Pradesh in the year 1958-59; and

(b) the amount of Central assistance to be given therefor?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) The scheme for the development of fruit production is in progress in the Andhra Pradesh since January, 1958. Long-term loans at Rs. 300 per acre and short-term loans at Rs. 15 per acre are to be given to fruit growers for planting new orchards and for rejuvenating old orchards, respectively.

50 per cent. of the expenditure on additional staff for implementing the scheme and for giving technical advice to fruit growers is to be borne by the Centre.

(b) The Working Group of the Planning Commission have allocated a sum of Rs. 6.00 lakhs as long-term loan and Rs. 0.40 lakhs as subsidy for 1958-59. A sum of Rs. 3.00 lakhs has also been ear-marked as short-term loan for all the States.

The exact amounts of loan and subsidy will be known on receipt of detailed proposals for 1958-59 from Andhra Pradesh.

मध्य रेलवे में कल्याण पदाधिकारी

२६६२. श्री लक्ष्मीराम : क्या रेलवे मंत्री यह बताने की कृपा करें कि :

(क) क्या यह सच है कि अक्षयवर, १६५७ में मध्य रेलवे के शासी डिवीजन में कल्याण पदाधिकारियों के पदों के लिये उम्मीदवार चुने गये थे;

(ख) यदि हां, तो कुल कितने श्रावेदन-पत्र प्राप्त हुये थे और इनमें हरिजन उम्मीदवार कितने थे;

(ग) इस चुनाव के द्वारा कितने हरिजन तथा अन्य उम्मीदवार नियुक्त किये गये;

(घ) क्या इन में से कुछ पद अभी तक खाली हैं; और

(ङ) यदि हां, तो ये कब भरे जायेंगे?

रेलवे उपमंत्री (श्री शाहनवाज जा):

(क) शासी डिवीजन में वैलफेसर अफसरों की कोई गजटें जगहें नहीं हैं और १६५७ में तीसरे दर्जे के अफसरों के लिये भी कोई चुनाव नहीं हुआ।

(ख) से (ङ). सवाल नहीं उठता।

दिल्ली पश्च-पालन विभाग का पुनर्गठन

२६६३. श्री नवल प्रभाकर : क्या लाल तथा कृषि मंत्री यह बताने की कृपा करें कि :

(क) क्या दिल्ली जेनर के पश्च-पालन विभाग का विस्तार एवं पुनर्गठन किया जा रहा है;

(क) यदि हाँ, तो इसका अंदरा क्या है;

(ग) इस पर कितनी राशि व्यय की जायेगी ; और

(घ) पशु-पालकों को मिलने वाले लाभ का अंदरा क्या है ?

कांग तथा हृषि मंडी (श्री अ० प० जैन) : (क) दिल्ली प्रदेश के पशु-पालन विभाग का कोई भी विस्तार और पुनर्गठन तरीके से नहीं किया गया है, लेकिन द्वितीय पंचवर्षीय योजना के अन्तर्गत स्वीकृत मदों को कार्यान्वित करने का काम आर्जी तौर पर आरम्भ किया गया है।

(ख) इन प्रबन्धों का अंदरा इस प्रकार है :—

तीन चलते फिरते पशुचिकित्सालयों का शुरू करना, गोशालाओं के प्रशासन के दिन प्रति दिन के कामों में सहायता देने के लिये एक पशु चिकित्सा सहायक-सर्जन की नियुक्ति, और प्रदर्शनी का संगठन, महामारी को दूर करना और हिमार के पशुचिकित्सा कालिज में चार विद्यार्थियों को प्रशिक्षण देने का उपबन्ध ।

जब दिल्ली मिल्क-सप्लाई योजना का काम शुरू हो जायगा, तब एक कृत्रिम गर्भाघान केन्द्र के साथ महकारी दूध उत्पादन योसाइटियां और छः अन्य पशुपाल स्कॉल दिये जायेंगे । एक पशुधन अनुभाग का स्कॉलना और तीन पशुचिकित्सालयों के आरम्भ करने पर भी विचार हो रहा है ।

(ग) १९५६-६१ तक के योजना काल में २२.३२७ लाख रुपये ।

(घ) इन उपायों से किसानों को नसल सुधारने, पशुचिकित्सा में सहायता, महामारी से कम मृत्यु होने के लाभ प्राप्त होंगे ।

गुडगांव नहर परियोजना

२६६८. श्री नवल प्रभाकर : क्या सिचाई और बिल्डर मंत्री यह बताने की हुपा करेंगे कि :

(क) गुडगांव नहर परियोजना से दिल्ली में किन किन जलों की सिचाई होगी ;

(ख) यह परियोजना इस समय किस अवस्था में है ; और

(ग) इस परियोजना पर जो व्यय किया जायेगा उसमें दिल्ली का अंशदान कितना होगा ?

सिचाई और बिल्डर उपर्युक्ती (श्री हाथो) : (क) गुडगांव नहर परियोजना में आगरा नहर के १५वें मील से नहर निकाली जायेगी किन्तु इससे दिल्ली के किसी झेत्र की सिचाई नहीं होगी ।

(ख) इस समय केन्द्रीय जल तथा विद्युत भावोग में परियोजना की जांच हो रही है ।

(ग) इस परियोजना से दिल्ली को लाभ नहीं होगा इसलिये दिल्ली के अंशदान का प्रश्न नहीं उठता ।

Protection of Railway Lines and Bridges

2995. Shri D. C. Sharma: Will the Minister of Railways be pleased to state the progress made with regard to the protection of Railway lines and bridges with the help of villagers?

The Deputy Minister of Railways (Shri Shahnawaz Khan): The scheme for the protection of railway lines and bridges has been worked out between the Ministries of Railways and Home Affairs and sent to the State Governments and Railway Administrations for implementation. Most of the State Governments have issued instructions

to their Districts where the details of the scheme are being worked out in consultation with the local Railway Administrations.

National Water Supply and Sanitation Schemes in Punjab

2996. { Shri D. C. Sharma:
Sardar Iqbal Singh:
Shri Ram Krishan:
Shri Hem Raj:
Shri Daljit Singh:

Will the Minister of Health be pleased to state the amount sanctioned during 1957-58 by way of grants to Punjab under the National Water Supply and Sanitation Scheme and the details of the schemes for which the grants have been sanctioned?

The Minister of Health (Shri Karmarkar): An amount of rupees five lakhs, consisting of Rs. 3·4 lakhs as cash grant and Rs. 1·6 lakhs for adjustment of cost of equipment, was sanctioned to the Punjab Government during 1957-58 as grant-in-aid for the National Water Supply and Sanitation Scheme (Rural).

Cash grant of Rs. 3·4 lakhs

1. Rural schemes of Pepsu sponsored under the 1st Five Year Plan which are being carried out now as spill over schemes:

Rs. 1·4 lakhs.

2. Five Rural Schemes in the Ferozepur District sponsored under the 1st Five Year Plan which are being carried out now as Spill Over Schemes:

(a) Providing water supply scheme in village KalhianSukhan	Rs. 30,000
(b) Village Kalhian Kot Bhai	50,000
(c) Village Kalhian Doda	50,000
(d) Village Kalhian Mallan	35,000
(e) Village Kalhian Tungwali	35,000
	<hr/>
	2,00,000

3. Grant of Rs. 1·6 lakhs for the adjustment of the cost of equipment:

Rs.
(a) Durehra Water Supply Scheme 74,602
(b) Water Supply Scheme in Ferozepur District 47,743
(c) Construction of dug well type latrines 37,655
<hr/>
1,60,000
<hr/>
TOTAL 5,00,000

Forests in Himachal Pradesh

2997. **Shri D. C. Sharma:** Will the Minister of Food and Agriculture be pleased to state:

(a) the total grants asked for by the Himachal Pradesh Administration for their schemes relating to forests for the Second Five Year Plan; and

(b) the amount sanctioned by the Central Government?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) Rs. 42·50 lakhs.

(b) Rs. 40·37 lakhs.

Agricultural Labour in Delhi

2998. { Shri D. C. Sharma:
Shri Ramji Verma:

Will the Minister of Food and Agriculture be pleased to state:

(a) the total population of agricultural labour in the Union territory of Delhi; and

(b) whether any survey has been made to ascertain the accurate statistics about landless agricultural labour in the territory?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) and (b). The total number of adult persons who

work as agricultural labourers and who draw the major portion of their income from that profession is estimated to be about 13,000. No survey as such has been conducted. Statistics were however collected in the year 1953 by a rapid survey conducted through the agency of Village Level Workers under the Community Development and National Extension Service Programme, with a view to ascertain the occupational distribution of population.

Anti-Corruption Organisation on Northern Railway

2999. { Shri D. C. Sharma:
Sardar Iqbal Singh:

Will the Minister of Railways be pleased to state the achievements of the anti-corruption organisation on the Northern Railway year-wise, since its inception?

The Deputy Minister of Railways (Shri Shahmawaz Khan). The Vigilance Organisation on the Northern Railway, since its inception, received and disposed of corruption cases as shown below:

1952-53 1953-54 1954-55

No. of cases reported	57	72	70
No. of cases disposed of	56	71	67
No. of staff punished	38	31	37

April			
1955-56	1956-57	1957-58	
			Dec. 57

No. of cases reported	113	142	153
No. of cases disposed of	109	66	74
No. of staff punished	44	86	54

Calcutta Port

3000. { Shri D. C. Sharma:
Shri V. P. Nayar:

Will the Minister of Transport and Communications be pleased to state:

(a) the total tonnage of imports and exports which passed through the Port of Calcutta during 1957-58; and

(b) the names of important commodities imported and exported during the same period?

The Minister of State in the Ministry of Transport and Communications (Shri Raj Bahadur):

(a) IMPORTS	EXPORTS	TOTAL
tons	tons	tons
5,515,768	4,640,579	10,156,347

(b) Important Commodities imported and exported :—

IMPORTS	EXPORTS
Bricks, Sand & Tiles	Coas.
Cement.	Gunnies
Chemicals	Orer
Grains.	Suga.
Iron & Steel	Teal
Machinery	
Other metals	
Petroleum	
Railway Plant & Materials	
Salt	
Timber.	

Stock of Foodgrains in Punjab

3001. Shri D. C. Sharma: Will the Minister of Food and Agriculture be pleased to state the stock position of foodgrains in the Central Godowns in Punjab State on the 31st March, 1958?

The Minister of Food and Agriculture (Shri A. P. Jain). On 31st March, 1958, about 16 thousand tons of foodgrains were available in the Central Godowns in Punjab State.

Scheme and state:

(a) whether the loan of Rs. one crore has since been granted to the Government of Orissa; and

(b) if not, the reasons therefor?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) The Government of India have accorded their sanction to the Orissa Government's obtaining cash credit accommodation during 1958-59 from the State Bank of India up to a maximum of Rupees one crore.

(b) Does not arise.

Jiratia Tenants in Tripura

3006. Shri Dasaratha Deb: Will the Minister of Food and Agriculture be pleased to state:

(a) whether it is a fact that some peasants of Sonamura Sub-division of Tripura have purchased land from Jiratia tenants and performed proper document through the court for such transaction;

(b) whether it is a fact that the purchasers of Jiratia's land are being forced to sell a part of their produce to the Tripura Administration at a control rate without taking into account whether such peasants have any surplus paddy to sell to Government;

(c) whether any representation has been received in this regard; and

(d) if so, the steps taken so far in the matter?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) Yes, Sir.

(b) No, Sir.

(c) Yes, Sir.

(d) Enquiries were made in all cases in which objections were raised, and wherever the objections were found to be genuine, no purchase was made.

Escort of Mail Bags on Buses

3007. Shri Sanganna: Will the Minister of Transport and Communications be pleased to refer to the reply given to Unstarred Question No. 581 on the 25th February, 1958 in respect of the loss of mail bag containing insured money and state:

(a) whether Government propose to consider the question of providing escort for transmission of the mail bags on the public buses; and

(b) if not, what safety measures have been provided in this regard?

The Minister of State in the Ministry of Transport and Communications (Shri Raj Bahadur): (a) Arrangements are made for the conveyance of mails by public buses only on the condition that the carrier accepts full responsibility for the mails while in his charge. In the particular case, which was the subject matter of the earlier question by the Member, the loss of the mail bag was due to the negligence and carelessness of the bus conductor. The question of providing an escort in such cases does not, therefore, arise.

(b) As the carrier accepts responsibility for the mails, no additional safety measures are considered necessary. However, as far as possible, the carriers are required to convey the mails enclosed in a locked box.

रेलवे में सामने से टक्कर

3008. श्री राह० स० तिकारी : क्या रेलवे मंत्री यह बताने की कृपा करेंगे कि :

(क) गत पांच वर्षों में भारतीय रेलों की इकहरी लाइन पर सामने से टक्कर की कितनी दुर्घटनायें हुईं;

(ख) इनमें से कितनों में गाड़ियां १५ मिनट के अम्बर स्टेशन पर पहुंचीं;

(ग) क्या इन में से किसी दुर्घटना में ऐसा हुआ कि किसी गाड़ी के लिये सिंगल स्टूका दिये गये और कन्ट्रोलर डारा कार्सिंग

बदल देने के कारण उसे उठा कर दूसरी गाड़ी के सिये झुका दिया गया ;

(प) क्या इन दुर्घटनाओं की जांच के समय अन्य कारणों के साथ साथ इन कारणों पर भी विचार किया गया ; और

(छ) यदि हाँ, तो रेलवे बोर्ड ने गाड़ियों के मेल के बीच कितना अन्तर रखने के आदेश दिये हैं ?

रेलवे उपमंत्री (श्री सौ. वै. रामस्वामी):
(क) और (ख) १-१-५३ से ३१-१२-५७ तक ५ साल में भारतीय रेलों के इकहरा लाइन सेक्षनों पर गाड़ियों में आमने-सामने की ३३ टक्करें हुईं, जिनमें १५ स्टेशनों के बीच हुईं। १८ दुर्घटनायें स्टेशनों पर हुईं जिन में से ७ में दुर्घटना-प्रस्त गाड़ियां स्टेशन पर एक दूसरे से १५ मिनट से कम अन्तर पर पहुँचीं।

(ग) और (घ) इनमें से किसी दुर्घटना में ऐसा नहीं हुआ कि एक गाड़ी को लेने के लिये जो सिगनल गिराये गये थे उस गाड़ी के स्टेशन में दाखिल होने से पहले ही वे उठा लिये गये हों और दूसरी गाड़ी के लिये दूसरे सिगनल गिरा दिये गये हों। लेकिन इस तरह की दुर्घटनाओं की जांच करते समय सभी संभव पहलुओं को ध्यान में रखा जाता है।

(छ) स्टेशनों पर गाड़ियों के मेल के लिये समय का कोई निश्चित अन्तर नहीं रखा गया है। लेकिन आम तौर पर मेल के लिये ५ से १० मिनट तक का समय दिया जाता है। यह समय स्टेशन पर अन्तर्पास की सुविधा और यांड़ की बनावट पर निर्भर है।

Investment in Inland Waterways

3009. Shri Raghunath Singh: Will the Minister of Transport and Communications be pleased to state what was the country's total investment in Inland Waterways, i.e. private and public sectors separately up to 1957?

The Deputy Minister of Civil Aviation (Shri Mohiuddin): The information is not available.

It will not be possible to collect this information in respect of country-boats as country boat transport is unorganised. The State Governments have however been addressed to furnish the information in so far as Steam and motor boat Services are concerned. The information will be laid on the Table of the House when it is received.

Family Planning

3010. Shri Subiman Ghose: Will the Minister of Health be pleased to state:

(a) whether volpar paste, volpar foamin tablets and durex diaphragm are available for sale either to the trade or to the medical profession;

(b) if so, the price of each; and

(c) if not, how Government proposes to make it available to the persons desirous of family planning?

The Minister of Health (Shri Karmarkar). (a) Volpar paste and Durex diaphragms are available for sale in the market to the trade and the medical profession. Volpar foam tablets are supplied to Government sponsored Family Planning Centres only.

(b) The prices are indicated in the statement laid on the Table of the Lok Sabha. [See appendix VIII, annexure No. 74.]

(c) It does not arise in view of the reply to part (a) above.

Transport Facilities to Betel Leaves on S. E. Railway

3011. **Shri R. C. Majhi:**
Shri S. C. Samanta:

Will the Minister of Railways be pleased to state:

(a) what steps have been taken to see that all the bundles of betel leaves brought to stations lying between Howrah and Kharagpur in S. E. Railway for transport are expeditiously despatched to different parts of India;

(b) whether any representations have been received in this regard; and

(c) if so, the action taken in the matter?

The Deputy Minister of Railways (Shri Shahnuwaz Khan): (a) There is a Parcel Express service (No. 409 Up) between Howrah and Nagpur which can clear all betel leaf traffic offering from all the booking stations on the Howrah-Kharagpur section. As an additional facility, however, loading of betel leaf traffic by Nos. 321 Up and 323 Up Howrah-Nagpur passengers has also been allowed. For traffic towards Howrah a number of trains have also been nominated to carry betel leaf traffic.

(b) and (c). Representations were received from betel leaf merchants of Machada and Bagnan for facilities to load betel leaves by Nos. S-18Dn, S20Dn and S-22Dn Panchkura Locals and Nos. 356Dn and 314Dn passenger trains in addition to the other trains already nominated to carry betel leaf traffic.

With effect from 1-10-57, loading of betel leaves by train Nos. 354Dn, 356Dn, 322Dn and 314Dn from Machada and Nos. 356Dn, 322Dn and 314Dn from Bagnan has also been allowed.

Derailment of a Goods Train on Secunderabad-Dronachalam Section

3012. **Shri Raghunath Singh:** Will the Minister of Railways be pleased to state whether it is a fact that

on 12th March, 1958 at 4-15 a.m. two wagons of a goods train proceeding from Secunderabad to Dronachalam were derailed damaging about 1½ miles of railway track?

The Deputy Minister of Railways (Shri S. V. Ramaswamy): Yes.

Reorganisation of Panchayat System

3013. **Shri Rameshwar Tantia:**
Shri Harish Chandra Mathur

Will the Minister of Community Development be pleased to state what steps have been taken to reorganise the Panchayat system in the light of the report of the study team on the Community Projects?

The Minister for Community Development (Shri S. K. Dey): Copp Study Team has recommended, inter-alia, the adoption of the three tier system envisaging Village Panchayats at the village level, Block Panchayat Samiti at the Block level and Zila Parishad at the District level. This is now engaging the attention of State Governments.

Drinking Water Supply in Delhi

3014. **Shri Rameshwar Tantia:** Will the Minister of Health be pleased to state what steps have been taken to provide drinking water at public places in New Delhi?

The Minister of Health (Shri Karnikar): The following facilities exist in New Delhi for providing drinking water at public places:—

1. 102 filtered water hydrants have been provided by the New Delhi Municipal Committee;
2. There are 8 permanent piacos;
3. 16 refrigerated water carts have been granted licence by the New Delhi Municipal Committee to ply within its jurisdiction; and

4. Temporary piaos are authorised by the New Delhi Municipal Committee whenever any philanthropic organisation applies for such permission.

In addition to the above facilities, the New Delhi Municipal Committee decided at its meeting held on the 4th March, 1958 to provide public amenities (including piaos) wherever necessary, within its jurisdiction.

रेलों में हिन्दी का प्रयोग

३०१५. श्री रमेशन्द्र परमार : क्या रेलवे मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि रेलों में हिन्दी के प्रयोग के लिये क्रमबद्ध कार्यक्रम के बारे में एक पंचवर्षीय योजना बनाई गई है;

(ख) यदि हां, तो इसका व्यौरा क्या है;

(ग) इस योजना के अन्तर्गत १९५७-५८ में प्रत्येक श्रेणी तथा वेतन-क्रम के कितने कर्मचारी भर्ती किये जाने थे तथा इनमें से कितने भर्ती किये गये; और

(घ) कितने और कर्मचारियों को नियुक्त करने का विचार है; उनके वेतन-क्रम क्या होंगे और वे किस श्रेणी में रखे जायेंगे?

रेलवे उपमंत्री (श्री शाहबाज लां) :

(क) रेलों में हिन्दी शुरू करने के लिये कोई पंचवर्षीय योजना नहीं बनाई गई है। लेकिन सरकारी काम-काज में भी रेलवे हिन्दी का इस्तेमाल बढ़ाने के लिये कुछ उपाय किये गये हैं। ५-४-१९५८ को लोक सभा के तारांकित प्रश्न १४५६ के उत्तर में जो व्याख्या दिया गया उसमें इन उपायों का उल्लेख किया गया है।

(ख) से (व). भाग (क) के उत्तर को देखते हुये सवाल नहीं उठता।

Anti-malarial Measures in Manipur

3016. Shri L. Achaw Singh: Will the Minister of Health be pleased to refer to page 28 of the Annual Report of the Manipur Administration, 1957 and state:

(a) whether it is a fact that 5,70,000 persons are now protected directly by anti-malarial measures; and

(b) if so, the number of people out of the total population of Manipur who are still to be protected by anti-malarial measures?

The Minister of Health (Shri Karmarkar): (a) Yes.

(b) About 75,000 people.

The population of Manipur according to 1951 census is 5.77 lakhs. Taking into account the natural increase in population since 1951 and the additional population since settled in Manipur, it is estimated that the total present population is 6.45 lakhs. Out of this 5.70 lakhs have already been protected. As such a balance of about 75,000 remains to be protected.

Policy for Forwarding Applications

3017. { Raja Mahendra Pratap:
Shri Daljit Singh:

Will the Minister of Railways be pleased to state:

(a) whether it is a fact that the applications of Permanent Clerks of Northern Railway were not forwarded for the Assistants Grade Examination held by the Union Public Service Commission in June, 1957;

(b) if so, the reasons therefor;

(c) what is the policy being pursued in regard to the forwarding of applications of the permanent Class III staff for the competitive examinations, e.g. I.A.S., Assistants Grade and Stenographers to be held by the Union Public Service Commission in the year 1958-59; and

(d) whether any age relaxation will be given to such Class III permanent staff for the said examinations?

The Deputy Minister of Railways (Shri Shahnawaz Khan): (a) Yes.

(b) The difficult cadre position.

(c) For examinations which supply candidates *inter alia* to Railway Services or to the Railway Board's Office, applications from all railway staff, whether temporary or permanent, will be forwarded.

(d) Relaxation of upper age limit is permissible in certain circumstances according to rules.

Construction Allowance

3018. Shri Sanganna: Will the Minister of Railways be pleased to state:

(a) whether it is a fact that the Railway employees working within the project areas of Rourkela, Durgapur and Bhilai are getting construction allowance;

(b) if so, what is gradation of the allowance; and

(c) if the reply to part (a) above be in the negative, the reasons therefor?

The Deputy Minister of Railways (Shri S. V. Ramaswamy): (a) and (c). Government have already sanctioned the grant of construction allowance to the Railway staff employed on the following Railway projects:

(i) Bhilai-Dhaliirajhera Construction.

(ii) Bondamunda (Rourkela)—Dumaro Construction.

As, however, according to the existing orders the allowance is not admissible to staff at railheads except under certain conditions, the question whether construction staff at Drug (and not Durgapur as stated in the question), Bhilai and Rourkela should be made eligible for this allowance is under consideration.

(i) Administrative officers . . .	Rs. 150/- p.m.
(ii) Senior Scale Officers . . .	Rs. 125/- p.m.
(iii) Assistant Officers, Class III and Class IV staff . . .	Rs. 20% of pay subject to a maximum of Rs. 100/- p.m.

हिमाचल प्रदेश में बना

३०१६. अंग पर्यावरण : क्या स्वास्थ्य तथा हृषि मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार हिमाचल प्रदेश के वनों में वृक्षों के कट जाने के बाद पड़ी हुई लाखों टन बेकार लकड़ी के उपयोग के लिये, जिससे वृक्षों के बढ़ने में बाधा पड़ती है और आग लग जाती है, किसी योजना पर विचार कर रही है ;

(ख) यदि हां, तो उस योजना का स्वरूप क्या है ; और

(ग) यदि नहीं, तो इसके क्या कारण हैं ?

स्वास्थ्य तथा हृषि मंत्री (भी अ० प्र० जैन) : (क) और (ख). नीचे के प्रदेशों में इस्तेमाल न किया हुआ माल वन में बहुत थोड़ा रह गया है। इस माल को जलाया जाता है और इस तरह से प्राकृतिक तरीके से फिर से उगाने के लिये मार्फ़ तैयार कर देता है। फर (Fir) और सप्रूस (Spruce) वनों के अंतर्वेदन में कम पक्के वृक्षों के कारण अभी तक काफी बेकार लकड़ी पड़ी हुई है। इसको उपयोग में लाने की अभी तक कोई संभावना नहीं है। एफ० ए० औ० के विशेषज्ञों से जो आजकल सलाह मिल रही है, उसके अनुसार लकड़ी के लट्ठे यांत्रिक तरीकों से बनाना जारी होना, स्थिति को अधिक अच्छा बनाने में सहायता दे सकता है। आजकल एक प्रशिक्षण केन्द्र चालू है जिसका प्रबन्ध भारत सरकार ने बोटोट

(काश्मीर) के स्थान पर किया हुआ है और जिसमें हिमाचल प्रदेश से भी प्रशिनियाँ भेजे गये हैं। वे प्रतिवर्ग प्रात करेंगे और किर सुधरे हुए टेकिनिक्स में बन कार्यकार्यों को शिखा देंगे, जिसके परिणामस्वरूप बंदरगाहों का प्रतिवर्ग कम करने और इंद्रांत तथा इमारतों लकड़ों का उत्पादन बढ़ाने में आशा की जा सकती है।

(ग) प्रश्न ही नहीं होता।

Purchase of Fertilisers in Himachal Pradesh

3020. Shri Daljit Singh: Will the Minister of Food and Agriculture be pleased to state:

(a) whether Government have advanced short term loans to agriculturists in Himachal Pradesh for the purchase of fertilizers during 1957-58; and

(b) if so, the conditions on which loans have been given?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) Yes, Sir.

(b) Loans have been given in kind on the condition that they will be repaid after the harvest of the crop for which the loans are given as arrears of land revenue.

Gazetted Officers in Posts and Telegraphs Department

3021. Shri Ghosal: Will the Minister of Transport and Communications be pleased to state:

(a) whether Government have decided to retain the Gazetted Officers in service beyond 55 years of age in Posts and Telegraphs Department; and

(b) if so, how many such officers were granted extension during 1957-58 and for what period?

The Minister of State in the Ministry of Transport and Communications (Shri Raj Bahadur): (a) No, except

in very exceptional circumstances, in the interest of public service.

(b) One officer and for one year.

Delay in Postal Delivery

3022. Shri Daljit Singh: Will the Minister of Transport and Communications be pleased to state the reasons for the ordinary letters taking three or four days to reach the villages from Dehra Gopipur in Kangra district of Punjab?

The Minister of State in the Ministry of Transport and Communications (Shri Raj Bahadur): The present arrangement for delivery of mails in the villages under Dehra Gopipur Sub-Post office and its branch post offices is indicated in the Statement laid on the Table of the Lok Sabha. [See appendix VIII, annexure No. 75.]

The Postmaster General, Punjab, has been directed to examine the possibility of sending the mails to the branch post offices by public bus services. He has also been requested to consider the revision of the existing arrangements for village delivery and conveyance of mails to the branch offices to see if any improvement is practicable.

Sugar Mills in U.P.

3023. Shri Tyagi: Will the Minister of Food and Agriculture be pleased to state:

(a) the names of sugar mills in U.P. where a price cut of annas 12/- per maund of sugar cane was effected on account of low recovery rates during 1955-56 crushing season; and

(b) what are the recovery results of these mills upto the 28th February, 1958 in the current season;

(c) whether Government are now refunding the deductions effected in the price of sugar cane; and

(d) if so, in which factory areas and on what grounds?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) A cut out of 2 annas per maund in the price of cane supplied from certain tarai centres in the districts of Dehradun and Nainital was allowed to the following six sugar factories in 1955-56 season on the condition that if the recovery of sugar obtained from such Centres was 9.6 per cent. or above, the cut will be restored:

1. M/s. L. H. Sugar Factories & Oil Mills Ltd., Kashipur.
2. M/s. H. R. Sugar Factory Ltd., Bareilly.
3. M/s. Kesar Sugar Works Ltd., Baheri.
4. M/s. Raza Sugar Co. Ltd., Rampur.
5. M/s. Buland Sugar Co., Ltd., Rampur.
6. M/s. Sri Janki Sugar Mills & Co. Ltd., Doiwala.

(b) The percentage recovery obtained by the said mills during the season 1957-58 upto 28th February, 1958 is as under:—

(1) Kashipur	..	9.87
(2) Bareilly	..	9.51
(3) Baheri	..	9.74
(4) Raza	..	10.12
(5) Buland	..	9.92
(6) Doiwala	..	9.87

(c) and (d). Since the sugar recovery obtained by the factories at (1) to (5) above in 1955-56 was 9.6 per cent or more, the cut was restored. In the case of Doiwala factory, the recovery was only 8.89 per cent, and the question of any refund did not arise.

Family Planning

3024. **Shri Bhogji Bhai:**
Shri Hameshwar Tantis:

Will the Minister of Health be pleased to state:

(a) whether it is a fact that the Governments of Bombay and Madras States are giving financial help to those who agree to undergo surgical family planning operations; and

(b) if so, whether there is any scheme under consideration to adopt this method to attract people to come forward for such an operation?

The Minister of Health (Shri Karmarkar): (a) No Sir.

(b) The Government of India have no such scheme under consideration.

Construction of Railway Line in Marathwada (Bombay)

3025. **Shri Pangarkar:** Will the Minister of Railways be pleased to state whether there is any proposal to construct a new railway line in the Marathwada region of Bombay during the Second Five Year Plan?

The Deputy Minister of Railways (Shri S. V. Ramaswamy): No such proposal is included in the projects approved by the Planning Commission for execution in the Second Plan Period, with emphasis of which has been on projects coal and steel development and specific large industrial schemes.

Sugar Mills in U.P.

3026. **Shri Kalika Singh:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether licences have been granted to open new sugar mills in U.P. for fulfilling the target of installed capacity in Second Five Year Plan;

(b) if so, who are the licencees for new sugar mills of U.P. and what are the locations for factories; and

(c) what is the reason for delay in the construction programme and procurement of plants materials and equipment from outside the country?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) Yes, Sir, six licences have been granted.

(b) The names of the licencees and the locations of the factories are given below:—

S. No.	Names of Licencees	Locations
1.	The Baghpat Cooperative Sugar Mills Ltd., District Meerut	Baghpat, Baghpat, District Meerut.
2.	Bist Industrial Corporation Ltd., P. O. Bist Estate, District Nainital	Kichha, District Nainital.
3.	Nawabganji Sugar Mills Co., Ltd., 3, Cavalry Lines, Delhi	Harduaganj, District, Aligarh.
4.	The Cooperative Sugar Factory Ltd., Bazpur, District Nainital	Bazpur, District, Nainital.
5.	The Kisan Cooperative Sugar Mills Ltd., Sarsawa, District Saharanpur	Sarsawa, District, Saharanpur.
6.	M/S. B. D. Gupta & Bros., Thapar Nagar, Meerut	Hastinapur, District Meerut.

(c) The factory at Bazpur is under erection and expected to go into production in 1958-59 season. The Hastinapur factory, which is to be established by utilising machinery available within the country, is also expected to go into production in 1958-59 season. Grant of licence for import of plant and machinery has also been agreed to in the case of Baghpat factory. The construction of the factory at Harduaganj, which is to be established by utilising an old plant, has been somewhat delayed due to inability of the licencees to procure land.

As regards the remaining two factories at Kichha and Sarsawa it has not so far been possible to grant licences for import of plant and machinery required for their establishment due to acute foreign exchange position.

Import of Foodgrains

3027. **Shri Kalka Singh:** Will the Minister of Food and Agriculture be pleased to state:

(a) what method is applied to analyse the quality of imported foodgrains;

(b) whether any quantity of imported foodgrains was found recently defective on analysis; and

(c) if so, the steps taken in this regard?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) The method of analysis applied in general comprises determination of admixtures, damaged, discoloured and weevilled grains, and moisture content. In addition, specific tests to determine degree of milling and percentage of brokens in respect of rice, and natural weight and protein content in respect of wheat are carried out.

(b) No

(c) Does not arise.

Railway Enquiry Clerks

3028. **Shri Vajpayee:** Will the Minister of Railways be pleased to state:

(a) whether it is a fact that Enquiry Clerks are accepting paid telegrams at Gonda and Gorakhpur railway stations;

(b) if so, whether they are authorised to do so as per Telegraph Rules; and

(c) whether the enquiry clerks on any other Railway have been entrusted with this work?

The Deputy Minister of Railways (Shri Shahnawaz Khan): (a) Yes, Sir.

(b) Enquiry Clerks have been specially trained for the purpose and there is nothing in the Telegraph Rules prohibiting such staff from performing such duties.

(c) Yes, Sir. At Hyderabad on the Central Railway; Lucknow on the Northern Railway; and Bombay Central on the Western Railway.

Tirunelveli-Trivandrum Rail Link

3029. Shri Kumaran: Will the Minister of Railways be pleased to state at what stage is the proposal to construct a railway link from Tirunelveli to Trivandrum?

The Deputy Minister of Railways (Shri S. V. Ramaswamy): The Traffic survey has been completed and the report is under compilation. The project is however, not included in the Second Five Year Plan.

Poultry Farms in Punjab

3030. Shri Daljit Singh: Will the Minister of Food and Agriculture be pleased to state the amount allotted for the development of the Poultry Farms in the Punjab State during 1957-58?

The Minister of Food and Agriculture (Shri A. P. Jain): States are not eligible for central assistance for development of poultry farms. However, under the All India Poultry Development Scheme, a grant of Rs. 3,45,045 and a loan of Rs. 61,000 were sanctioned to the Punjab State for running the 6 old Extension Cen-

tres and opening of 4 new centres in 1957-58.

Famine in Assam

3031. Shri Sangamam: Will the Minister of Food and Agriculture be pleased to state:

(a) whether it is a fact that "Mao Tam", a type of famine which is preceded by flowering of bamboos which bear fruits followed by an abnormal increase of rats, is prevailing in Tribal Districts of Assam;

(b) if so, whether the phenomenon has been referred to the Dehra Dun Forest Institute for expert opinion as to flowering and bearing fruits of bamboos; and

(c) if so, with what results?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) to (c). There are no reports of famine conditions prevailing in the tribal districts of Assam. Most varieties of bamboos flower and bear fruit about once in thirty years, and this flowering is accelerated by drought which is generally responsible for famine conditions also. The relationship between the flowering of bamboos and famine conditions is, however, only incidental. There is generally an abnormal increase in rats soon after flowering as they feed in the bamboo fruits. There have been reports on flowering of bamboos and the resultant increase of rats in Kameng District Frontier Division of N.E.F.A. Rat extermination has been organised in that district successfully.

There is no problem connected with the flowering of bamboos for the Forest Research Institute to study. No reference has also been received by the Institute.

New Sub-Post Offices

3032. Shri Assar: Will the Minister of Transport and Communications be pleased to state:

(a) whether it is a fact that new sub-post offices have been sanctioned

for Ratnagiri District in the Second Five Year Plan;

(b) if so, the number of sub-post offices sanctioned;

(c) whether it is a fact that due to shortage of furniture and other materials no sanctioned post offices have so far been opened; and

(d) if so, when will the furniture be made available?

The Minister of State in the Ministry of Transport and Communications (Shri Raj Bahadur): (a) Yes.

(b) (i) New departmental sub-post offices opened during Second Plan period upto 31st March, 1958 1

(ii) Branch post offices converted into departmental sub-post offices upto 31st March, 1958. 6

(iii) Branch post offices converted into extra departmental sub-post offices upto 31st March, 1958. 1

Total 8

(c) No.

(d) Does not arise.

New Hospital for New Delhi

3033. Shri Daljit Singh: Will the Minister of Health be pleased to state:

(a) whether there is a proposal or scheme of Government to start a new Hospital in New Delhi during 1958-59;

(b) the amount allotted for implementing the scheme; and

(c) the time by which the Hospital would start functioning?

The Minister of Health (Shri Karmarkar): (a) to (c). There is no proposal under consideration of Government for opening a new hospital

in New Delhi during 1958-59. However a scheme for the construction of a 100 bedded hospital in Kishanganj area, at an estimated cost of Rs. 14.33 lakhs, has been included under the Second Five Year Plan of the Delhi Administration. Due to non-availability of land in the Kishanganj area, it has been decided to construct this hospital near Pusa Road where land has been selected and action to acquire a 20 acre plot for the purpose is being taken by the Delhi Administration. According to the plan schedule this hospital will be completed in 1959-60 and will start functioning from 1960-61.

Co-operative Forest Societies

3034. Shri Hem Raj: Will the Minister of Food and Agriculture be pleased to state:

(a) the number of co-operative forest societies formed during the two years of the Second Plan, State-wise;

(b) the target fixed for the formation of such societies; and

(c) the amount to be advanced to the States for the purpose?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) to (c). The information has been called for from the State Governments and will be placed on the table of the Sabha, when received.

Railway Protection Force

3035. Shri Daljit Singh: Will the Minister of Railways be pleased to state:

(a) the number of Gazetted officers in Railway Protection Force on the Central Railway as on 1st March, 1958; and

(b) the number among them belonging to Scheduled Castes and Scheduled Tribes?

The Deputy Minister of Railways (Shri Shah Nawaz Khan): (a) 11.

(b) Nil.

Hamira Sugar Mill in Kapurthala

3038. Shri Ajit Singh Sarhadi: Will the Minister of Food and Agriculture be pleased to state:

(a) whether it is a fact that the Hamira Sugar Mill in Hamira, District Kapurthala has been in arrears for a large amount of money to the growers and has shifted to Uttar Pradesh without payments; and

(b) if so, whether any arrangement has been made for realising the amount and payments to the growers?

The Minister of Food and Agriculture (Shri A. P. Jaim): (a) and (b). Claims aggregating about Rs. 65,000 are outstanding against the Hamira Sugar Mills but these are in respect of certain disputed items. The Punjab Government and the mills have agreed to refer the dispute to an arbitrator.

राष्ट्रीय विस्तार सेवा और सामुदायिक विकास बोर्ड

3039. श्री ब० प्र० सिंह : क्या सामुदायिक विकास मंत्री यह बताने की कृपा करेंगे कि राष्ट्रीय विस्तार सेवा बोर्ड ने सामुदायिक विकास की पूरी याचिक के लिये बजट में नियत की गई राशि में से कितनी राशि कृपि के लिये नियत की गई है?

सामुदायिक विकास मंत्री (श्री शु. क० हे) :

राष्ट्रीय विस्तार सेवा सामुदायिक विकास बोर्ड

१८.७५ प्रतिशत १४.१७ प्रतिशत

(इसमें कर्मचारियों का खर्च शामिल नहीं है)

Wireless Staff, North Eastern Railway

3038. Shri K. N. Pandey: Will the Minister of Railways be pleased to state:

(a) the total amount paid as overtime wages to the wireless staff in North Eastern Railway from 1st April, 1957 to 31st March, 1958;

(b) the last date on which payment was completed; and

(c) what are the various kinds of amenities provided in the wireless and telegraph office in North Eastern Railway?

The Deputy Minister of Railways (Shri Shah Nawaz Khan): (a) No overtime payment was due during this period.

(b) Does not arise.

(c) The Wireless and Telegraph Office at Gorakhpur is provided with well ventilated rooms, fluorescent lights, electric fans, glare-proof curtains and khus tatties during summer. Wireless Operators are provided with separate tables and chairs. A sanitary bath room is proposed to be constructed in close proximity to their office.

Scheduled Castes and Scheduled Tribes in Cuddalore and Villupuram Postal Divisions

3039. Shri Elayaperumal: Will the Minister of Transport and Communications be pleased to state:

(a) whether the posts grade-wise of the reserved quota for Scheduled Castes and Scheduled Tribes had been filled up in Cuddalore and Villupuram postal divisions during 1950 to 1957; and

(b) if not, what are the reasons?

The Minister of State in the Ministry of Transport and Communications (Shri Raj Bahadur): (a) and (b). Information is being collected and will be placed on the Table of Sabha as soon as available.

Scheduled Castes and Scheduled Tribes in P. & T. Department, Trichy

3046. Shri Elayaperumal: Will the Minister of Transport and Communications be pleased to state:

(a) whether the posts grade-wise of the reserved quota for the Scheduled Castes and Scheduled Tribes had been filled up in Trichy Postal Division during 1950 to 1957;

(b) if not, what are the reasons;

(c) how many persons were appointed as mail runners, clerks and peons during the years 1956, 1957 and 1958 in this Division; and

(d) how many Scheduled Castes candidates were appointed to the above said posts?

The Minister of State in the Ministry of Transport and Communications (Shri Raj Bahadur): (a), (c) and (d). Not to the full extent. A statement showing the number of vacancies filled and the number of vacancies reserved for and filled up by Scheduled Castes and Scheduled Tribes in the Tiruchirappalli Postal Division during 1950 to 1958 (upto the 31st March, 1958) is placed on the Table of the Sabha. [See appendix VIII, annexure No. 76.]

(b) It appears that sufficient number of suitable candidates belonging to these communities have not been forthcoming for recruitment to these posts particularly class IV.

Golden Rock Railway Workshop

3041. Shri Elayaperumal: Will the Minister of Railways be pleased to state:

(a) the number of persons selected to Class IV posts from the 1st January 1957 to the 31st March, 1958 in the Golden Rock Railway Workshop;

(b) how many applications were received for these vacancies during the same period; and

(c) how many scheduled Caste candidates were selected among them?

The Deputy Minister of Railways (Shri Shahnawaz Khan): (a) 281.

(b) 1166.

(c) 40.

Telephone Exchanges

3042. Shri Hem Raj: Will the Minister of Transport and Communications be pleased to state the number of telephone exchanges to be opened in the Punjab during 1958-59 with the names of the places?

The Minister of State in the Ministry of Transport and Communications (Shri Raj Bahadur): *Telephone exchanges at the following places in the Punjab are proposed to be opened during 1958-59.

1. Banga.
2. Charkhi Dadri.
3. Fatahabad.
4. Palampur.
5. Nakodar.
6. Nilokheri.
7. Nuh.
8. Phillaur.
9. Raya.
10. Shahabad.

*Subject to the availability of stores in time.

Adulteration of Milk and Ghee

3043. Shri Hem Raj: Will the Minister of Health be pleased to state:

(a) whether any representation was received by Government for the fixation of the density of milk and ghee in the Hill regions of the Punjab according to the standards fixation of the density of milk in Himachal Pradesh; and

(b) if so, the action taken thereon?

The Minister of Health (Shri Karmarkar): (a) Yes.

(b) The matter is under consideration.

Sale of Fans

3044. Shri Radhamohan Singh: Will the Minister of Railways be pleased to state:

(a) whether 1,000 new electric fans were sold to Messrs Satyanarayan Bagh Chand of Kanpur by the North Eastern Railway in March, 1957;

(b) if so, what was the sale price obtained; and

(c) the price for which they had been purchased and what was the reason for their sale?

The Deputy Minister of Railways (Shri Shahnawaz Khan): (a) No, only 36 D. C. unused fans (16 ceiling and 20 table fans) were sold.

(b) Total Sale value Rs. 1404-30 n.p. (at Rs. 41-51 n.p. each).

(c) Total purchase value from defence surplus, was Rs. 2656. (at Rs. 91 each for ceiling fans and Rs. 60-50 n.p. each for table fans).

These fans purchased nearly ten years ago were rendered surplus due to change over from D.C. to A.C. electric supply and were not required by the owning and other railways.

Misuse of Railway warrants on Central Railways

3046. Shri Assar: Will the Minister of Railways be pleased to state:

(a) whether it is a fact that some cases are lodged before the Railway Magistrates on account of misuse of warrants by the Military officers on the Central Railways; and

(b) the number of such cases in 1956-57 and 1957-58?

The Deputy Minister of Railways (Shri Shahnawaz Khan): (a) Yes, Sir.

(b) 3 in 1956-57 and 3 in 1957-58.

रत्नाम और रेलवे भा भ

3047. श्री दाम्भोर: क्या रेलवे मंत्री यह बनाने की है कि रेलवे के रत्नाम और योवरा स्टेशनों के बीच रेलवे लाइन को दोहरा करने का काम प्ररतादित धन राशि से नियत अवधि में पूरा हो जायेगा?

रेलवे उपमंत्री (श्री सौ देव रामारावान): दांहरी लाइन बिल्डाने का काम निर्धारित कार्यक्रम के अनुसार हो रहा है। पटरी, स्लैपर और मिट्टी डालने के अतिरिक्त बाम की लागत बड़ जाने के कारण इस काम की अनुमानित लागत लगभग ६ प्रतिशत बड़ जाने की संभावना है।

Family Planning

3048. Shri Ghosal: Will the Minister of Health be pleased to state:

(a) whether any survey was made regarding birth-rate after the family planning programme was launched; and

(b) if so, in which area and with what result?

The Minister of Health (Shri Karmarkar): (a) No survey regarding birth-rate has yet been started to measure the reduction in birth-rates for the country as a whole after the family planning programme has been launched. Special studies are, however, in progress to measure the acceptability and effectiveness of family planning methods in reducing the pregnancy rates. Some of these studies are designed to measure the reduction in birth rates after starting the family planning programme.

(b) The special studies mentioned at (a) above are being conducted in Uttar Pradesh at Itaunja and Lawar, in Punjab at Khanna, in Bombay State at Bombay, in West Bengal at Singur and in Mysore State at Ramanagaram. The studies are in progress and it is considered premature to draw any general conclusion.

The pilot study conducted on rhythm method of family planning at Ramanaagram in Mysore State and Lodi Colony Delhi has shown that rhythm method appears to reduce pregnancy rate by about 50 per cent. if properly followed. There are limitations for regular and proper practice of this method. Such limitations are due to the inability of the couple to abstain for such lengths of time as are demanded by the method. Therefore, rhythm method alone is not likely to reduce birth-rates in a community.

B. C. G. Vaccination

3049. Shri Ghosal: Will the Minister of Health be pleased to state:

(a) whether any survey was made regarding the statistics of attack of T.B. before and after the B.C.G. Vaccination; and

(b) if so, in which area and with what result?

The Minister of Health (Shri Karmarkar): (a) and (b). Limited surveys regarding incidence of T.B. were carried out in different parts of the country before the start of the B.C.G. Vaccination Campaign in the following places with the results shown against each:—

S. No.	Place	Year	Morbidity rate
1.	Saidapet (Madras)	1938-39	2.63%
2.	Serampore (Calcutta)	1939-43	7%
3.	A Military Centre	1945	1 to 3.4%
4.	Faridabad	1952	1.36%
5.	Trivandrum	1952	1.16%
6.	Madras	1952	1.5%
7.	Delhi	1952	1.8%
8.	Madanapalle	1949	1.16%

A comprehensive and Scientific survey was taken up by the Indian Council of Medical Research in 1955 in the following Centres:—

1. New Delhi T.B. Centre, New Delhi.
2. All India Institute of Hygiene and Public Health, Calcutta.
3. The T.B. Centre, Patna.
4. The T.B. Centre, Trivandrum.
5. The U.M.T. Sanatorium, Arogyavaram (Madanapalle).
6. The T.B. Clinic, Hyderabad.

The result of the survey will be known after the field work has been completed and the data collected have been analysed.

The B.C.G. Vaccination is not yet over and the question of post-vaccination survey does not therefore arise.

Licensed Porters at Railway Stations

3050. Shri Balkrishna Wasnik: Will the Minister of Railways be pleased to state:

(a) the number of licensed porters who carry the luggage of passengers from outside the Railway Stations to the trains and vice versa, working on different zones of the Indian Railway separately as on 1st January, 1958;

(b) the amount of money recovered per annum from these licensed porters by way of licence fee; and

(c) the amount spent on the amenities and facilities given to these licensed porters?

The Deputy Minister of Railways (Shri Shahjawat Khan): (a) to (c). The information is being compiled and will be laid on the Table of the Sabha.

Wooden Sleepers for Railways

3051. { **Shri Hem Raj:**
Shri Yajnik:

Will the Minister of Railways be pleased to state the number of wooden sleepers imported for Railways from foreign countries during the last two years?

The Deputy Minister of Railways (Shri S. V. Ramaswamy): 1956-57—Nil
 1957-58—1,15,751.

Staff of North-Eastern Railway

3052. **Shri Ghosal:** Will the Minister of Railways be pleased to state:

(a) whether the staff of North-Eastern Railway Office at Calcutta were given any option and facility for joining the North-Eastern Frontier Railway zone services; and

(b) if not, why not?

The Deputy Minister of Railways (Shri Shahnawaz Khan): (a) Yes.

(b) Does not arise.

Wangbal Farm in Manipur

3053. **Shri L. Achaw Singh:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether the Wangbal Farm in Manipur is being converted into an experimental farm;

(b) if so, whether any of the cropping schemes are being abandoned; and

(c) if so, the reasons therefor?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) to (c). The information has been called for from the Manipur Administration and will be laid on the Table of the Sabha as soon as it is available.

Dairy Farm at Lamphel in Manipur

3054. **Shri L. Achaw Singh:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether the State Farm at Lamphel in Manipur has started a Dairy Farm; and

(b) if so, the progress achieved so far?

The Minister of Food and Agriculture (Shri A. P. Jain): (a) and (b). The information has been called for from the Manipur Administration and will be laid on the Table of the Sabha as soon as it is available.

Dairy Schemes

3055. **Dr. Ram Subhag Singh:** Will the Minister of Food and Agriculture be pleased to state the progress so far made in implementing the dairy schemes, for which assistance is being received from New Zealand under the Colombo Plan?

The Minister of Food and Agriculture (Shri A. P. Jain): A statement showing the progress in respect of the dairy schemes for which assistance is being received from New Zealand Government under the Colombo Plan is laid on the Table of Lok Sabha. [See Appendix VIII, annexure No. 77.]

Looting of Goods Trains

3056. **Dr. Ram Subhag Singh:** Will the Minister of Railways be pleased to state:

(a) the number of goods trains that have been looted on the Eastern and North-Eastern Frontier Railways so far since the beginning of the year 1958;

(b) the value of goods looted on the two Railways during the same period;

(c) whether any of the persons involved in those lootings have been arrested; and

(d) if so, how many?

The Deputy Minister of Railways (Shri Shahnawaz Khan): (a) Eastern—Nil.

N.E.F.—1.

(b) Eastern—Does not arise.

N.E.F.—Approximately Rs. 14,000.

(c) Eastern—Does not arise.

N.E.F.—Yes, by the State Police.

(d) Eastern—Does not arise.

N.E.F.—Exact number not available.

Note.—Particulars of occurrences in the jurisdiction of Bihar and Uttar Pradesh Police on the Eastern Railway are still awaited from the police authorities.

12 hrs.

MOTION FOR ADJOURNMENT

DEATHS DUE TO FOOD-POISONING AT SASTHAMKOTTA

Mr. Speaker: I have received notice of an adjournment motion from Shri Uttamrao L. Patil on the following subject:

"The grim food-poisoning tragedy at Sasthamkotta in Quilon District, resulting in the death of sixty-four trainees of the Lok Sahayak Sena Camp."

An Hon. Member: It is seventy-four.

Mr. Speaker: Yes; I think this is wrong. It is seventy-four. It is a very serious matter.

The Deputy Minister of Defence (Sardar Majithia): I admit it is a very serious happening and we are collecting information about this incident. So, I would request you to give a little more time and during the course of the day, possibly before lunch time, the Minister will be making a fuller statement on this incident according to the information that will be available to us.

Shri Braj Raj Singh (Firozabad): 74 people have died on account of food-poisoning and the Ministry has not got information till now!

Mr. Speaker: The hon. Deputy Minister has just said that the senior Minister himself will make a full statement during the course of the day. Therefore, I am thinking of putting it off till tomorrow. We may not have time today.

Dr. Ram Subhag Singh (Sasaram): Such incidents have occurred at three or four more places also. May I know whether the Government are aware of the occurrence of such incidents

and after the first incident occurred, why no precautionary step was taken either by the Defence Ministry or any other Ministry to check and put a stop to such incidents?

Sardar Majithia: So far as the other incidents are concerned, I do not think they were pertaining to the Lok Sahayak Sena. If it takes place in the country anywhere, it is a different matter.

Dr. Ram Subhag Singh: It all happened in Kerala.

Mr. Speaker: This shall stand over till tomorrow.

Shri Braj Raj Singh: Why don't they take the necessary precaution so that such incidents may not happen?

Mr. Speaker: This will be taken up tomorrow. The hon. Minister will make a full statement.

Sardar Majithia: But I was thinking that the House was very keen and we are trying our best to collect the information as soon as possible. The Minister possibly is already in touch with the people over there and he would be making a statement during the course of the day possibly before lunch, if it meets with your approval.

Shri Supakar (Sambalpur): There were a few short-notice questions also, which may be put off till tomorrow for answering on this particular subject.

Mr. Speaker: I think it will be better—if the hon. Minister is going to be here tomorrow—that I call him immediately after the Question Hour.

Sardar Majithia: As you please.

Shrimati Renu Chakravarty (Basirhat): I suggest that since the matter is of such grave concern to everybody in the House, if any information is available during the course of the day, it should be made known to us.

Mr. Speaker: Very well. The hon. Minister will make a statement at any time during the day. Therefore, consent is not given to this adjournment motion.

RULES COMMITTEE

THIRD REPORT

Dr. Sushila Nayar (Jhansi): I beg to lay on the Table, under sub-rule (1) of rule 331 of the Rules of Procedure, a copy of the Third Report of the Rules Committee.

ESTIMATES COMMITTEE

SEVENTEENTH AND TWENTY-FIFTH REPORTS

Shrimati Sucheta Kripalani (New Delhi): On behalf of the Chairman of the Estimates Committee, I beg to present the following Reports of the Estimates Committee:

- (1) Seventeenth Report on the Ministry of Education and Scientific Research on the subject "University and Rural Higher Education".
- (2) Twenty-fifth Report on the Ministry of Defence on the subject "Military Engineering Services".

INDIAN STAMP (AMENDMENT) BILL—Contd.

Mr. Speaker: The House will now resume further discussion on the Indian Stamp (Amendment) Bill, 1958. Out of 2 hours allotted to this Bill, 16 minutes have already been availed of and 1 hour and 44 minutes now remain. The hon. Deputy Minister has formally moved it. Does anyone want to speak on this Bill.

Shri Naushir Bharucha (East Khandesh): Unfortunately, yesterday I was not in the House, because I was in a Select Committee meeting. But I want to raise a point of order.

A point of order was raised that this is a Money Bill and it was pointed out that the recommendation of the President was obtained under article 117. But the recommendation has not been obtained under article 274. So far as stamp duty is concerned, the revenue

from it goes to the various States. Therefore, under article 274, the position is in the case of any Bill which seeks to amend any distribution of revenues or various shares of the various States, additional recommendation of the President is required under article 274.

12 hrs.

Article 274 says:

"No Bill or amendment which imposes or varies any tax or duty in which States are interested, or which varies the meaning of the expression 'agricultural income' as defined for the purposes of the enactments relating to Indian income-tax, or which affects the principles on which under any of the foregoing provisions of this Chapter moneys are or may be distributable to States, or which imposes any such surcharge for the purposes of the Union as is mentioned in the foregoing provisions of this Chapter, shall be introduced or moved in either House of Parliament on the recommendation of the President."

I therefore submit that since the recommendation of the President under article 274 was not obtained, the Bill is out of order.

The Deputy Minister of Finance (Shri B. R. Bhagat): Article 274 does not apply to the Bill, as it at present stands. Because it is a money Bill, we have obtained the consent of the President. So far as article 274 is concerned, the expression used there is "agricultural income" as defined for the purposes of the enactments relating to Indian income-tax....". Stamp duty is not mentioned there. So, article 274 does not apply to this. It relates to matters like agricultural income.

Mr. Speaker: Article 268 says:

"Such stamp duties and such duties of excise on medicinal and toilet preparations as are mentioned in the Union List shall be levied by the Government of India but shall be collected—

- (a) in the case where such duties are leviable within any Union territory, by the Government of India, and
- (b) in other cases, by the States within which such duties are respectively leviable."

Apparently, article 274 does not apply to such duties as are covered by article 268.

Shri Nanshir Bharucha: Article 268 only enables the levy of certain duties by the Union. That article says:

"Such stamp duties and such duties of excise on medicinal and toilet preparations as are mentioned in the Union List shall be levied and collected...."

They refer to duties of a particular character. So, what I submit is this. Stamp duties are sources of revenue for the States; they are distributable to the States. Therefore, they cannot be valid under article 274, because that article begins with the words:

"No Bill or amendment which imposes or varies any tax or duty in which States are interested...."

Obviously, the States are interested in the variation.

Mr. Speaker: I would like to hear the Law Minister.

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): I have sent for him.

Mr. Speaker: After the Law Minister comes, we will know what the position is. In the meanwhile we will study this matter. Now this will stand over.

Government deeply regret to inform the House that a large number of persons had to be sent to hospital suffering from suspected food poisoning from the Lok Sahayak Sena Camp at Sasthamkotta, many of whom have already died. This Camp had started on 10th April, 1958 and had a total strength of 525 persons. Signs of food poisoning appeared among the inmates of the Camp shortly after breakfast yesterday morning.

All available means of transport were immediately commandeered for the removal of the affected persons to the nearest hospitals. Eighty-four persons were admitted of whom unfortunately 60 had died up to last night. Precise figures are not known, but a large proportion of those who have died are military personnel.

The Assistant Director of Medical Services from the Madras-Mysore-Kerala Area Headquarters has left Madras for the site with medical supplies by air this morning. The G.O.C., Madras-Mysore-Kerala Area has also left Madras and is reaching the site by midday today. A party consisting of one Lieutenant-Colonel and two other officers has been detailed to make enquiries at the spot and to establish wireless communications so that the progress of the patients can be followed closely and arrangements can be made without delay for any assistance which may be required.

Rations for Lok Sahayak Sena Camps are ordinarily supplied through Army sources. But this Camp, however, was located 70 miles from Trivandrum and 20 miles from the nearest Railway station. Local arrangements had, therefore, to be made for the supply of rations and these were made through a contractor. Cooking was, however, done by the permanent staff of the L.S.S. Training Team. Further details are not available, but it appears from press reports that there have been some food-poisoning deaths in the last few days in the area. Eight out of several

STATEMENT RE: DEATHS DUE TO FOOD POISONING AT SASTHAMKOTTA

The Minister of Defence (Shri Krishna Menon): Mr. Speaker, Gov-

[Shri Krishna Menon]

persons who were taking meals or light refreshments from a hotel in Karamana, which is about 60 miles away from the L.S.S. Camp have also died yesterday in hospitals of suspected food-poisoning. The police have sealed the mess at the L.S.S. Camp and the hotel at Karamana after taking samples of food for analysis.

The local Government have suggested that the Camp should be dissolved. This, however, cannot be done until all the enquiries have been completed.

I must here acknowledge the assistance which we have received from the local Civil authorities in the evacuation of patients to the hospital.

I am sure the House will share with the Government their feeling of distress at this heart-rending tragedy and sympathise with all those men, women and children who are bereaved today and survive in the shadow of this catastrophe. We hope that the next of kin and the widowed and the orphaned will find strength to make readjustments imposed upon them by the irreparable loss they have suffered and the human tragedy that is theirs as a result.

While all indications point to food-poisoning, it is not possible to state conclusively at this stage the real reason for this enormous loss of life.

A Court of Inquiry is being constituted. As soon as any further information is available, I shall make another statement in the House.

Dr. Ram Subhag Singh: The hon. Minister has stated that all these deaths have occurred due to food-poisoning. Before this also, some similar incident has occurred. That being the case, why was no action taken to inspect the food stocks of the Lok Sahayak Sena, especially when the Camp was in that particular area?

Shri Braj Raj Singh: I want to know why the precautions were not taken. Especially when some food-poisoning cases have already taken place, why were no precautions taken? There seems to be a conspiracy over there. This is a very serious matter.

Mr. Speaker: The hon. Member sees conspiracy everywhere.

Shri Supakar (Sambalpur): Has the nature of the poison from which death took place been identified?

Shri Warior (Trichur): It has been specifically stated that the members of the Lok Sahayak Sena were supplied with pooris, which is made of atta. Recently atta had been supplied to Kerala. Now deaths have occurred in many other places also, even 200 miles away from this place. So, whether that is relevant in this case must also be investigated.

Shri Krishna Menon: I have made the statement to the House on the basis of the information that I have received up to 11 o'clock. It is not correct to make any surmises until detailed information is available. There is no evidence so far of carelessness. As I have stated, normally food is supplied by the Army. In this particular case, rations have been obtained locally. I have only stated that there has been a report in the local press that some local food-poisoning has occurred. That information being with us, I referred to it. I do not know whether any relation exists between the two. We are in touch in the locality with senior officials and medical officers have gone there.

—
INDIAN STAMP (AMENDMENT)
BILL—contd.

Mr. Speaker: Regarding the point of order, I want to ascertain something from Shri Bharucha. I find from the Statement of Objects and Reasons that this Bill is only for converting the

existing coinage into decimal coinage. No new duties have been imposed and the existing duties have not been altered.

Shri Naushir Bharucha: It does not matter what the Government says in the Statement of Objects and Reasons as to what they purport to do. We have to go to the substance of the Bill to find out what they are out to. Instead of rounding off the decimal fractions to the nearest number, what they have actually done is to substantially increase the duty. Where there is one anna, it ought to be 6 nP; they have put it at 10 nP. Where there is half an anna, it ought to be 3 nP; they have made it 5 nP. Where there are three annas, it should be 19 nP, but they have taken 20 nP. Everywhere under the guise of rounding off, they have substantially increased the duty.

The Deputy Minister of Law (Shri Hajarnavis): May I have half an hour's time to reply to that?

Mr. Speaker: Yes.

Shri B. R. Bhagat: May I....

Mr. Speaker: Is he arguing now or is he waiting for the hon. Law Minister? It has been postponed for the hon. Law Minister to come in half-an-hour's time.

CENTRAL SALES TAX (SECOND AMENDMENT) BILL

The Deputy Minister of Economic Affairs (Shrimati Tarkeshwari Sinha): Mr. Speaker, Sir, I beg to move:*

"That the Bill further to amend the Central Sales Tax, 1956, be referred to a Select Committee consisting of Sardar Hukam Singh, Shri H. C. Heda, Shri K. Ashanna, Shri Prafulla Chandra Borooh, Shri Bibhuti Mishra, Shri Mahendra Nath Singh, Shri Bhawanji A. Khimji, Shrimati Anasuyabai Kale,

Shri B. L. Chandak, Shri Manakbhai Agrawal, Shri K. R. Sambandam, Shri L. Elayaperumal, Shri K. G. Wodeyar, Shri S. M. Siddah, Shri Rameshwar Tantia, Sardar Ajit Singh Sarhadi, Shri Ram Saran, Shri Rup Narain, Shri Baij Nath Kureal, Shri Birbal Singh, Shri Muhammed Khuda Bukhsh, Shri Radha Raman, Shri Thakur Das Malhotra, Shri Radha Mohan Singh, Shri C. R. Basappa, Shri V. P. Nayar, Shri K. K. Warior, Dr. K. B. Menon, Shri D. A. Katti, Shri Aurobindo Ghosal, Shri Uttamrao L. Patil, Shri Shambhu Charan Godsona, Shri Ram Sewak Yadav, Shri Morarji Desai and the Mover with instructions to report by the First day of next session".

Sir, I would like to take this opportunity briefly to explain the important changes proposed to be made by the Bill. As hon. Members of this House are aware, the Central Sales Tax Act was passed into law in 1956 and brought into effect on the 5th January, 1957. The taxes were levied by a notification with effect from the 1st July, 1957. As the House is also aware, a little earlier in May 1957, the original Act was amended to make certain changes. These were the inclusion of cotton yarn in the list of special goods declared as of importance in the course of inter-State trade and the delegation of power to the State Governments to exempt or reduce the tax. Opportunity was also taken to recast section 15 of the original Act dealing with restrictions and conditions in regard to tax on sales or purchase of goods declared as of importance in the course of inter-State trade. Earlier this year again the House is aware that the original Act was further amended to include the State of Jammu and Kashmir within its ambit.

The experience of the working of this Act has brought to light certain basic difficulties and the main intention or the purpose of the Bill is to remove them. The problems created by the working of the Act were dis-

*Moved with the recommendation

of the President.

[Shrimati Tarkeshwari Sinha]

cussed—we as well as the States Governments faced certain difficulties—in detail first of all by the officers of the Central Government with the officers of the State Governments and then opportunity was also taken of a meeting of the States' Finance Ministers last November to discuss these problems. A long discussion took place and as a result of that discussion with the State Governments a draft amending bill was prepared. We have tried to incorporate as far as possible most of the recommendations of the State Governments in the Bill. After the draft was prepared, it was again circulated to the State Governments for their comments. These comments have also been carefully considered and a number of suggestions made by them, as I said earlier, have been incorporated in the Bill now before the House.

I shall now proceed to mention the important changes which the Bill proposes to make. First of all, we are widening the definition of a "dealer" to include persons purchasing goods in the course of inter-State trade so as to secure for them the benefit of the uniform rates of taxation. Under the extended definition mining industries, electrical undertakings and similar manufacturing units, which are normally not dealers in commodities but make large purchases in the shape of raw materials or in the shape of basic materials to manufacture further goods from other States, will be brought within the purview of this connotation and they will receive the same concessions in the same way as dealers in other commodities, who are merely traders, get.

The second amendment that this Bill proposes is to make another change in regard to the transfer of documents. Under the law, as it stands today, where the document of title for goods passing in one movement from one State to another are transferred more than once, the tax is levied at each transaction. That was obviously never

the intention and this transfer of documents has brought before us many genuine difficulties of the traders. From the very beginning the correct intention was to levy a tax on a particular sale and which is called a genuine sale. This correct intention of ours is being clarified in this Bill by making a provision that in such cases, i.e., where there is only one inter-State movement of goods but more than one transfer of documents, the tax shall be levied only at one point, i.e., at the first stage. Suppose, a purchaser or a dealer in Bombay receives goods from Calcutta and then transfers them for the benefit of a certain party in Poona or Sholapur and he transfers the documents from Bombay to Poona and then from Poona to Sholapur, actually the present Act levied taxes on so many points. That was a definite lacuna under the present Act and we have tried to remove this defect of the Act on a genuine sale when and wherever it has occurred and that is the intention of this amendment.

Shri Naushir Bharucha (East Khandesh): May I know how it has been removed in the present Bill?

Shrimati Tarkeshwari Sinha: I would like the hon. Member to be a little patient and hear my further arguments. The purpose now of this Bill is to fix the tax on a particular point of the sale.

Shri Naushir Bharucha: How will you achieve that purpose?

Shrimati Tarkeshwari Sinha: Suppose, the goods are purchased in Calcutta. That will be the point of sales tax and not when the transfer of documents occur at Bombay, Sholapur, etc. We have tried to remove that difficulty and have fixed that sales tax will be levied only at the point where real sales or real purchases take place.

The Central Government and the State Governments frequently buy goods which would be in the course of

inter-State trade. For example, our Defence Services, the Defence Ministry or the Works, Housing and Supply Ministry have their agents or have their men, who go to Bombay or to different important markets, but they buy goods for their purposes in Delhi, because the Central office and the Central purchasing agency is in Delhi. Obviously, since Government do not trade in these things, they cannot be registered as dealers but the benefit of uniform rates of taxes on goods so purchased by them is now being given to them by a specific provision in the amending Bill.

Then, we also discovered a lacuna in the rate structure of the Central tax. Under the law, a uniform rate of tax applies only to sales between registered dealers. In the case of sales by registered dealers in one State to unregistered dealers outside, the rate applicable is not the uniform rate but the rate applicable under the State law on similar sales within the State. These rates within the States vary widely and where there is either no tax or the tax is lower than the uniform rate of tax, there will be a tendency for diversion of sales from registered dealers to unregistered dealers. Even otherwise, the existence of diversity of rates in regard to a matter which is really outside the State field of taxation is not desirable and some measure of uniformity is necessary. That has been felt very greatly by our past experience and also in the working of the States sales tax in different States. Therefore, we propose to prescribe an average rate based upon the existing diverse rates in the States allowing any State which has a higher rate than the average rate to levy it. This average rate is proposed to be 7 per cent.

I would mention here that the States, by and larger were in favour of some form of standardisation and to many of this would bring additional revenue as they retain the net proceeds of the tax collected by them under the Central Act.

I would like to explain some other points. There has been some confusion in regard to the States entitled to collect and retain the tax and there has been some jealousy and unpleasantness because of this. Ordinarily this was the State in which the dealer had his place of business and from which the goods physically moved. But, in certain cases where technical sale takes place by transfer of documents in a State other than that from which the goods move, the latter State was the authority entitled to collect the tax. But, the question where such sales took place was not easy to be determined and that was one of the bones of contention between neighbouring States. The position, therefore, is being placed beyond doubt by saying that the State from which the goods moved is the State entitled to levy the tax. Subsequent sales between registered dealers are not taxed. But, if there is any further sale by a registered dealer in another State to an unregistered dealer elsewhere, the State where the second sale takes place will be free to tax it at the rate applicable to sales by registered dealers to unregistered dealers.

Then, I proceed to mention some of the minor amendments that we propose to make in this Bill. Firstly, I would like to say something in regard to Himachal Pradesh and Tripura where there is at present no sales tax as the hon. House is aware. Therefore, power is being taken to levy the Central sales tax by means of rules. Secondly, we are providing for the compounding of offences under the Act by penal payment of the tax. We are including in the list of goods of special importance in the course of inter-state trade three commodities in which the sales tax assessed was replaced at the end of the last year by additional duties of excise the net proceeds of which accrue to the States. This is merely a transfer to this law of the provision already made in the law levying these additional duties in this behalf.

[Shrimati Tarkeshwari Sinha]

Before I conclude, I should like to mention one other change. On goods declared as of special importance to inter-State trade, the Taxation Inquiry Commission recommended that sales tax should be levied at the last stage irrespective of whether the goods are consumed in that State or exported outside, the rate of taxation depending on this factor. This was embodied in section 15 of the Central Sales Tax Act as amended in May, 1957. But, certain States have experienced difficulty in amending their local laws to conform to this provision and the States preferred an arrangement under which they would select the point at which this tax should be levied, subject to the condition that on goods sold to other States, the Central sales tax alone would be levied and any tax collected earlier refunded. Therefore, we are giving this responsibility of collection and deciding which is the point at which the actual sale takes, the last sale takes place and the State Governments will be responsible for collection of this tax. The House will know that the States have themselves preferred an arrangement under which they would select the point at which the tax should be levied, subject to the condition, as I already stated, that on goods sold to other States, the Central sales tax alone would be levied and any tax collected earlier refunded. This seems to us reasonable and we are making the necessary provision to secure this in the amending Bill.

There is only one point that I want to mention before I conclude. I would like to repeat what I mentioned earlier that the Bill before the House has been drafted after long and detailed consultation with the State Governments. In the very beginning of my speech, I have tried to clarify that point. The Select Committee which would examine the Bill will, doubtless, indicate the lines on which the Bill could be further improved. That is why we are very anxious to send this Bill to be examined further by a Select Committee. Taxation of goods

sold in the course of inter-State trade has posed many difficult problems both of incidence and administration and the House will understand why it has become necessary to bring an amending Bill within a period of two years from the enactment of the original law levying this tax.

With these words, I move.

Mr. Speaker: Motion moved:

"That the Bill further to amend the Central Sales Tax Act, 1956, be referred to a Select Committee consisting of Sardar Hukam Singh, Shri H. C. Heda, Shri K. Ashanna, Shri Prafulla Chandra Borooh, Shri Bibhuti Mishra, Shri Mahendra Nath Singh, Shri Bhawanji A. Khimji, Shrimati Anasuyabai Kale, Shri B. L. Chandak, Shri Nanakbhai Agrawal, Shri K. R. Sambandam, Shri K. Elayaperumal, Shri K. G. Wodeyar, Shri S. M. Siddiah, Shri Rameshwar Tantia, Sardar Ajit Singh Sarhadi, Shri Ram Saran, Shri Rup Narain, Shri Baj Nath Kureel, Shri Birbal Singh, Shri Muhammed Khuda Bakhsh, Shri Radha Raman, Shri Thakur Das Malhotra, Shri Radha Mohan Singh, Shri C. R. Basappa, Shri V. P. Nayar, Shri K. K. Warior, Dr. K. B. Menon, Shri D. A. Katti, Shri Aurobindo Ghosal, Shri Uttamrao L. Patil, Shri Shambu Charan Godsora, Shri Ram Sewak Yadav, Shri Morarji Desai and Shrimati Tarkeshwari Sinha, with instructions to report by the first day of the next session."

Shri Tangamani (Madurai): Mr. Speaker, at the outset, I want to congratulate the Government for referring this Central Sales Tax (Second Amendment) Bill, 1958 to the Select Committee. When the principal Bill was moved before this House, on the 4th and 5th of December, 1956, the hon. Member, Pandit Thakur Das Bhargava wanted this Bill to be referred to a Select Committee. Many hon.

Members also advanced reasons why such a Bill must be referred to a Select Committee, because, for 20 years various States have gained experience. In Madras where it was introduced in 1938, the Government have now appointed the Loka Nath Committee, and the Loka Nath Committee has also made its recommendations. If this Bill had been referred to a Select Committee, at the first instance, some of the amendments which are now contemplated would not have come at all.

I distinctly remember, in reply to the debate, the then Finance Minister, Shri T. T. Krishnamachari, stated that he will not go one inch beyond the Taxation Inquiry Commission report. The Taxation Inquiry Commission report said that six articles alone will be articles of importance. In this amendment, we find three or four more articles are going to be included. There was again the question of foodgrains as to what is to be the attitude of the Central Government and what is to be the directive of the Central Government to the various States as to how sales tax is to be imposed on foodgrains. Of course, on that matter, I am sure, the Select Committee will go into it in greater detail. In the course of my speech today, towards the end, I wish to make certain observations about the history of the Sales Tax Bills. I shall straightaway go into the merits and demerits of this particular Bill. Because it is going to the Select Committee, I will not commit myself on many of these things.

The object and purpose of the amending Bill have more or less been fairly summed up in the Statement of Objects and Reasons. They have also been given by the hon. Mover. The first point is, on the mining industry and electricity undertakings, sales tax is to be imposed at the concession rate of 1 per cent. I would like to know why only a few industries are included bit by bit. Why cannot they introduce those industries for which really raw materials are required? So,

instead of defining certain industries now and adding others in future by an amendment, this can be much more specific. That will be my first submission, and I hope the Select Committee will go into this matter.

The hon. Mover was saying that this question of transfer of the documents of title to the goods during movement from one State to another has been set right in this amendment. I am not clear whether the wording has completely set right the doubt which has arisen. So, it has got to be properly reworded, and I am sure that when it emerges from the Select Committee this matter would have been taken into consideration.

Now, I will give a concrete example. A dealer in Bombay buys goods from a manufacturer in Ahmedabad and the title to the goods is transferred by an endorsement on the R/R. During a single movement from Ahmedabad to Delhi, the title to the goods may change hands many times, and under the law at present (i.e., before this amending Bill), all such transfers will be subject to tax. Many of the organisations of traders have stated that it should not be subject to tax. This is sought to be removed by the new amendment, and I would say it must be removed so that there is no doubt at all left in the minds of the persons concerned.

Then there is another point to which I do not think the hon. Mover referred, and that is, inter-State sales of goods made to the Government, either Central or State, would be taxed at the concessional rate of one per cent. That is also one of the points which is sought to be brought in by this amendment. This, of course, will be a welcome provision, but then difficulties may arise as to whether it is an inter-State or intra-State transaction. Supposing the sale is made to the railways. The sales may be to the railway workshops in Golden Rock from Madras. Will it be considered inter-State or intra-State? Such questions may arise. I do believe that such questions have

[Shri Tangamani]

been raised in one or two cases where there has been sale to the railways and also to the Government departments like D.G.S.D. So, that point also must be clarified, and it should be above any doubts at all. These are my brief observations on the salient and good features of this Bill.

Coming to the other points, in clause 5 a new section 8(2)(b) is introduced, and this is what it says:

"in the case of goods other than declared goods, shall be calculated at the rate of seven per cent. or at the rate applicable to the sale or purchase of such goods inside the appropriate State, whichever is higher;"

A new power is sought to be taken by the Centre for imposing a higher rate of taxation.

For the sake of argument, let us say that the prevailing rate in Bombay is three per cent. Then, an unregistered dealer in Delhi can go to Bombay and buy the article after paying three per cent., or his Bombay branch can buy that article after paying three per cent. If he asks the Bombay dealer to send the article to Delhi, thereby making it an inter-State transaction, he may have to pay seven per cent., because what the hon. Minister now seeks is that he must be taxed at the rate of seven per cent. or the rate that is prevailing in Bombay, or whatever the State concerned be, whichever is higher. Here, the prevailing rate is three per cent., and the hon. Minister wants to impose seven per cent. taxation. So, I am just pointing out the lacuna in this, because, I am afraid, this is going to cause more damage to not only the commercial community, but the others also.

Having made these general observations, I would like to say this. The history of this Central Sales Tax legislation is now well-known to this House, but I shall briefly state that it has always been looked upon by the

State Governments that the Centre should not interfere so far as the sales tax is concerned, and the sentiments of the States will have to be respected. But then difficulties arose. When goods were transferred from one State to another, where we had to export the goods to other countries or import goods from other countries, taxation was imposed and there were two conflicting decisions of the Supreme Court.

On 30-5-1953, the Supreme Court gave a judgment on the inter-State transactions under article 286(1)(a) *Explanation* that the States could tax non-resident dealers of another State. That was the first stand taken by the Supreme Court. Later on, I believe it was on 6th September, 1955, the Supreme Court discussed this matter threadbare and said that unless a law was enacted by Parliament no State could levy the taxes on inter-State transactions of commerce and trade. That was the latest position taken by the Supreme Court. But by that time several States had imposed taxes on inter-State transactions, and those who had paid had to suffer because a validating enactment was passed subsequently.

It became necessary to amend the Constitution, and the Constitution was amended by the Sixth Amendment which came into force in September, 1956.

I will briefly relate also the effect of that amendment. As a result of this, Item 92A was added to the Union List. It also amended Item 54 of the State List. Article 269 was also amended to include sales tax on inter-State trade. Article 269(1) states:

"The following duties and taxes shall be levied and collected by the Government of India but shall be assigned to the States in the manner provided in clause (2)".

So, it was a tax to be collected and a certain portion was to be given to the

States. Clause (1)(g) of that article gives the taxes:

"taxes on the sale or purchase of goods other than newspapers, where such sale or purchase takes place in the course of inter-State trade or commerce."

Article 269(3) reads:

"Parliament may by law formulate principles for determining when a sale or purchase of goods takes place in the course of inter-State trade or commerce."

And that is the same as article 286(2). Article 286(3) reads:

"Any law of a State shall, in so far as it imposes, or authorises the imposition of, a tax on the sale or purchase of goods declared by Parliament by law to be of special importance in inter-State trade or commerce, be subject to such restrictions and conditions in regard to the system of levy, rates and other incidents of the tax as Parliament may by law specify."

That is now the constitutional position so far as the imposition of inter-State sales tax is concerned.

Now, there are two aspects of this question. One is the imposition of inter-State sales tax on articles of special importance, on which, according to the principal Act, two per cent. is imposed. On the other hand, the Taxation Enquiry Commission's Report has recommended $1\frac{1}{2}$ per cent. I remember when the first amendment was moved in 1957 I had also tabled an amendment that this two per cent. might be reduced to one per cent., because where there is already multiple sales-tax as in the State of Madras, the tax at present imposed is $1\frac{1}{2}$ per cent., and if we fix the minimum at two per cent., the tendency will be to raise the lowest limit of $1\frac{1}{2}$ per cent. to two per cent. On going through the records of the past proceedings, I find there had been amendments that instead of two per cent. it

should be reduced to one per cent. In some cases, it may have to be one per cent., in some cases a directive will have to be given that there has to be no imposition of tax at all. In the original Act and also in the amending Act, Government had a purpose before them. For, it has been laid down in the Second Plan that during the Second Plan period, the additional income that is to accrue from sales tax is to be Rs. 112 crores.

Now, many representations have been received in respect of this. This is not a tax which is being imposed on the dealers. It is really a tax imposed on the customers. It is really a tax imposed on the people. It is another way of indirect taxation. And we know that indirect taxation has been increasing. The complaint that has been received from genuine traders is that there has been a lot of harassment, but the complaint that has come from the Government's side and also from the responsible people is that there has been considerable evasion.

So, we shall have to see that the evasion is effectively prevented. We have also to see that there is no harassment. Again, we have to see that the incidence of taxation is kept at its lowest. Fourthly, we have also to see that unnecessarily we do not take away the powers of the States. So, this fourfold task is now facing the Select Committee.

The Deputy Minister stated that before this amending Bill was brought forward, the various State Governments had been consulted. But I would humbly request that not only the views of the various State Governments but the reports that have been published by the experts in the State Governments also must be taken into consideration. The various trade organisations must also be invited to give their views, because they are the people who have either been evading these taxes, or honestly feeling the pinch of this taxation because of the harassment. All these aspects, I submit, must be taken into consideration by the Select Committee.

[Shri Tangamani]

Even the Taxation Enquiry Commission have dealt with sales tax in great detail in their report, in Volume III, at pages 9 and 10 and in paragraph 22 (8). I would not like to quote their recommendation. But they say that sales tax must be imposed by the State Governments, it must be imposed at one point, and the sales tax which is imposed at one point shall not exceed 1½ per cent. These are some of the recommendations made by them in their report. These recommendations also should be taken into consideration.

The question of sales tax on articles of special importance, for which we are now legislating, should also be taken into consideration.

So far as helping the manufacturers on the question of raw materials is concerned, we need not be very dogmatic about it.

Finally, I would say that in the original Act, in section 14, only six items have been included, namely coal, including coke in all its forms, cotton, hides and skins, iron and steel, jute and oilseeds. Now, we find that some more items are going to be included, such as rayon, sugar, tobacco and woollen fabrics. But this is really a shift from the very dogmatic position which was taken by Government while moving their Bill in December, 1956.

Lastly, I would refer to certain questions tabled on this particular issue, and the answers given by the Ministers. In starred question No. 1600 asked on 9th September, 1957, Shri S. M. Banerjee had asked:

"(b) whether the question of uniform application of sales tax in the country is also being considered; and

"(c) whether the State Governments have agreed to exempt foodstuff from sales tax?".

The reply was:

"(b) Uniform rates of sales tax for certain relatively less essential goods and goods having large value in small bulk are under consideration.

(c) The desirability of exempting foodgrains from sales tax has been taken up with the State Governments concerned. The reactions of the State Governments concerned are awaited."

Again, in reply to starred question No. 102 asked by Shri Easwara Iyer on 13th November, 1957, the answer given is:

"The proposals are still under consideration and are being processed in consultation with the State Governments."

So, we would like to know how far that uniformity is going to be established so far as sales tax is concerned, from State to State.

Recently, there was a conference of the secretaries to the Finance Departments in the States as well as the Centre, where they considered the question of imposition of uniform taxation. I believe there was a press note also which stated that the taxation varied from two per cent to seven per cent, and which contained a recommendation that sales tax should be imposed at only one point. I would like to know why on the question of imposition of sales tax at one point, the ceiling is taken, that is, seven per cent is taken, instead of two per cent or five per cent. That is a point on which I would like to have some clarification from the Minister.

As I have said earlier, the result of the discussions which took place in 1956, and the experience of the last two years have at last compelled Government to refer this matter to a Select Committee where the various view-points of the different cross sec-

tions in the country can be heard and discussed threadbare. I hope the Select Committee will go into all these questions carefully and thoroughly and also bear in mind the four points which I have advanced.

Shri Naushir Bharucha: Government have come forward before the House for an amendment of the Central Sales Tax Act within the space of barely nine months after the passing of the first amending Bill. And this is the result because legislation in this House is hurried through; and neither Government nor the poor parliamentary draftsman gets the time to consider things in their detail. Often, ill-conceived legislation is placed before the House, and even when it is referred sometimes to the Select Committee, the Select Committee is also rushed through. I will not be surprised, therefore, if Government come forward again with a third amending Bill, as is very likely to be the case, unless certain care is taken to remove the obvious defects that still lurk in this Bill.

As my hon. friend Shri Tangamani has pointed out, the question of imposing sales tax on inter-State transactions has got a chequered history. As a result of the judgment of the Supreme Court, certain changes have been made in the law, and from time to time, attempts have been made to improve on the position, but still we have not reached that final stage when matters are so clarified that either the sales tax officer can administer the law precisely or even the assessee can understand its implications.

The difficulty, as the Statement of Objects and Reasons, has pointed out, is fixing up the place of sale. The difficulties which Government have experienced as a result of this, and which have compelled them to bring forward this Bill are administrative difficulties in fixing up the place of sale. That is one point. Secondly,

there is the question of avoiding of multiple taxation on such sale.

Now, the question is: Have we succeeded in this amending Bill in doing anything which will clarify the position or make the position any the better than what it is at present?

Let us first consider the scheme of the principal Act. Disputes arise as to the stage at which sale or purchase takes place. So, the principal Act lays down the principles determining when the sale takes place in the course of inter-State trade, whether a sale has taken place outside a State, or whether it has taken place in the course of import or export and so on.

Then the principal Act lays down provisions for levy, collection and distribution of the tax. Then of course it goes on to give particulars of certain goods being of special importance in inter-State trade and commerce and specifies the restrictions and conditions subject to which a State legislature may impose restrictions on declared goods.

Now, the major purpose of the present Bill is to avoid multiple taxation by levying sales tax. The improvement in this Bill is that the first stage is laid down. Clause 3, therefore, gives section 6 of the principal Act and adds another sub-clause. Let us examine this clause 3 which is the most important and operative clause and see how it will work. Clause 3 says:

"Where a sale in the course of inter-State trade or commerce of goods of the description referred to in sub-section (3) of section 8, has occasioned the movement of such goods from one State to another or has been effected by a transfer of documents of title to such goods during their movement from one State to another, any subsequent sale to a registered dealer during such movement

[Shri Naushir Bharucha]

effected by a transfer of documents of title to such goods shall not be subject to tax under this Act".

provided, of course, that necessary certificate is furnished. Now, let us consider what exactly this means. Will this clause cure the defect we find? All that this operative clause says is that where a sale in the case of inter-State trade has occasioned the movement of such conclusion may be deduced. But at what stage is the movement supposed to have been occasioned? That is nowhere laid down. It is not enough, in other words to say that there shall be a sales tax in this particular category of inter-State trade transactions at the first stage only and then leave everything else vague. What exactly is the first stage? That has got to be defined. Some governing principles have to be laid down in the Act; otherwise, again and again, the same difficulties will arise.

Take, for instance, this case. A textile mill in Bombay contracts to sell bales of cloth to Madras. Now, the question is, at what stage can you say that the sale has occasioned the movement of such goods. Is it when the goods are apportioned or is it when the contract is signed or is it when the documents are delivered to a carrier for carriage of goods? We still do not know. Also, there will be other difficulties. Suppose a mill-owner of Bombay who is at present in Calcutta contracts to sell goods for delivery in Madras. What is the first stage? Is it in Calcutta or is it in Bombay?

Again, under the Contract Act, apportionment of goods is sufficient for passing property in goods to the buyer. Suppose goods are required to be apportioned and certain goods are apportioned and set aside for being delivered to the buyer. The very act of weighing and setting aside

is sufficient in law to constitute transfer of property from the vendor to the purchaser. Then, at what stage does the sale take place?

It has also been said that the tax shall be at the first stage. If it is at the very first stage, for instance, in case that cloth is manufactured, then there is a likelihood that it may indirectly enhance the incidence of the excise duty. Then the sales tax becomes indistinguishable from the excise duty, particularly if the incidence of the sales tax is not passed on to the purchaser which may happen in the case of competitive conditions.

So all these defects have been left absolutely intact. All that the present Bill says is that the sale will be taxed at the first stage. Nobody knows which is the first stage or how it is going to be determined. The words mentioned here are 'where a sale has occasioned the movement of goods'. But at what stage shall we say the movement of goods is occasioned? No body can determine that.

Therefore, I am afraid that the major difficulties which are encountered now will again be encountered unless the Bill is thoroughly revised in the Select Committee. I am, therefore, drawing the attention of Government to the fact that it is not enough to say that the tax should be levied at the first stage. You must define at what stage property in goods passes from the vendor to the purchaser.

The other matter incorporated in the Bill relates to the special treatment given to the mining industry, electrical undertakings etc. in respect of sales tax. I should like to know why is it that the Government of India have singled out these industries. My hon. friend, Shri Tangamani, rightly raised the point: why is it that special favourable treatment is being given only to two industries and not to others? Very probably,

the Government may have in mind certain reasons. But these have not been disclosed to us. Also, unless we are told exactly why is it that these two industries have been selected for this special treatment, there is a likelihood or at least a suspicion, that the Government might discriminate in favour of some industries and not of others. I am not suggesting, for a moment that in this particular case preferential treatment is necessarily discriminatory. But we should like to know. What is still more, I should like Government to lay down the principles which will govern the granting of favourable treatment to particular industries. It is not fair to pick up some industries here and there because they are considered important for one reason or the other. But it is necessary that the Bill must lay down or at least the rules should include, the principles on which industries are to receive preferential treatment, in the matter of lesser sales tax.

Then sales to the Government are being given preferential treatment. I really fail to see why, when the State enters the trading ring as any ordinary trader, it should be entitled to special treatment. It is unfair to the other competitors in the same trade. I could have understood if it had been said that the State, in discharge of its sovereign functions, as distinguished from its normal trading activities, should be given preference. But why is it that special favourable treatment is given to the State in the matter of sales tax which may be extended to any other commodity like steel or cement in which the State merely trades? This also requires to be looked into carefully.

My hon. friend, Shri Tangamani, referred to the difficulties of trading. It has been our experience that the difficulties of the trade do not arise from the fact that they have got to pay this particular tax. They arise from the fact that they are sent from pillar to post, because nobody understands the implication of the Act. The

Act has been made so complicated by piecemeal legislation from time to time that it becomes exceedingly difficult even for officers or collectors of sales tax to understand exactly what the thing is. Therefore, the natural tendency on the part of officers is to grab as much as they can. They are afraid that they might be taken to task by higher authorities for forgoing sales tax. So they cast their net far and wide. The result is that a person who is liable to pay sales tax in one State is harassed in other States. It may be that subsequently a few rupees may not be collected from him. But imagine the difficulty to a trader in Bombay who may have to go to Orissa in connection with the imposition or levy of sales tax. He would rather avoid the trouble and pay up double the sales tax.

13 hrs.

I, therefore, submit that the major difficulty lies first in ourselves not being precise or clear in our minds about it. It may perhaps surprise the House to know that at one stage when I was in the Bombay Legislative Assembly, within the space of 18 months, our Bombay Sales Tax Act underwent no less than 9 changes, including of course changes consequent on the High Court holding the entire Sales Tax *ultra vires*. When frequent changes take place like that, it is really very difficult both for the officers and the traders to understand exactly what the Act is. I would like to know whether as a matter of administrative practice, Government would issue certain directions, just as they issue in the case of collection of other taxes, that where they find that on a particular commodity the tax has been paid in one State, the assessee should not be harassed. The States must also be told that where it has been proved to the satisfaction of the Sales Tax Officer that in one State the tax has been paid, whatever the implication, the assessee should not be harassed. Unless some such administrative directions are

[Shri Naushir Bharucha]

issued, I am afraid the position will remain much the same.

However, as I have pointed out the major defect in the Bill is that it merely lays down that it shall be taxed at the first stage. Nobody lays down any rules as to how the first stage is to be determined; nobody lays down any rule to decide at what stage the property and goods have passed from the vendor to the purchaser. Unless the Select Committee looks into this matter thoroughly, unless the Select Committee goes into it very minutely, a time will again come when for the third time Government will have to come forward with an amendment to the Central Sales Tax Act.

Shri Jhunjhunwala (Bhagalpur):
Mr. Speaker, Sir, I entirely agree with Mr. Bharucha when he says that Bills come in this House in a hurry. They are not properly looked into and so many lacune are left in them with the result that people take matters to the Supreme Court because they are harassed. As has been so ably pointed out by Shri Bharucha, though it is said that the tax will be levied in the first stage, it is not clear as to what the first stage is. If it is meant to be from the manufacturing concern, it will just be a sort of excise duty.

Secondly, a distinction has been made in the case of certain industries. It is said that electricity and mining industries will be given concessions. I would like to know the reason why these particular industries have been selected. Why is it not extended to other industries? Of course, there should be some sort of a principle enunciated so that if any industry comes within its definition, that industry may be entitled to the concession which is now being extended to mining and electrical industries.

Then again a distinction has been made between a registered dealer and

other dealers. Unregistered dealers will be put to a penalty of a deterrent tax of 7 per cent while the registered dealers will be taxed at a lower rate. The reason given for this is that there is considerable evasion of taxation. It is true that there is evasion of taxation. Most of the unregistered dealers are small dealers. Unless they are able to show a particular turn-over they cannot get themselves registered. They cannot get themselves registered because they can sell only smaller quantities of goods, it does not follow that they should be penalised. They cannot get themselves registered. Still, they have to exist and simply because of the fact that they are unregistered they should not be charged at the deterrent rate of 7 per cent.

It seems this has been done because luxury goods are being taxed. If it is the intention of Government to tax luxury goods at a higher rate, let it be made clear that only luxury goods shall be taxed at 7 per cent, and let there be a uniform rate for all. Let all the dealers, whether they are registered or unregistered be treated on the same footing.

These are points which I think the Select Committee will take into consideration. The most important point is the stage at which goods will be taxed. This has not been made clear and because of this there have been harassments and people have sought redress in the Supreme Court. I am sure the Select Committee will take steps to amend the Bill in such a way that assessees are not harassed and people do not seek redress in the Supreme Court. As far as possible all precautions should be taken to draft the Bill in such a way that traders are not harassed.

Shrimati Tarkeshwari Sinha: Sir, certain points have been raised by hon. Members who have spoken. Of course a detailed examination of the points raised by hon. Members in

the House will be made by the Select Committee. But I wish to deal with two or three points that have been raised in the course of the debate.

Hon. Members, Shri Tangamani and Shri Jhunjhunwala asked as to why a few industries should have been selected for special treatment. It is not the intention of Government to discriminate between industries: to give concessions to certain industries and not to other industries which also buy their raw materials from different States for further manufacture of goods. I would here like to refer to sub-clause (3) (b) of clause 5 of the Amending Bill. The object of this is not to give concession. It is only as an example or illustration that these two things are mentioned. I would like to invite the attention of hon. Members to the Statement of Objects and Reasons which refers to "mining industries, electricity undertakings, etc." The word "etc" has been purposely put to safeguard against any discrimination, to which hon. Members referred. The word "etc." should therefore set their fears at rest.

The hon. Shri Bharucha asked at which point the tax will be levied. This was mentioned by Shri Jhunjhunwala also. Here I would like to say that we have not even touched the original section which has defined "movements". The Law Commission and other bodies were consulted on this matter. I do not wish to go into the detailed history of this provision. But I would like to draw attention to Section 3 which gives a clear indication of the point at which the tax will be levied. I would for the benefit of the House, read Section 3.

"When is a sale or purchase of goods said to take place in the course of inter-State trade or commerce:

"A sale or purchase of goods shall be deemed to take place in the course of inter-State trade or commerce if the sale or purchase—

(a) occasions the movement of goods from one State to another; or

(b) is effected by a transfer of documents of title to the goods during their movement from one State to another."

Here, I would like also to read the explanation.—

"Where goods are delivered to a carrier or other bailee for transmission, the movement of the goods shall, for the purpose of clause (b), be deemed to commence at the time of such delivery and terminate at the time when delivery is taken from such carrier or bailee . . . "

I think the hon. Member's point becomes clear if we notice this explanation.

The third point raised by Shri Bharucha is that Government has got preferential treatment. It was the intention of Government to give a benefit to our growing economy and the Five Year Plan. The concession is given to government purchases so that the cost of such purchases may not increase very much. It was the policy of Government that we should give concessional rate. That is why in the Inter-State Sales Tax all Government purchases have been brought under the concessional rate.

A point was raised by Shri Tangamani when he asked: How do you distinguish between inter-State and intra-State tax? That was our difficulty and so far as the Central Government is concerned, they have clearly defined inter-State tax. But because intra-State tax is the responsibility of the State Governments, we have written to the State Governments and we are awaiting their replies. We discussed with all the State Governments more or less in the informal discussion and they have agreed. They will also agree to give the same concessions to government purchases in the case of intra-State sales tax.

[Shrimati Tarakeshwari Sinha]

The hon. Member, Shri Bharucha, raised a point that government is getting preferential treatment. The hon. Member, perhaps, knows that Government is a dealer as in the State Trading Corporation and the Sindri Fertilizers. Government already enjoys the concession of a registered dealer. The intention now is to give the same concession in making large-scale purchases by Government departments. We have not digressed from the original principle of making Government a registered dealer. We are only going to widen certain facilities given to certain government agencies which do business or which are manufacturing concerns. We want to extend this concession to other departments. As I said, the purpose of this treatment is to be helpful for the implementation of the Second Five Year Plan. All the vital government departments will get this concession, like the Railways, Defence etc. So, I do not think that we have digressed from our principle.

These are some of the main points that were raised. I do not want to take the time of the House any more. But I would only say that the intention of the Government to send this Bill to the Select Committee is for the purpose of having the pros and cons of this Bill examined in detail. When the first Bill became an Act, it was not sent to the Select Committee with the result that we had to face certain difficulties. We do not want to repeat the mistake again. The Select Committee has been given ample opportunity of going into the pros and cons of this Bill and to bring it back to the House in a well drafted form so that the same difficulties may not creep in for businessmen and also for Government.

All the suggestions that hon. Members may have may also be sent to the Select Committee and they will be examined.

Mr. Speaker: I will now put the question:

"That the Bill further to amend the Central Sales Tax, 1956, be referred to a Select Committee consisting of Sardar Hukam Singh, Shri H. C. Heda, Shri K. Ashanna, Shri Prafulla Chandra Borooah, Shri Bibhuti Mishra, Shri Mahendra Nath Singh, Shri Bhawanji A. Khimji, Shrimati Anasuyabai Kale, Shri B. L. Chandak, Shri Manakbhai Agrawal, Shri K. R. Sambandam, Shri L. Elayaperumal, Shri K. G. Wodeyar, Shri S. M. Siddiah, Shri Rameshwar Tantia, Sardar Ajit Singh Bhatinda, Shri Ram Saran, Shri Rup Narain, Shri Baij Nath Kureel, Shri Birbal Singh, Shri Muhammed Khuda Bukhsh, Shri Radha Raman, Shri Thakur Das Malhotra, Shri Radha Mohan Singh, Shri C. R. Basappa, Shri V. P. Nayar, Shri K. K. Warior, Dr. K. B. Menon, Shri D. A. Katti, Shri Aurobindo Ghosal, Shri Uttamrao L. Patil, Shri Shambhu Charan Godsora, Shri Ram Sewak Yadav, Shri Morarji Desai and Shrimati Tarakeshwari Sinha, with instructions to report by the First day of next session."

The motion was adopted.

INDIAN STAMP (AMENDMENT)
BILL—contd.

The Deputy Minister of Law (Shri Hajarnavis): Sir, I admit that the point of order raised by my hon. friend, Shri Bharucha is valid, and that we have not complied with article 274(1).

Mr. Speaker: The hon. Minister agrees that the point of order is correct.

Shri Hajarnavis: Yes, Sir. Now my hon. friend the Mover will probably make the next motion.

Shri B. R. Bhagat: I propose to take the consent of the President. I would leave it to you, Sir, whether I should withdraw the Bill and re-introduce it with the consent of the President.

Mr. Speaker: The hon. Minister evidently has some difficulty. In another case, where the words 'introduced or moved' were not used but only 'passed', I allowed the Bill to go to the Select Committee and said that the recommendation of the President might be obtained.

But, so far as article 274 is concerned, it is clearly stated that, "No Bill... shall be introduced or moved in either House of Parliament except on the recommendation of the President." Therefore, the recommendation is necessary even for the introduction.

The hon. Minister wanted me to make up my mind as to what is to be done. It is admitted that the Bill imposes or enhances a duty and therefore comes under article 274 and that the duty goes to the States. The only further point is whether even for introduction he should get the recommendation of the President. That is why he is hesitating. I have no hesitation in saying that even for introduction, the recommendation is necessary. The only course now open to him is to withdraw the Bill.

Shri R. R. Bhagat: With your permission, Sir, I beg to withdraw the Bill.

Mr. Speaker: Has the hon. Minister the leave of the House to withdraw the Bill?

The Bill was, by leave, withdrawn.

DEMANDS FOR EXCESS GRANTS. 1954-55

Mr. Speaker: The House will now take up the Demands for Excess Grants, 1954-55.

Motion moved:

DEMAND NO. 3—COMMERCIAL INTELLIGENCE AND STATISTICS

Mr. Speaker: Motion moved:

"That a sum of Rs. 17,068 be granted to the President to make good an excess on the grant in

respect of 'Commercial Intelligence and Statistics' for the year ended the 31st day of March, 1955."

DEMAND NO. 18—ARCHAEOLOGY

Mr. Speaker: Motion moved:

"That a sum of Rs. 38,342 be granted to the President to make good an excess on the grant in respect of 'Archaeology' for the year ended the 31st day of March, 1955."

DEMAND NO. 38—MISCELLANEOUS DEPARTMENTS AND EXPENDITURE UNDER THE MINISTRY OF FINANCE

Mr. Speaker: Motion moved:

"That a sum of Rs. 17,03,041 be granted to the President to make good an excess on the grant in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Finance' for the year ended the 31st day of March, 1955."

DEMAND NO. 40—MISCELLANEOUS ADJUSTMENTS BETWEEN THE UNION AND STATE GOVERNMENTS

Mr. Speaker: Motion moved:

"That a sum of Rs. 16,572 be granted to the President to make good an excess on the grant in respect of 'Miscellaneous Adjustments between the Union and State Governments' for the year ended the 31st day of March, 1955."

DEMAND NO. 55—POLICE

Mr. Speaker: Motion moved:

"That a sum of Rs. 11,12,082 be granted to the President to make good an excess on the grant in respect of 'Police' for the year ended the 31st day of March, 1955".

DEMAND NO. 64—MISCELLANEOUS DEPARTMENTS AND OTHER EXPENDITURE UNDER THE MINISTRY OF IRRIGATION AND POWER.

Mr. Speaker: Motion moved:

"That a sum of Rs. 40,673 be granted to the President to make

[Mr Speaker]

good an excess on the grant in respect of 'Miscellaneous Departments and other Expenditure under the Ministry of Irrigation and Power' for the year ended the 31st day of March, 1955."

DEMAND No. 69—CIVIL DEFENCE

Mr. Speaker: Motion moved:

"That a sum of Rs. 853 be granted to the President to make good an excess on the grant in respect of 'Civil Defence' for the year ended the 31st day of March, 1955."

DEMAND No. 104—OTHER CIVIL WORKS

Mr. Speaker: Motion moved:

"That a sum of Rs. 2,59,32,048 be granted to the President to make good an excess on the grant in respect of 'Other Civil Works' for the year ended the 31st day of March, 1955."

Shri Panigrahi (Puri): Mr. Speaker I would just like to confine myself to Demands Nos. 124 and 38. With regard to Demand No. 124, an amount of Rs. 7,76,353 has been asked for.

13.19 hrs.

[**SHRI MOHAMED IMAM in the Chair**]

I would like to submit that the Central Tractor Organisation which is working since the last 9 years is not working satisfactorily.

Shri B. R. Bhagat: What is the item on which the hon. Member is speaking?

Shri Panigrahi: It is the C.T.O.—page 10. During the first Plan period a total area of 11-80 lakhs acres was reclaimed by the C.T.O. But, I would like to know how many acres of reclaimed land have been actually brought under cultivation, and how many acres of land have remained fallow and overgrown with plants after being reclaimed. Very many of the tractor units in the different States—and I can refer to the tractor unit

that is functioning in Orissa—those which come under the C.T.O. are not working satisfactorily.

I would just like to submit that the C.T.O. should be well looked after. The question whether the rate of interest that is being charged from the cultivators who hire tractors is within the economic power of the cultivators should also be enquired into.

I will now refer to Demand No. 38—page 3.

It refers to the friendly aid under the Colombo Plan for the construction of some roads and an airfield in Nepal. In this connection, I would like to submit that we are really doing a very useful service by allowing friendly aid for the improvement and reconstruction of Nepal which is our neighbouring State. But, whether our friendly aid is really helping us to make our friendship more closer is the question which needs examination. We want that we should give more help to our neighbouring State, Nepal, so that the condition of Nepal, the economic improvement of Nepal will be an asset to us.

But, Sir, recently a new trend is coming out in Nepal. It is not within my scope to bring that point here, but I would make a brief reference to it. A certain power, which is certainly not very much in favour of India's policy of neutrality, is really utilising the foreign aid to Nepal in its own way. Therefore, Nepal's existence and Nepal's importance as border State to India is very important. I just want to say that we must be more careful, so that we may give more aid to Nepal and our friendship will really be more strengthened; not that we may give more and more aid to Nepal and still our friendship with Nepal suffers due to our inability. Sir, it is a matter for consideration.

I will now refer to Demand No. 18 which relates to the office of the

Archaeological Chemist. It relates to an excess payment to the office of the Archaeological Chemist in Hyderabad. I just want to make a brief reference to the work of archaeological chemists in India, so far as the maintenance of ancient monuments and relics is concerned. Sir, the Eastern Circle of the Archaeological Chemist Department, which is in charge of the ancient monuments in Orissa, is not doing any useful work and its work is not being properly inspected. Last year, the Archaeological Chemist in charge of the Eastern Circle, who stays in Dhanbad, went to visit some of the temples. Sir, only the travelling allowance is claimed and no work is done in that part. I just want to submit that more attention should be paid, when we are paying more money for the maintenance of ancient monuments and for the chemical treatment of ancient monuments. Their work should be supervised more and more, so that we can see that the money spent is usefully spent.

Sir, this is all that I have to submit.

Mr. Chairman: No other hon. Member wants to speak. The hon. Minister.

Shri B. R. Bhagat: Mr. Chairman, Sir, the scheme of regularising any excess expenditure has been laid down by the Public Accounts Committee and also in article 151(1). During the last Parliament, as you are aware, the Public Accounts Committee as well as the Rules of Procedure and Conduct of Business in the Lok Sabha had laid down how such excess grants should be regularised. The Public Accounts Committee towards the end of December, 1957, stipulated that before they present the report of a year they would take up the items in which excess expenditure has been committed and submit to the President for his assent to be presented to the Lok Sabha. Under that procedure we have now come up for regularising the Excess Grants for 1954-55.

All these items have been carefully scrutinised by the Public Accounts Committee. In some items they have made adjustments, while in others they have recommended that these Excess Grants should be regularised. We have, Sir, before each item given an explanatory note.

The hon. Member raised a point about the Central Tractor Organisation, about the aid to Nepal and also about the Archaeological Department. I do not want to add to the information given in the note except to say that in the very nature of things they are the result of certain later adjustments. For example, in item (2), the excess of Rs. 5 lakhs out of Rs. 7 lakhs was the result of certain later adjustments, because in the beginning it was thought that the interest charges on account of the international loan—as it has been paid by the Government—do not accrue. But it was not found to be correct accounting or legal procedure and, therefore, that money has been added. Therefore, these things are merely procedural and should not be taken very serious notice of.

The second point he has raised is about the Colombo Plan aid. Although he agreed that such aid is very desirable to a friendly country like Nepal, our neighbour, whose economic development and advancement is of vital interest to us as a friendly neighbour, he asked whether this expenditure was producing the desired effect. So far as our information goes, it is producing the desired effect. We have a special Mission there—The Aid to Nepal Mission. We have carefully selected our officers for that Mission, and they are doing very good work. For example, the road construction has been completed in a very difficult terrain in a record time. Similarly, with regard to other items of development Nepal has drawn up the First Five Year Plan. We have earmarked about Rs. 10 crores by way of both loans and grants to help their Five Year Plan. There are various items for irrigation, medical development,

[**Shri B. R. Bhagat**]

social services, roads, airfields and so on. We have chosen all those items which would go to develop Nepal's economy in the vital and strategic sectors, so that they may launch upon more vigorous and ambitious plans. I can assure the House that our officers there are doing a very good job. They have created the most friendly atmosphere there.

In this connection I would like to submit that it is not that all the money that we are spending is producing the desired results. I would not like the House to judge the effect of our expenditure from that point of view. Sometimes we have seen in our international relations that the credit giving countries—countries exporting credit—are not popular with the credit importing countries, only because it is a case of psychological reaction to things. If we always go on in a spirit of getting some returns or producing the desired national objectives or international relationship for our money, I think that is a mistake. We are giving aid not because our money is linked up with any international policy, or any policy or objective of international economic aid, but we are giving it in a spirit of extreme friendliness. We are giving it absolutely without any strings and when our people go there and work for Nepal, they work as if they are working for their own country. They have established a communion of spirit with the problems and the people of Nepal. That is the spirit in which we work, and whatever money we give, that spirit is bound to produce the best results.

Mr. Chairman: The complaint is that some other powers are taking advantage of aid given by India.

Shri Panigrahi: That is what I said.

Mr. Chairman: The point is that some other foreign powers are taking advantage of the grant given by the Government of India to the Nepal Government.

Shri B. R. Bhagat: I could not follow what he means by this. I do not know if the money is used by the other Governments. I simply cannot follow how some other Government can take advantage of the aid that we are giving.

Shri Panigrahi: May I point out this? What I meant is, we are giving friendly aid to Nepal, but, at the same time, some other foreign powers who are opposed to our policy of neutrality are also entrenching themselves in Nepal itself while having contact with us also so far as foreign help is concerned. That is what I meant.

Shri B. R. Bhagat: It is not for us to determine which other countries also should help Nepal. Nepal is a sovereign country. It has its right to ask for loans or for assistance from whatever countries which it thinks are friendly and they can give them assistance on their terms. So, it is true that other countries are also helping them. Broadly, we have some arrangement. It is a sort of general arrangement and that is, whatever assistance some other countries provide by way of economic aid to Nepal, we provide our technical assistance, because our men understand the thing and are familiar with the conditions in Nepal. They are in tune with the cultural and other standards. So, it is easy that for the absorption of that aid, technical personnel from India go there. So, it is possible that in some of the schemes, the money of other countries is there. But in some of the schemes our men and money are there. So, it is progressing like that. That is true. But it is entirely an arrangement for convenience, and I do not think there is any undesirable implication that the hon. Member has sought to derive is involved there. It may be that some of the other countries who are assisting them may have some intention or they may have some idea at the back of their mind, namely, that of advancing their own international policy. That is for them

to decide. But so far as our goal is concerned, so far as our objective is concerned, we believe that Nepal is a friendly neighbour in whose development we are vitally interested, and whatever aid and assistance we are giving, we are giving them without any strings and in a spirit of extreme friendliness. We do not want any returns either in political or economic terms. Therefore, I think there is no case for any frustration on our part because we may think that our money is being wasted. But our money is not being wasted. It is producing the desired result, that is, the development of Nepal and the extreme friendliness of Nepal and India. So, on that score, I think there is no cause for any misgivings.

I come now to the other items. I take archaeology. It is explained that the excess of Rs. 38,000 was due to unanticipated adjustment of certain debits. So, this leaves me with the general point. Now, how to prevent this? The House desires and it is the desire of the Government and also of the PAC. The PAC has suggested in its report that this excess expenditure should be minimised to the maximum extent. It is our objective too, but it can result only from the continuous improvement of the accounting machinery, adjustments and all those things. Also, as the House knows, at present our accounts are mostly book accounts. In the various governmental spending departments, they make a sort of book debits or credits. For instance, the Parliament sanctions the money, say X. Then the spending goes on throughout. The accounts officer passes the bill, but, because most of the adjustments are book adjustments, he has no idea at what particular moment the expenditure is exceeding the budgeted figure, for the book adjustments that are taking place all over the country are received slightly later. They have to be collected and accounted for.

Shri Panigrahi: How are we going to prevent such excess spending?

Shri B. R. Bhagat: That is exactly what I am explaining. So, in the present arrangement of book adjustments, it is difficult at times for the Ministries to know or for the accounts officers to know whether in a particular item the amount allotted in the budget is being exceeded. It is only after the excess amount is spent and committed to, that we get the vouchers and the accounts and we know that so much excess has been spent. So unless two things are done, namely, the complete separation of accounts and audit and we have in all the departments this system of working, it is difficult to foresee the excess. With the separation of accounts and audit, our accounting could be efficient and also it can be checked always by the audit. For that we have a phased programme over a period and we need many officers.

We are making a trial in some of the departments, and I think it is in the P & T and one or two more departments. It is to be tried in the States. Only the other day this was referred to. The Auditor-General is feeling the difficulty, because of the shortage of staff, and because of it, he feels that we would not be able to do it at a rapid stage. Unless we have a complete separation of audit and accounts so that we may be able to make our accounting system more efficient and make both the internal and external audit more exact and quicker we will not be able to prevent the excesses in time.

13:37 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

Secondly, unless there is some sort of book adjustments, some sort of procedure is evolved, that all payments should be made in cash, so that we could draw the amount in cash and know at a particular moment how much amount is being spent and how much is debited against the budgeted amount and how much is the excess, we will not be able to know the excess. So, all this needs a complete reorientation and overhaul of the machinery so that we could improve. At present our accounts officers are

[Shri B. R. Bhagat]

heavily overworked. There is a terrible shortage of audit and other staff. Meanwhile our expenditure is growing. The total amount, both in the development and other expenditure during the last ten years, I think has gone up by more than three times or even more. I do not know exactly and I am unable to give the precise figure. Expenditure is growing. Economic activity and developmental activity are increasing. To that extent our accounting and audit and other staff and machinery are not able to cope with. So, from that point of view, the excess of Rs. 3 crores in an expenditure of Rs. 3,184 crores comes to about 0.09 per cent which is very much less than one per cent. So I think it is excusable.

What they are doing is a good job. Whatever these excesses are, these excesses are inevitable, and sometimes they cannot be either anticipated or prevented. So, with these words. I request that the Demands be passed.

Mr. Deputy-Speaker: The question is:

"That the respective Excess sums not exceeding the amounts shown in the third column of the Order Paper be granted to the President to make good the amounts spent during the year ended the 31st day of March, 1955, in respect of corresponding heads of demands entered in the second column thereof".

The motion was adopted.

[The Demands for Excess Grants 1954-55 which were adopted by the Lok Sabha are reproduced below—Ed.]

DEMAND NO. 2—COMMERCIAL INTELLIGENCE AND STATISTICS

"That a sum of Rs. 17,068 be granted to the President to make good an excess on the grant in respect of 'Commercial Intelligence and Statistics' for the year ended the 31st day of March, 1955."

DEMAND NO. 18—ARCHAEOLOGY

"That a sum of Rs. 38,842 be granted to the President to make good an excess on the grant in respect of 'Archaeology' for the year ended the 31st day of March, 1955."

DEMAND NO. 38—MISCELLANEOUS DEPARTMENTS AND EXPENDITURE UNDER THE MINISTRY OF FINANCE

"That a sum of Rs. 17,03,041 be granted to the President to make good an excess on the grant in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Finance' for the year ended the 31st day of March, 1955."

DEMAND NO. 40—MISCELLANEOUS ADJUSTMENTS BETWEEN THE UNION AND STATE GOVERNMENTS

"That a sum of Rs. 16,572 be granted to the President to make good an excess on the grant in respect of 'Miscellaneous Adjustments between the Union and State Governments' for the year ended the 31st March, 1955."

DEMAND NO. 55—POLICE

"That a sum of Rs. 11,12,082 be granted to the President to make good an excess on the grant in respect of 'Police' for the year ended the 31st day of March, 1955."

DEMAND NO. 64—MISCELLANEOUS DEPARTMENTS AND OTHER EXPENDITURE UNDER THE MINISTRY OF IRRIGATION AND POWER

"That a sum of Rs. 40,673 be granted to the President to make good an excess on the grant in respect of 'Miscellaneous Departments and other Expenditure under the Ministry of Irrigation and Power' for the year ended the 31st day of March, 1955."

DEMAND No. 69—CIVIL DEFENCE

"That a sum of Rs. 853 be granted to the President to make good an excess on the grant in respect of 'Civil Defence' for the year ended the 31st day of March, 1955."

DEMAND No. 104—OTHER CIVIL WORKS

"That a sum of Rs. 2,59,32,048 be granted to the President to make good an excess on the grant in respect of 'Other Civil Works' for the year ended the 31st day of March, 1955."

MINES AND MINERALS (REGULATION AND DEVELOPMENT)
AMENDMENT BILL

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): I beg to move:

"That the Bill to amend the Mines and Minerals (Regulation and Development) Act, 1957, for the purpose of exempting mining leases granted before the 25th day of October, 1949, in respect of coal from certain provisions of that Act in view of the importance of such leases in the context of coal production generally, be taken into consideration."

I would like, with your permission, to make a brief statement which might give the background which necessitates the bringing forward of this amending Bill.

Prior to 1948, the grant of mining leases and the development of mineral was not subject to any regulation or restriction by the Government of India. Individual State Governments, Provincial Governments as they were called at that time, had their own rules on the subject. But in the permanently settled areas of Bengal and Bihar even this control through State

rules was lacking and zamindars had an unfettered discretion in regard to granting mining leases. There was no uniformity of policy and practice. Thus it was that in these areas leases for coal mining were given out with widely varying terms and conditions. There was no limit to the area that could be leased out; the period extended in many cases to 999 years, as Salamis taken were considerable, the royalty rate was very low, going down in some cases to 'nil'. It was only in 1948 that recourse was taken to Entry No. 36 of List I in the Seventh Schedule (Federal Legislative List) to the Government of India Act, 1935, and The Mines and Minerals (Regulation and Development) Act, 1948, was brought on the statute-book to provide for the regulation of mines and oil fields and for the development of minerals. The declaration of expediency to enact this legislation in the public interest was made under the entry referred to above.

The two important sections of this Act with which the present piece of legislation is concerned are sections 5 and 7. Under section 5, the Government of India was given powers to make rules regulating the grant of mining leases or for prohibiting the grant of such leases in respect of any mineral or in any area. Under section 7 the Central Government was empowered to make rules for the purpose of modifying or altering the terms and conditions of any mining lease granted prior to the commencement of the Act, so as to bring them into conformity with its provisions.

Rules under section 5, under the title 'Mineral Concession Rules, 1949' were subsequently framed and enforced on October 25, 1949. Among these rules that are relevant for throwing some light on the provisions of the present Bill are rules 35, 40 and 41(1)(i). These rules respectively lay down that:

"(a) No lessee by himself or with any person joint in interest with him shall hold in the

[Sardar Swaran Singh]

aggregate more than 10 square miles under leases in respect of one mineral within the State.

- (b) The period for which a mining lease can be granted for coal is prescribed as 30 years. The lease will be renewable at the option of the lessee for one or two periods, each not exceeding the duration of the original lease.
- (c) The lessee is required to pay royalty on minerals from the leased areas at the rate specified in the schedule. This rate in the case of coal is 5 per cent of F.O.R. price, subject to a minimum of 8 annas per ton."

The Mineral Concession Rules did not apply as such to leases granted prior to the date of their commencement, i.e., October 25, 1949. The restrictions regarding areas or period of release and rate of royalty mentioned above could thus apply only to leases taken out after the enforcement of these rules.

Subsequently Government took up the question of making rules under section 7 of the Act for the purpose of modifying the pre-1949 leases to bring them into conformity with the new rules. It was, however, felt that the time was not opportune to frame rules for modification of the terms and conditions of pre-1949 leases for coal. The reason for this view was that coal was the basic fuel for most of the industries and a sudden change in terms and conditions of leases just for the sake of uniformity in regard to the areas, periods or rates of royalty, might have an unsettling effect on the industry at a crucial time when the need was to step up production to help in the attainment of the second Five Year Plan. Therefore, while certain rules were framed under section 7 for other minerals, coal was excluded from its purview

and, in the meantime, the State Governments were requested to communicate to the Government of India their own views on the subject.

Shri Panigrahl (Puri): Did they communicate their views?

Sardar Swaran Singh: Yes; they communicated their views.

Now, I come to the effect of the new Act. By the new Act, I mean the parent Act which is now sought to be amended by its amending Bill. With regard to the question of royalty, section 9(1) of the Act makes it obligatory even for the holders of mining leases granted before the commencement of this Act to pay royalty at the rate specified in the second Schedule. This is really contrary to the intention of the Act of 1948 where section 7 was only an enabling provision under which the Central Government, could, at its discretion, frame rules to modify royalty rates of the pre-1949 leases to bring them into line with what was prescribed under the Mineral Concession Rules.

So far as the other important question of the terms and conditions regarding areas and periods of leases is concerned, section 16(1) is a mandatory provision requiring the above-mentioned terms to be brought into conformity with the provisions of the Act as soon as possible as against what was a mere enabling provision under the Act of 1948, where such modifications could be effected only at the discretion of the Central Government. Undoubtedly, the proviso to section 16(1) gives the Central Government power to relax the provision in regard to the areas and periods in individual cases. But it would, perhaps be straining this provision too far to invoke it in respect of all the numerous pre-1949 leases, and to treat this action as being expedient in the interest of mineral development. At any rate, it was considered necessary that the position should be fully explained to the Parliament and instead of invoking rather exceptional

powers under section 16(1), it would be better if a straightforward amendment is brought, so that the intention is made clear.

The present amending Bill makes alterations in regard to both these points, namely, with regard to royalty and also the mandatory nature of the provisions of section 16, so that, if this legislative measure which is now before the House is accepted, the position might become more elastic. The facts of the situation also are such that an automatic application of the relevant provisions of the parent Act will create hardships not only for the industry, but also for the consumer. The risk is that at a time when our intention is that the coal production must be pushed up, the Act without amendment might create conditions where instead of stepping up production, difficulties might arise.

I have no hesitation in mentioning another aspect of the case to the House. The House is fully aware that the question of the fixation of coal prices is engaging the attention of the Government and Government have constituted a Price Fixation Committee. They have done a good deal of work and statements with regard to accounts, cost etc. have been obtained from a number of collieries and their report is expected within a couple of months.

So far as the question of royalty is concerned, the view that has been put forward by the industry is that by pushing up the rates of royalties the prices will be affected. The price of coal being controlled, we cannot easily ignore these factors which go into the price structure. I need not go into the question as to whether the pushing up of royalty should automatically be reflected in the price structure. Without accepting the proposition in a general way that any increase of royalty will necessarily have to be compensated by an increase in price, the fact, however, does remain

that we cannot ignore the factors which have to appear on the cost side and some notice will have to be taken. It is quite another thing that we do not take just an arithmetical view. All the same, we have always to examine whether there is cushion enough to absorb any increase in royalty, and the quantum of increase that is likely to take place in an automatic manner. If the present amending Bill is not accepted, then the danger is that the pushing up of royalty is likely to be reflected in the price structure and that will set into an upward tendency in the general price structure with regard to other articles which are produced by other industries, because coal being a basic fuel any pushing up of its price will have the effect of pushing up the price of cement, steel and a number of other industries.

We have done some calculations which, we must confess, are not very accurate. According to our estimate of royalty on the existing production in the coal-bearing areas, the average works out to Rs. 0.28 per ton or roughly 4½ annas per ton. Even the minimum of 50 nP prescribed under the Act, therefore, represents an increase of very nearly cent per cent over this average.

Shri Panigrahi: It varies from one anna to four annas.

Sardar Swaran Singh: My hon. friend is quite right when he points out that it ranges from 5½ to 13 or 14 annas. Therefore, this average is itself deceptive. In certain cases, the royalty increase will be 500, maybe even 1,000 per cent. It looks ridiculous. But these are the facts of the situation. The incidence would be even greater if the calculation is on the basis of 5 per cent FOR price. It is felt on a very careful analysis of the situation that an increase of this order is bound to disturb the economy of the coal industry and might retard production.

In the same way, the mandatory provision of section 16 should be

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amended by a mere enabling clause under which Government may frame a separate set of rules in their discretion to provide for modification or alteration of the terms and conditions of leases granted before the 25th October, 1949 to the extent considered necessary to bring them into conformity with all or any of the provisions of this Act. Therefore, with this background, the House will appreciate that there is no basic change in the principles involved. The intention is that we should be able to do it in a phased manner so that there is no violent upsetting in the economy of the general price structure.

I may mention that Government's ultimate objective is to bring about uniformity in the terms and conditions of the pre-1949 leases. Therefore, there is no question really of going back upon the general discussion which had been taken by Parliament also. But it has to be remembered that this has to be achieved only by gradual stages, and not with any suddenness, which will result from the Act of 1957 in its unamended form.

Again, consideration is also given to the views of the State Governments, which have expressed themselves in favour of increase in royalty rates. Government, therefore, have the intention, soon after this amending Bill becomes law, to take up the question of revising the rates of royalties suitably by means of suitable notifications under the Act.

Shri Panigrahi: Then why bring this amending Bill? Why can't this be done when you consider the question of royalty?

Sardar Swaran Singh: Because, if this amending Bill is not approved, then I have not got the authority to vary the rates. That situation emerges automatically because of the operation of this Act. That is precisely the point. And if I have not been able to convince the hon. Member on

this particular point, I have to admit that I have failed in my duty. That is really the object of coming forward with the amending Bill. Because, so far as the unamended Act is concerned, there is practically no discretion.

I may add that in determining the quantum of increase, the factors that would be taken into consideration are that the increase over the existing royalties are such that they can be absorbed within the price structure of coal, whatever it may be. These are the broad principles that I have attempted to enunciate and I hope that with this statement amplifying the position, the House will be good enough to take into consideration the amending Bill.

Shri Supakar (Sambalpur): Before the discussion starts, may I seek a clarification regarding the opinions of the States concerned about this particular amendment?

Sardar Swaran Singh: This particular amendment has not been sent to the State Governments. The general question of revision of royalties and the like, that has been a subject of communication between the Central Government and the State Governments and the views of all State Governments are known as to their approach to royalties. There is no difference with regard to the broad approach between the State Governments and the Central Government about the royalties and the like.

Mr. Deputy-Speaker: Motion moved:

"That the Bill to amend the Mines and Minerals (Regulation and Development) Act, 1957, for the purpose of exempting mining leases granted before the 25th day of October, 1949, in respect of coal from certain provisions of that Act in view of the importance of such leases in the context of coal production generally, be taken into consideration."

Shri Panigrahi: Mr. Deputy-Speaker, Sir, when I was listening to the speech of the hon. Minister, I was thinking that the spokesman of the coal mining interests is really pleading the case of coal mine owners. I have read the speech of the President of the Indian Mining Association and almost all the arguments advanced by the President of the Indian Mining Association have been repeated here in defence of this amendment.

As the source of power, coal has occupied a unique position in the development and reconstruction of our country during the Second Plan period and during the successive Plan periods. It is natural that coal has been included in the hard core of the Second Plan. The country had no such clear-cut and well-defined policy in respect of coal prior to 1947. Recently after the First Plan and during the course of the Second Plan our country has undertaken electrification of railways. Three major steel plants are coming up. Many heavy industries are also coming up during the Second Plan period and in successive Plan periods. So, coal as a fuel will be required in huge quantities to meet our fuel needs.

One of the major tasks facing the coal industry today in view of this fact is to meet the growing fuel requirements of an industrially expanding economy taking due care to see that the limited supply of metallurgical coal, i.e., first-class coal, is not wasted. All measures taken by the Government from time to time in this respect should be viewed in this larger context of things.

The question, therefore, is whether during the last ten years our Government or the Government of India has been able to formulate an integrated national coal policy for conservation and better utilisation and exploitation of the coal resources of the country. The present amending Bill suggests otherwise. Even if the question of

nationalisation of coal industry has been postponed to a later date, may be for an indefinite period, still the measures that were undertaken by the Government during the past years were really something re-assuring. But the amendment which the hon. Minister wants to move suggests a reverse trend in the policy that the Government followed in the past. A very vital question of coal policy has been touched by the present amendment to the Act of 1957. The object of the present amendment, as mentioned by the hon. Minister and in the Statement of Objects and Reasons is to exempt mining leases for coal granted before the 25th October, 1949, from the operation of sub-section 1 of section 9 and sub-section 1 of section 16 of the Act of 1957, i.e., mining leases given prior to 1949 will be exempted from the proposed enhanced rate of royalty.

Secondly, other terms and conditions attached to mining leases before 1949 is not subject to any modification under the provisions of this Act. 80% of the total production of coal in the country is attributable to the mining leases given before 1949 and this amending Bill wants to exempt all the pre-1949 leases. It does not want to touch the terms and conditions of leases given before 1949. So, 80% of the coal interests are going to be exempted from the provisions of the Act of 1957.

As there was no unleased coal-bearing area in the country when the Government decided that the public sector should come into the picture, this House enacted a legislation giving power to the Government that coal-bearing areas now with existing lease-holders can be availed of by the Government so that the public sector can function well. It was also decided that all areas lying surplus with existing units in the private sector will be taken over by the Centre leaving a maximum of not exceeding ten square miles and the period of lease was limited to 30 years. But accord-

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ing to the present amendment, the terms and conditions of lease with regard to coal-bearing areas will not be subject to any modifications which are pre-1949. This is, I say a completely new element and a new trend which finds place in the declared policy of the Government in respect of coal so far. Why is it that the Government has come forward with this new amendment? They say that in order to help the private sector and to increase coal production this amendment has been brought. Did the production of coal, I ask, suffer in the private sector because of the Act of 1957? Never. The private sector has increased its production and the private sector is taking the credit . . .

Sardar Swaran Singh: I had no intention of interrupting him but I wish to say that the Act has not been enforced. No action has been taken under that Act.

Shri Panigrahi: We passed that Act and we have not even been able to enforce that Act. But we have come forward with another amending Bill. That is what I am pointing out. We have no coal policy. We have not devised any integrated policy so far as the development and exploitation of coal is concerned. That is the confusion that is manifest in this amending Bill.

Sardar Swaran Singh: My point is how production could be affected when the Act was not enforced.

Shri Panigrahi: There is no question of production being affected. I am telling you—I am quoting the coal interests themselves. . . .

Mr. Deputy-Speaker: The hon. Member has argued that the present Act has not impeded the production of coal. When it has not been enforced, how can it impede production?

Shri Panigrahi: I submit . . .

Shri Supakar: How did the Government say that it will impede?

Sardar Swaran Singh: That you are entitled to ask.

Shri Panigrahi: When the Act itself was not given a trial, how did the Government come to know that it would affect production? That is the point I am trying to drive at. But, what has the Coal Board to say? The Coal Board has said in this report, I quote:

"The causes for the production being less than the ceiling are inherent in the mining conditions of many of the collieries itself."

So, the Act of 1957 because of the provision of enhanced royalty which was there, was not going to affect the coal production in this country. Large areas of coal-bearing lands had been leased more with the object of receiving as much as possible from the leaseholders than with a view to the economic working of the industry itself. In some cases, the period of lease, as the hon. Minister has said, extends to 99 years in the case of long lease and in the case of perpetual lease, it extends up to a period of 999 years. The report of the committee on the working of the Government of India Railway Collieries has also given figures and I can only cite the cases of two or three collieries. In the case of Bokaro colliery, the lease was for 99 years and is current till the 15th November, 2,921 A.D. Royalty on steam coal is four annas per ton and on dust coal is two annas per ton. In the case of Suang colliery, the period of lease will expire on the 3rd May, 2,922 A.D. There are so many collieries whose terms of lease will expire, I think, when atomic energy will be in full use in this country. Some extend up to 2,940 A.D. Majority of the collieries, which were going to be exempted by this amending Bill, work with small capital and outdated machinery. We are still in the days of pick and shovel so far as coal mining is concerned. We are more dependent on manual process in operating the mines in almost all these small collieries in Bihar and Bengal. In these

mines the owners in the past tried to clear as much coal as was easily accessible and could be got at a cheap cost. These coal mine owners, who have worked their mines during the last half a century or 50 years or during the last 38 years from 1920, have really exhausted the resources of coal as much as possible and they have benefited as much as possible without looking to the interests of the nation, or society or the country as a whole.

We can just look at the ownership of these collieries. What is the nature of the ownership of a vast number of these coal mines? Many of them are owned by managing agents, controlled by powerful British interests. Some owners are pure and simple financiers. Some owners utilise the services of raising contractors for operating the mines. There are others who are principally merchants in coal and because they have got the distributing organisation, they have thought it profitable to own some units of production in the coal bearing areas. There are other traders who supply foodgrains in the coal field areas and in course of time they have thought it profitable to be the owners of small mines in the coal bearing areas of Bihar and Bengal. It is also a fact that a number of small collieries in different areas of Jharia and in the contiguous areas, belong to the same group of people who have given different names under different companies and the same group of persons are operating the collieries. They have found it more profitable to operate and own small collieries instead of undertaking large-scale mining enterprises. There are even small owners of mines called wagon mines because the production is just sufficient to load a wagon. There are a number of what may be called family mines, owned by individual families and they control small coal mines in these areas. In many others, ownership has passed simply to the hands of those whose interests lie in other things than coal. This is the nature of the ownership of the coal mines. So, we want to exempt 80 per cent. of these companies

from the scope of the provisions of the Act of 1957 so that they can earn more profit and we are going to compensate them. During the last 50 years, they have not been able to get profits so that the Government of India are thinking of enabling them—this was an enabling clause; that is what the hon. Minister has stated—to get more profits as if they are due to them.

The Government of India appointed the Colliery Amalgamation Committee. What have they suggested? They went into the question and they visited the coal mines, small, medium and major in these coal mining areas of Bihar and Bengal. What is their report? They have submitted,—I quote—

"Several of the small mines are anachronisms in times when coal mining is a process of skilful and scientific winning of coal without waste or risk."

The Committee has suggested:

"If the industry is to play its part, it should be reorganised in the immediate future. Such reorganisation is not possible if so many small units of production are allowed to continue. They have to be brought under unified control by amalgamating, reorganising and modernising them, so that the existing resources can be fully exploited."

This is what the Committee which was appointed by the Government to enquire into the conditions of the coal mines in Bihar and Bengal says. So, if production really suffers, it suffers because of the working conditions of the mines, and because of the failure of the mine owners to maintain and repair the machines that they use in these mines. The action for increasing production does not lie in protecting these collieries which are described as anachronisms. If they are to be pre-

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served not as efficient production units but as relics of the past, better leave them to the department of Archaeology. They know how to spend money and get the things of the past destroyed gradually. This can be left to them, not to the Ministry of Steel, Mines and Fuel which is a very important Ministry so far as the fuel resources of the country are concerned and our planning is concerned. Attempts should be made to remove the basic causes which really stand in the way of increasing production in coal.

Most of the leases prior to 1949 have been given by Zamindars, as the hon. Minister pointed out, on receipt of a ralami lump sum payment at one time for periods of 99 years in some cases and in some cases for periods of one year less than 1000 years. What is the present average rate of royalty? It comes to—as pointed out by the hon. Minister, it is no use working out the averages, but the Government has worked out the average—six annas per ton. I was interrupting the hon. Minister when he was moving for consideration of the Bill. I would like to point out that the royalty rate in some cases is 1 anna per ton. From anna, it rises to $1\frac{1}{2}$ annas, 3 annas, 4 annas, $4\frac{1}{2}$ annas and 6 annas, 7 annas and 12 annas per ton. Even in the years 1942 to 1945, the rate was as low as 1 anna and $1\frac{1}{2}$ annas. In some cases, the royalty paid in 1945 came to a little more than 2 price per ton of coal despatched. We want that these mine owners should pay 2 pies so that the country can proceed with the execution of the Plan. In Talcher, there is the Villiers colliery which pays 15 Naya paisa on steam coal and 25 Naya paisa on slack coal. It does not want to pay Rs. 6 lakhs of royalty which is due to the State Government. Even at the rates of 40 and 25 nP. that company is not paying. Still we want to give them more margin so that they can earn more profits.

In view of these facts, what is necessary is that Government should think seriously on the question of purchase of royalty rights. I suggest that after enacting so many legislations in the past, the Government should come forward with a Bill for purchasing the royalty rights because the royalty rights now belong to numerous owners of surface lands. In order to make the rates of royalty uniform, the Government should have tried to purchase the royalty rights. After purchasing the rights of royalty, attempts should have been made to unify and consolidate the various rates and cesses now paid by the industry, reducing thereby the complexity and expenditure incurred on their collection. If they really want to help the small mine owners, this would have helped them more and this would have helped the country more. Here, at the cost of the country the Government wants to help the mine owners. Such a step would have been really welcome.

It has been calculated that the annual return in the shape of royalty from the coal-bearing areas comes to its. 67,50,000. Even if the Government should have purchased the rights of royalty by capitalising 20 times the present rate of royalty or by spending Rs. 13 crores, Government should have gone one step ahead in the process of nationalisation. Government would have been able to get Rs. 67,50,000 annually on account of royalty from the coal-bearing areas alone.

I invite attention to the speech made by the President of the Indian Mining Association. I need not quote him because the very speech was reported here by the hon. Minister. According to the President of the Association, fixation of the basis of royalty is circumstantial, and the basis of profit is perpetual. His argument is this:

"If the rate of production increases, a larger total amount of royalty is paid irrespective of whether profits increase or fall. If the rate of royalty is increased by statute without any increase in the value or the quantity of the mineral resources available to the lessee, it amounts to an arbitrary imposition."

So far as royalty is concerned, it amounts to an arbitrary imposition, but so far as profits are concerned, it never amounts to an arbitrary acquisition. The coal-mining interests can take as much profit as possible from the year 1920, that is not arbitrary, but if the rate of royalty is increased and it goes to the State revenue so that they can develop the State, then the coal interests come and object that it is an arbitrary imposition. And here the Government wants to support the very things which the President of the Association has advanced.

I may just say that this is only an aspect of the acquisitive economy, and even if the hon. Minister wants to satisfy this tendency of the acquisitive economy on the part of the coal mine owners, there will be no end to it. At no point can you satisfy them. Once we concede this position that they should be exempted from the increased rate of royalty, the next day they will come forward and ask that the price of coal be increased. I am sorry the hon. Minister has also given sufficient hint that they are considering this thing and prices of coal may be revised. Really, if it goes up, it will be something difficult.

The coal interests have acquired profits for a long period of 38 to 50 years. What was the average price of coal in 1920? It was Rs. 5-8-0 per ton. In 1943 it was Rs. 11-7-0; in 1958 it was Rs. 32. Again, it varies from State to State. The price of coal in West Bengal in 1953 was Rs. 23.13; in Assam Rs. 37.99; in Madras Rs. 46.54. Since 1920 the rate of royalty has been the same, but the price of coal has been varying in the

different States because the Government of India have been considering the difficulties of the industry also. So, the coal interests cannot complain that they are being neglected. They are not being neglected. After independence the Government of India has tried to really formulate a policy and the coal interests are being given help.

The coal interests are saying that they are not getting profits. Let me cite the profits in respect of the coal industry. Taking 1939 as the base year, the wholesale index of their profit was 82.6 in 1941. And what was it in 1955? It was 342. To what extent do they want profit? They say the profit index should rise still higher and that is why they have come forward with the demand to increase the price of coal.

So far as the joint stock companies are concerned, they have submitted their returns to the Government, and I was looking into their returns. What was their profit index? In 1952 the index of profit of the joint stock companies, so far as coal is concerned, was 95.6 and in 1954 it was 153. So, they are getting profit. They cannot say they are not getting profit.

I may also just quote what the Production Minister, Shri K. C. Reddy, said in Calcutta at a press conference in April, 1957, for meeting the arguments of the coal interests. He said: "The industry must have a fair return on the capital invested. The information that has been available to the Government indicates that the industry by and large had a fair return on the capital invested." The industry had a fair return on the capital invested in 1957, and in 1958 the industry complains that they are not getting profits, and now the hon. Minister wants to come to their defence.

Last year when the Mines and Minerals (Regulation and Development) Bill was moved, the hon. Minister, Shri K. D. Malaviya also said as follows so far as royalties are concerned:

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"These rates were fixed as a result of certain agreements between the State Governments and the parties concerned, and the rates wholly inconsistent with the growing, expanding value of the minerals and it was felt that a certain change was desirable."

This change was desirable in 1957, but this change becomes undesirable in 1958. If we go on changing, to what length will we go and to what length can we go to save the interests and concede the demands of the coal interests I do not know.

I would like to cite a few problems that really face the coal industry, which the Government of India has also tried to meet. What are the real difficulties that face the coal industry today? So far as their target of production is concerned, it has been fixed at 60 million tons for the Second Plan period. The contemplated increased production of 22 million tons has been divided between the public and private sectors. The public sector has been allotted 12 million and the private sector ten million tons. But what are the real difficulties that face the coal industry? The difficulties are: insufficient supply of iron and cement requirements; difficulty in getting sufficient number of wagons for despatch of coal from the pitheads; inadequacy of siding facilities; inadequate supply of sand for stowing (stowing is an important feature for increased production in coal mines today); and difficulty in getting the required coal-mining equipment for improving the working methods of the collieries. These are the difficulties.

So far as the question of wagon supply is concerned, the Government of India has drawn up a programme yearwise. They have said that wagons would be supplied as follows: 1957-58 4,880 wagons; 1958-59 6,159 wagons; 1959-60 6,481 wagons; 1960-61 6,804 wagons. But the average loading in 1956 amounted to 4,250 wagons, and it is really a matter for gratitude that the Government of India was able to

supply 200 wagons more than the previous year. But in 1957 September the coal stocks that remained in all the colliery pitheads after despatch was 2,75,000 tons. So, will the Government be able to meet the increased requirements of wagons for despatch of coal from the pitheads? That is a serious matter to be considered. Government have also helped to a great extent these small mine-owners. I need not refer to these things, because the Minister may refer to them. But I would like to mention one or two points. So far as stowing is concerned, Government have advanced a vast amount of money to the mine-owners. And Government are prepared to help them if they want to undertake the work of stowing; more and more. As regards wagon supply, attempts are being made to provide them with more wagons, and I hope Government will really meet the wagon demand, so far as the coal interests are concerned. Some amount of assistance to cover depreciation on stowing pipes is also being considered by Government and Government are prepared to render some amount of help to the mine-owners in that respect also. There are also other helps which Government have extended. What else do the coal miners want? They only want that they should have more profits.

So, I would say that it is time for us to see that Government, instead of having such a piece-meal legislation, formulate their coal policy, which must be an integrated national coal policy. If Government are not able to fulfil the quota of 12 million tons for the public sector by 1960-61, then let Government come forward and say that they are not in a position to fulfil the quota given to the public sector. If the private sector is ready to fulfil the quota of 12 million tons and it readily agrees to this, there is no necessity of giving them more facilities by giving them exemption from the provisions of the Act of 1957.

If the public sector is really not able to provide finance to the tune of Rs. 60 crores, which is needed for producing 12 million tons of coal, then Government can say to the private sector that they want to give it more quota for production. So, that is the problem which faces the country today. It is not a problem of giving them some concession here or some concession there. The interests of the country are not going to be served in that way; in that way, we are not going to fulfil the targets of production that Government have fixed and that the country has fixed for achievement by 1960-61, to meet the growing fuel requirements of an industrially expanding economy.

Shri Supakar: After going through the Statement of Objects and Reasons of this Bill . . .

Shri Braj Raj Singh (Ferozabad): May I point out that there is no quorum in the House?

Mr. Deputy-Speaker: The bell is being rung.

Now, there is quorum. The hon. Member, Shri Supakar, may continue.

Shri Supakar: After going through the Statement of Objects and Reasons of the Bill, I had grave doubts about the justification for bringing forward a measure of this nature before this House. The statement by the Minister just a few minutes ago has only made those doubts a little graver, because I submit that the reasons that have been put forward by the Minister will not bear scrutiny even for a moment.

It is a well known fact that if today we say that we do not impose any royalty in the case of coal; then, there can be no doubt that there is every possibility of the production going up. But is that any justification whatsoever for making a discrimination between royalty in the case of

those mines where leases were granted before 1949, and that in the case of those where leases were granted after 1949? Can that be a reason why there should be discrimination between leases in coal mines and those in the case of other mines?

The real question is not what percentage of increase the present imposition of a uniform rate of royalty will involve in the case of those leases which were granted in the days of the golden age, when for a mere song the zamindars or the big land-owners granted leases for a term of 99 or 999 years; the real question is this, and that is, a justifiable yard-stick for an equitable rate of royalty what would be the percentage of the proposed royalty to the present coal price that is prevailing, and if we are to be more equitable then we have also to take into consideration what additional advantages have been derived by the coal mine owners who have been in enjoyment of their business profits with a very small amount of royalty. It is a known fact that the legislation in these cases of royalty vests with the Central Government, and the Central Government fixes the royalty. But it is also a known fact that the beneficiaries are the State Governments who are always clamouring that the rates of royalty that have been fixed are not adequate and are not sufficient for carrying on the development projects in those States which are fortunate enough to have these mines.

So, the argument that a variation of the rule and an exception in the case of coal mines where leases were granted before 1949 would stimulate production of coal, which is an essential fuel in our country's economy, does not appeal to me at all.

What surprises me more is the justification that is given in the Statement of Objects and Reasons. The very first paragraph of the Statement of Objects and Reasons reads:

[Shri Supakar]

"In view of its importance as a basic fuel and the position it occupies in the country's economy, coal has always been treated differently from other minerals. It is in recognition of this that no rules have been framed so far under section 7 of the Mines and Minerals (Regulation and Development) Act, 1948, in regard to modification of the terms and conditions of mining leases for coal granted before the commencement of that Act, though other minerals have been covered."

I fail to understand the second sentence. If the Mines and Minerals (Regulation and Development) Act was passed in 1948, why were no rules framed till 1957? Why did not Government make up their mind as to the proper treatment which should be meted out to the mine-owners of the coal industry till 1957? After the passing of the Act in 1948, they took 7 years to think and judge about the condition of the coal industry in our country, and having taken into consideration all these factors, in the year 1957 a new Act was passed, namely, Act No. 67 of 1957, where it was stated that a uniform system of royalty should be introduced. But within a few months we find an amendment which seeks, I would submit, against propriety, if not against constitutional directions, to make a distinction between the cases of coal mines leased out before 1949 and after 1949. Government have not given any figures regarding the royalties. If they had furnished the necessary figures, it would perhaps be very clear that the royalties imposed on leases rented after 1949 must be higher than those imposed on leases granted perhaps a century ago. So is there any justification why we should impose a heavier royalty in the case of recent leases where perhaps the royalty is higher and let those persons who are enjoying the benefit perhaps through a century or more continue

to derive that benefit for years to come? That, I think, is sheer injustice.

We have not got any facts or figures to show how the mine-owners would be affected, what would be the percentage of the royalty that they are paying compared to the price that is prevailing in the country and how far the viewpoint of the States concerned, namely, West Bengal and Bihar and other States where coal is produced to some extent, like Orissa, justifies this large-scale concession, in the case of people who are enjoying large benefits.

It has been urged by the coal mine owners, as has been pointed out by my hon. friend, Shri Panigrahi, who was arguing about this matter, that if the royalty is as proposed in the Act of 1957, the Act as it is, and the production goes up and consequently the price goes down, their profit will be less, because the royalty is at a certain percentage of the pithead value of the coal produced. I would submit that that is no argument whatsoever so long as the selling price is at a reasonable rate. And when we find that compared with other mining and other business they are getting a reasonable profit, there is no reason why they should grudge the States concerned a reasonable return in the shape of royalty which helps the States in executing their development programmes. This is one of the important sources the States concerned utilise in their march towards development under the Second and subsequent Five Year Plans, and we should not deprive the States of this income which they are getting and which they hope to get under the provisions of Act No. 67 of 1957.

An equally surprising fact that was revealed by the hon. Minister was that though the Mines and Minerals (Regulation and Development) Act of

1957 was passed long ago, they have not taken any steps to get the Act enforced. Having regard to the need of the States and the Centre for money for development, from these mines, and the fact, as was pointed out by my hon. friend, Shri Panigrahi, that though the rate of royalty is very low many of the mine owners are chronic defaulters in payment of royalties, if in spite of all that it is now argued that the industry should be given concession to restore the *status quo ante*, that is to say, as little royalty as they used to pay about a century ago when the price of coal was perhaps a very small fraction of the prices ruling today, I do not see any justification for this Bill. I request the hon. Minister to drop this Bill, until and unless the States themselves argue in favour of these coal-miners and until and unless the States themselves are convinced that unless the rate of royalty is kept at a very low rate, the coal industry cannot develop and the fuel resources of our country will not develop. So it is the States themselves that must first of all be consulted and their opinion placed before this House before we can conscientiously agree to vote for this measure.

श्री बज्रराजसिंह : उपाध्यक्ष मण्डलीय. इस बिल के उद्देश्य को पढ़ने से यह पता लगता है कि यह बिल इसलिये पेश किया जा रहा है कि जो पुराना बिल मन् १९५७ में लाया गया था उससे कायले के विकास और उत्पादन में कुछ बाधाएं आ सकती हैं। मैं निवेदन करना चाहता हूँ कि जब वह एकट अभी तक लागू नहीं हुआ, उस पर अमल नहीं किया गया, तो कौन सी बाधाएं आ सकती हैं, इस सम्बन्ध में सरकार के पास कोई आंकड़े नहीं हैं, और पता नहीं लगता है कि कौन से ऐसे कारण हैं जिनका वह कानून बनाने समय सरकार को पता नहीं था और जिनका आज पता लगा है। अगर कोई कारण हैं

भी, तो अच्छा यह होता कि पहले सरकार उस कानून को लागू करती, उस पर अमल करती, और उसके बाद कोई दिक्कतें आती, जिनकी बजह से कोयले के उत्पादन में कमी होती, तब इस बिल को लाती। तभी इस बिल को लाने की आवश्यकता हो सकती थी। लेकिन अफसोस के माय कहा पड़ता है कि जो बात कुछ महीने पहले नहीं मालूम थी, वह आज मालूम होती है और एक बिल ऐसा लाया जाना है कि जिसमें कहा जाता है कि २५ अक्टूबर, मन् १९६६ से पहले के जितने इस तरह के ठेके थे उनको छोड़ दिया जाय इस रायलटी के देने से। आखिर आज उन्हें छोड़ने की कौन सी ज़रूरत पड़ गई है? आवश्यक यह था कि इस तरह के ठेकों का राष्ट्रीयकरण कर दिया जाना और राष्ट्रीयकरण करके जिम कायले का इंवेन के नीर पर बढ़त ही महत्व है, उसे देश के विकास के काम में लाया जाता। एक तरफ तो हमारी नीति यह है कि जमीदारी खत्म की जाय, हम जमीदारी का खत्म भी कर चुके हैं, जो कि एक बहुत ही आवश्यक काम था, लेकिन जिन जमीदारों ने अपनी जमीदारी के ठेके दे दिये थे, और काफी समय के लिये वे हैं, ऐसे समय के लिये हैं, जिसका हम अनुमान नहीं कर सकते कि उस वक्त व्या स्थिति होंगी, १९६६ साल तक के ठेके, उनको ग्रब हम चाहते हैं कि चलने दें। उनका आज जो मुनाफा है उतना ही मुनाफा बना रहे और सरकार को उसमें से कुछ भी नेने का हक न रहे। मैं निवेदन करना चाहता हूँ कि यह कोई स्पष्ट नीति नहीं है। एक तरफ तो हमने जमीदारी खत्म करके अच्छा काम किया, लेकिन उन जमीदारों ने एक दूसरे तरह के नोंगों को ठेके दे कर जा जमीदारी कायम की थी, उसकी तरफ हम ध्यान नहीं देते। इसके लिये आवश्यकता थी कि उनके मुनाफे कम किये जाते। लेकिन उनको कम करने की बात दूर रही, हम उनको चालू रखना चाहते हैं। एक कानून बनाया गया, जिसके जरिये हम उनके मुनाफे को

[श्री बंजराज मिह]

कुछ योड़ा सा ले सकते थे, लेकिन आज दूसरा कानून बनाया जा रहा है और कहा जा रहा है कि जो रायल्टी लेने की व्यवस्था की गई है वह न ली जाये क्योंकि उससे इस तरह का खतरा हो सकता है कि कोयले का उत्पादन कम हो जाये। मेरे कहने के उत्पादन में कभी होने का खतरा हो सकता है तो कारण बताया जाये कि किस तरह से हो सकता है। जब तक उस बिल पर अमल नहीं किया जाता तब तक कोई कारण नहीं बताया जा सकता और इसलिये बिना उस पर अमल किये हुए इस बिल को लाना आवश्यक नहीं है। इसलिये इस बिल का लाना अनुचित है और सरकार को चाहिये कि वह इस बिल को वापस ले ले।

दूसरी बात में यह निवेदन करना चाहता हूँ कि जिन सूबों में यह कोल फील्ड्स हैं, कोयले के धोत्र हैं, जहां पर यह ठेके हैं, उन सूबों की सरकारों से कोई भी राय न ली जाये और यहां पर ही बैठ कर जो कानून दनाया गया था उसको अमेंट कर दिया जाये, उसमें संशोधन कर दिया जाय, जिससे उन सूबों पर असर पड़ता हो, तो यह भी अनुचित सी बोल है। अगर उस कानून को लगाने से सरकार को खतरा था कि कोयले का उत्पादन कम हो जायेगा, जो कि पंचवर्षीय योजना की सफलता के लिये बहुत आवश्यक है, तो उन सरकारों से भी राय से ली जानी चाहिये थी। लेकिन बात कुछ ऐसी नहीं है। उनसे कोई राय नहीं ली गई है। आज प्राइवेट सेक्टर के बारे में कहा जाता है कि हम बहुत ज्यादा बढ़ावा तो नहीं देना चाहते, लेकिन चूंकि हमारी मिक्स्ड एक्सानामी है, मिशित ग्रार्थ व्यवस्था है, इसलिये हम पब्लिक सेक्टर को भी बढ़ावा देंगे और उसके साथ ही साथ योड़ा प्राइवेट सेक्टर को भी। इस से होता यह है कि यहां पर प्राइवेट सेक्टर को बढ़ाने के लिये, उसका

उत्थान करन के लिये इस तरह के बिलों को लाने की ज़रूरत होती है। इस तरह से यह देखा जायेगा कि जिन लोगों को यह ठेके दिये गये हैं जिन्होंने पहले भी बहुत काफी फायदा उठाया है, वह और भी मुनाफा उठायेंगे। अभी लोक-जनभा की जो कमेटी बैठी थी उसकी यह ट्रिपोर्ट थी कि यह लोग बहुत बड़ा मुनाफा कमा चुके हैं, लेकिन इसके बावजूद भी आज यह ज़रूरत होती है कि उनसे जो रुपया हमें मिल सकता था उसे छोड़ दें, इस नाम पर कि हम कोयले का विकास करना चाहते हैं और इस तरह के कानून से उसका उत्पादन कम हो सकता है। आज इस तरह का कोई भी खतरा नहीं है। असल बात यह है कि कुछ लोगों के जो हित हैं, उन हितों की ओर सुरक्षा देने के लिये सरकार उनके हाथों में खेलना चाहती है हालांकि सरकार का काम यह है कि अगर किसी प्राइवेट इंडस्ट्री के लोग मूल्क के विकास में कोई रुकावट ढालें तो उनको वह दूर कर दे। इसलिये इस समय इस बतरे से कि इस कानून से कोयले के उत्पादन में कभी ही जायेगी, इस तरह का बिल लाना में समझता हूँ अनुचित बात है। प्राइवेट इंडस्ट्री के लोगों के जो मुनाफे बढ़ रहे हैं उनको कम किया जाना चाहिये और उसका योटा सा तरीका यह था कि उस कानून में ही इस तरह का परिवर्तन कर दिया जाता। मैं समझता हूँ कि यह कदम अब उठाया जाना चाहिये। जब तक पुराने कानून पर अमल नहीं किया गया तब तक इस कानून को लाने की कोई ज़रूरत नहीं है। इसलिये यह जो बिल लाया गया है, इसको छोड़ दिया जाये, इसे पास न कराया जाये और इस बीच में यह कार्यवाही हो कि हम उन सरकारों की राय लें जिन पर इसका प्रभाव पड़ता है, जिन सूबों के धोत्र में यह कोयले का उत्थान आता है, जास तौर से बंगाल, बिहार, और उड़ीसा की सरकारों से और इसके साथ ही

साथ भव्य हो कि हमारे मूलक के लोग भी इसको देखें कि हम इस तरह की बात कर रहे हैं जिससे संभव है, कम से कम खतरा है, कि उत्पादन कम हो। कोई निश्चित बात नहीं है और आंकड़े प्रस्तुत नहीं किये गये हैं क्योंकि वे प्रस्तुत नहीं किये जा सकते जब तक हम पुराने कानून पर अमल न करे। हमको मूलक के सामने इस बीज को रखना चाहिये, जो लोग इसके विशेषज्ञ हैं, उनकी राय लेनी चाहिये कि २५ अक्टूबर, १९४६ के पहले के जो डे: हैं उन पर तायन्टी लगा देने से वास्तव बे उत्पादन कर दो। या नहीं। अगर वास्तव में उत्पादन कम होने की सम्भावना हो तो सदन के सामने हम तरह का बिल रखा जा सकता है और कहा जा सकता है कि इस पर विचार किया जाय कि उन लोगों को रायल्टी से एजेंट किया जाय या नहीं। वर्तमान परिस्थितियों में मैं कोई कारण नहीं देखता कि हम इस तरह का कानून यहां पास करें और इपनी पंचदर्शीय योजना को सफल बनाने के लिये नो रुपया हमें मिल मता है उसको न लें और मुनाफा उन लोगों के पास ही रहने दें।

इसलिये मैं निवेदन करना चाहूंगा कि इस बिल को ऐक्ट की शक्ति में नहीं पास किया जाना चाहिये। फिर भी यदि सरकार चाहती है, उसकी अपनी राय है, कि इस कानून का पास करना आवश्यक है, इस बहत नहीं तो कुछ दिन के बाद, तो मैं कहूंगा कि इस कानून को जनता की राय लेने के लिये भेज दिया जाय। उन सरकारों की राय सेने के लिये भेज दिया जाय जिन पर इसका असर पड़ता है। ऐसी सूरत में इसे आज पास करने का कोई आविष्यक नहीं है और मैं इस बिल का सहूल विरोध करता हूं।

there. In the Statement of Objects and Reasons, it is stated:

"A sudden and uniform increase of these royalties is likely to have an unsettling effect on the industry and may retard the programme of Coal production under the Second Five Year Plan."

That sentence shows that there is imminent danger for the production of coal. Secondly, there will be a failure of the programme of coal production under the Plan. Under these circumstances, I request the hon. Minister to give us the facts and figures about the leases that were given before 1949. How many leases were given? What was the production then and what is the production today? He wants to amend certain provisions of the Act which are not in force at all. The Act was passed only on 20th December, 1957 and just 4 months have passed. We learn that the provisions of that Act have not been made applicable to the leases. Even then, the Minister comes before the House and says that there is imminent danger. Therefore, we want to know what has happened to this industry within 4 months.

In the Second Schedule we find that coal is the first item. There are many items. There are nearly 13 items included in the list, and the last item covers all other minerals. That is to say, the royalty imposed by Act 67 of 1957 on coal is 5 per cent on f.o.r. price subject to the minimum of 50 n.p. per ton. That is not enforced as yet. If we are going to apply this provision, what will be the effect on those leases? We want to know whether it will automatically decrease their profits, whether it will have its effect on the capital, or whether it will have its effect on the relationship of these persons who are holding leases with the labour. Unless these figures are put before the House, only two sentences would not suffice to

[Shri Balasaheb Patil]

understand the question. Therefore, my first submission will be that the Minister may make himself bold and give us the figures.

My second point is if we see the report given by the Coal Board and the figures given by these joint stock companies—it has already been stated by my learned friend who preceded me—taking 1939 as the base and 100 as the figure for net profits only, we will find that in 1949 the figure is 287.2—that is the net profits earned by these persons holding leases—and if we see the figure for 1954 we find that it is 153, that is nearly 53 per cent more than 1939. I do not know the period for which these persons have been holding these leases. If these persons are holding the leases prior to 1949, in the hey-day of war time they must have amassed a great wealth. Is it not their duty, for the sake of the nation, for the sake of the Five Year Plan, for the sake of the socialist pattern of society in India that the Government propose to have to surrender something that they have achieved? Is this royalty of 5 per cent going to decrease their net profits of such huge amounts? Is its effect going to be a decrease in the capital? No. I do not think there will be any decrease in the capital, nor will there be any decrease in the profits that they are now earning. The only thing is that these persons are afraid that there will be some reduction in their profits, and therefore there is a hue and cry. When there is a hue and cry from the big monied men, Government is afraid. Then the Government comes before this House and says: "Look here. We have passed that Act and even though four months have not passed let us change it because there is danger from the big persons". When there is a question of labour, when there are explosions, floods and so many other things in mines, the Minister never comes

before this House to say that we must do something.

Therefore, my submission is that it was only four months ago that the Government, after taking all relevant factors into consideration, placed before us this schedule. We do not know whether it was well thought out at that time, or whether they brought this schedule without in any way thinking about its effect on the leases before and after 1949. Anyway, what has happened in these four months that the Government thinks that this will have a bad effect on the production of coal?

My submission at this stage will be, supposing this royalty instead of giving some less profits to those persons having these leases make them stop further production, are the Government ready to step in at that stage and take up the production? If the Government is not ready for that, I am afraid the Government is not sincere about its Five Year Plan so far as production of coal is concerned. I, therefore, say that this amendment is not at all justified in any way.

The third point that I wish to raise is that section 30A firstly, reduces the royalty, the income that the nation is going to get and secondly, it confers power on the Government. Sir, the supreme authority lies in this House whether to pass or negative this Bill. At the same time, the second half of this section says:

"....the Central Government, if it is satisfied that it is expedient so to do, may, by notification in the Official Gazette, direct that all or any of the said provisions (including any rules made under sections 13 and 18) shall apply etc."

There is a memorandum appended here regarding delegated legislation. There also everything that is stated

in the Statement of Objects and Reasons is repeated, and finally it is said that power is accordingly taken to apply the provisions etc. My submission is that this is not a formal delegation of power, it is a material delegation of power; because when this House is having the paramount power to legislate in a particular way it is not open to the Government to take that power and to use it at any particular time and for a particular purpose. This power is going to be used in a peculiar way. It is going to be used in favour of persons who have already got profits and who are already getting profits, who are already deceiving the nation and are not giving any bonus etc. to the labour.

Government, even without the application of this Act, is afraid of their hue and cry. Therefore, I am afraid that this power will be abused by Government if it is given at this stage. As such, this section as a whole is opposed by me and it should not be passed by this hon. House.

Sardar Swaran Singh: Mr. Deputy-Speaker, Sir, I have heard with very great care the speeches of my hon. friends opposite. I have great sympathy for some of the sentiments that have been expressed but, if I may be permitted to say so, some of the objections that have been put forward and some of the criticisms that have been levelled against the Bill are hardly relevant to the point that is before this hon. House.

General points, Sir, have been raised about what has been described as the 'coal policy'. Questions like nationalisation of the coal fields, amalgamation of collieries, the plan allocations between the public and private sectors, etc. have been referred to. With the greatest sympathy that I may have with these views, I have failed to find any connection between the provisions of the amending Bill and these points that have been placed before the hon. House.

I think that the substantive provisions of the amending Bill in relation to the parent Act, which is sought to be amended, do require reiteration, although I did attempt at the commencement of the present debate to place before this hon. House the reasons which necessitate the present amending Bill. Two sections of the parent Act are involved—section 9 and section 16. Section 9 relates to royalties. The operative part is section 9(1) which reads:

"The holder of a mining lease granted before the commencement of this Act shall, notwithstanding anything contained in the instrument of lease or in any law in force at such commencement, pay royalty in respect of any mineral removed by him from the leased area after such commencement, at the rate for the time being specified in the Second Schedule in respect of that mineral."

It has been admitted on all hands that so far as pre-1949 leases are concerned they will automatically be affected by the mandatory provisions of section 9(1). It has been very graphically stated by my hon. Friend opposite, Shri Panigrahi from Orissa, that the existing rates of royalty with regard to pre-1949 leases vary from one anna to anything up to 14 annas. I would like to amplify that and would say that it varies perhaps from zero to 13 or 14 annas. Therefore the real point is that if section 9(1) in the form in which it is incorporated in the Act of 1957 is permitted to remain, automatically the pre-1949 leases are hit by these provisions and automatically the rate of royalty is increased from, say, one anna or even zero to anything up to, say, 12 annas or 14 annas depending upon the five per cent value at the pithead. The value at the pithead is of the order of, say, between Rs. 16 and Rs. 20. Five per cent of that comes to 1/20th of the existing pithead value, and that will go anywhere upto 12 annas or even 14 annas or the like.

Shri Panigrahi: According to the hon. Minister it can go up to 5 per cent only.

Sardar Swaran Singh: Five per cent of Rs. 16 or Rs. 20 means 1/20th of the price, because five per cent is 1/20th and 1/20th of Rs. 16, Rs. 18 or Rs. 20 gives the result which is the one which I am attempting to state. It is anywhere between 12 annas and a rupee. Therefore, the increase cannot be described as insubstantial in a number of cases. The point for consideration is not that by this amending Bill any concession is being shown in the form of remission of royalties which they were already paying. It is the other way round. Many of these leases were not paying royalty and some of them were paying very insubstantial royalties. Automatically, by section 9(1), that gets pushed up to a limit without any discretion, and the increase is such that if we do not take any care with regard to its phasing, then, immediately, the impact on prices will be felt. I fail to understand why I am being accused of showing any concession to the industry. It is at all not a case of showing any concession.

The point really is whether the increase which is the ultimate policy which I have already enunciated and to which the Government is committed, namely, that progressively all these leases in the matter of royalty, in the matter of period and in the matter of areas will be more or less brought into conformity with the post-1949 leases, is achieved or not. The short question before the hon. House is whether this should be done at one step or whether it should be phased, because that is precisely what is sought to be done now by the amending Bill by the addition of another omnibus section, namely, section 30A. I fail to understand how any concession is shown or how we are adding to the profits of those companies. I honestly fail to understand that

The entire trend of the argument as presented by my hon. friends opposite appears to be based upon this fundamental assumption that the industry is paying a certain rate of royalty and that by this amending Bill, the intention is that it should be brought down and that therefore we are showing a concession. That, I am afraid, is not a correct appreciation of the import of the Bill.

Shri Panigrahi: That is not so.

Sardar Swaran Singh: I am glad that my hon. friend opposite sees the force of this contention. To borrow his expression, it is not suggested by them that we are reducing the rates of royalty which the industry at the moment is paying. All that we are doing is that it was intended that a certain higher rate of royalty should be made applicable irrespective of the date of the lease, and we are now taking powers to phase it so that we might be able progressively to increase the royalty at such steps that the immediate impact upon the prices is not such as to create a situation in which the burden thereof is passed on to the consumer.

Mr. Deputy-Speaker: They are taking into consideration only the change that has been brought about in the Act. That has not yet been enforced.

Sardar Swaran Singh: That is quite correct.

Mr. Deputy-Speaker: They were comparing the circumstances that exist at present with those when the Act was not in force. They want to argue that if the Act had been in force, the royalty automatically would have been increased to a certain extent and it would have brought income to the exchequer. Now that is not being allowed to be done and that is being altered.

Sardar Swaran Singh: Quite correct. I am grateful to you, Mr. Deputy-Speaker, for summing up the argument which has been put forward by the other side. Therefore, so far as the working conditions of the industry about which a great deal has been said are concerned, it becomes irrelevant in the context of the summing up that you have been good enough to make, their trend of argument appears to be that industry was not functioning properly under a particular set of circumstances including royalty and the like; that they have made some profits which, according to their appreciation, are quite substantial; that therefore a further concession is now being shown in the form of reduction. But in essence what it comes to is this, *viz.* what was intended to be pushed up by one step is now sought to be phased by taking powers so that there is no essential difference between the parent Act and the present amending Bill, except that whereas the parent Act provides an automatic upward revision, the amending Bill gives that authority to the Central Government, and it is the intention of the Central Government to utilise that authority for upward revision.

I fail to understand the criticism that was made by one of my hon. friends opposite. I think it was by ~~Shri~~ ~~Shri~~ Raj Singh. He said that this power which the executive is taking will be utilised for the interests of the industry. I do not think that the upward revision of royalty, which is the objective which I have enunciated, will be very much liked by the industry. So, I fail to understand how it can be argued that the exercise of the governmental authority for upward revision is going to be in the interest of the industry. It is going to be exercised in the overall economic interests of the country. Having permitted the private sector to function, the approach, generally, of the Government has been to create conditions in which the working of the private sector is free from such

defects as can be avoided. Not only that. Once having taken a decision that the private sector will not only exist but will be permitted to expand—a decision has been taken that in this coal sector they will be permitted to expand production by another 10 million tons—it does not serve anybody when one always creates this feeling or even uncertainty in the mind of the private sector or unnecessarily criticises it and when that criticism is not fully justified.

Therefore, I would submit that by the addition of section 30A, all that is mentioned is:

....the Central Government, if it is satisfied that it is expedient so to do, may, by notification in the Official Gazette, direct that all or any of the said provisions (including any rules made under sections 13 and 18) shall apply to or in relation to such leases subject to such exceptions and modifications, if any, as may be specified in that or in any subsequent notification."

I would submit another point in this connection. The Mines and Minerals (Regulation and Development) Act, 1948 itself created a mechanism which fitted in with a situation of this type. There were all types of leases with regard to the non-coal mining sector in which rates of royalty and areas differed and ultimately it was decided that all those should be brought in line with the general policy which is now being followed. A quasi-judicial tribunal was set up to bring all those leases in line with the broad pattern that had been approved by the Mines and Minerals (Regulation and Development) Act. Therefore, leases other than that of coal were already being examined with a view to bring them progressively in line with the broad principles that had been laid down by the provisions of the 1948 Act and also by the rules made thereunder. Questions of compensation, questions of phasing, the interests of the various parties and

[Sardar Swaran Singh]

how to settle them were all under examination.

But even when that was being done, so far as coal was concerned, it was kept outside the purview of those modifications because it was considered that for historical reasons, for the extent of activity in this sector being maintained and for a variety of other reasons, coal requires special treatment in the over-all interests of the economy of the country and in the interest of production. Special treatment is also required in order to safeguard the interests of the worker and in order that there should not be any violent upsetting of this general coal policy.

Whereas a certain pressure had been initiated with regard to non-coal leases, so far as coal leases were concerned, they were not touched by the Act of 1948. It is, therefore, a matter for very serious consideration as to whether it would be wise to bring all the coal leases with these, various terms as pointed out by a very large number of hon. Members even from the Opposition, with terms varying in their form with regard to area, rates of royalty payable and so on under the same yardstick and whether it would be wise to straight-away apply a uniform yardstick and automatically to push up both the rates of royalty and reduce the areas. That will not be in the overall interests of the economy of the industry as a whole.

Therefore, the objective still remains and the charge that the Government is going back upon the policy that was the basis of the amending Act of 1957 is unjustified. The policy continues to be there, but to apply that in individual cases does necessitate the present amendment, so that cases might be examined as they were being examined with regard to non-coal leases under the 1948 Act, so that we could by notification apply the provi-

sions of sections 9, 16 and also the rules that might be formulated under sections 13 and 18 by means of notifications.

Shri Braj Raj Singh: How is it that this light did not dawn upon the Government when the parent Act was passed?

Sardar Swaran Singh: That is a general question which, I am afraid, I cannot answer. If that proposition were accepted in a general way all amendments should be barred and whatever is decided remains on the statute book. I do not think that the hon. Member is seriously arguing in that manner. They can say that I was not vigilant enough at that time to point it out and for that I am here to hear all that my hon. friends from the Opposition are saying.

Shri Braj Raj Singh: The charge is not that he was not vigilant, but the charge is that pressure is being brought upon the Minister.

Sardar Swaran Singh: I can assure him that I am as resistant to the pressures which are insinuated as I am to the pressures which are being overtly exercised now. I can claim immunity from both.

The point is not that we could summarily dispose of it on the ground that this was not put forward at the time when the original Bill was being discussed and now it has been suddenly discovered. Actually, I might remind hon. Members that so far as the original Bill was concerned, coal was kept out of it and the general approach with regard to the application of section 16 and to a certain extent section 9 was more or less elastic. But as discussions proceeded, it was felt that it should be made automatic. At that time a view could be taken that when a certain industry requires special treatment it could be kept out. That point was not kept fully in mind and the full impact of the alterations

that were being made at the Select Committee stage and the like was not fully appreciated at that time and it is for this reason that we are coming forward with this amendment.

If the change is good on merits, then to say that it is bad merely because it was not pointed out four months earlier is hardly reasonable. I do owe an apology to the House for taking up its time so soon after the first Bill was passed, but I am sure the House will be indulgent enough to ignore that, if on the basic principles that we have attempted to enunciate, the amendment is good on merits.

Shri Panigrahi: The hon. Minister said that individual cases might have been taken into consideration. So, such sweeping measures are not necessary.

Sardar Swaran Singh: So far as the suggestion put forward by the hon. Member is concerned, that is inherent in the new amending Act in the new section that is sought to be added, namely, section 30A. That is precisely the type of thing that will be taken into consideration. It is very difficult for me to enunciate the general principles. As I have already said, the objective is that pre-1949 leases will progressively be brought in line and suitable rules will be framed. The intention is only to have a certain measure of elasticity and to get round this compulsion envisaged in sections 9 and 16.

With these words, I submit that the amending Bill which has been put forward with the sole object of ensuring that these violent upsets do not take place, may be accepted by the House.

Mr. Deputy-Speaker: The question is:

"That the Bill to amend the Mines and Minerals (Regulation and Development) Act, 1957, for

the purpose of exempting mining leases granted before the 25th day of October, 1949, in respect of coal from certain provisions of that Act in view of the importance of such leases in the context of coal production generally, be taken into consideration."

The motion was adopted.

Clause 2—(Insertion of new section 30A in Act 67 of 1957)

Mr. Deputy-Speaker: Are the hon. Members moving their amendments?

Shri Panigrahi: My amendment is there. I request the hon. Minister to accept it in view of the fact that individual cases of mines should be taken into consideration.

Mr. Deputy-Speaker: He had argued that it is only permissible if this amendment is passed.

If this is his argument, how can he accept that?

Shri Panigrahi: I beg to move:

Page 1, line 11,—

after "coal" insert—

"provided the lease holder is not an absentee holder of the said lease; the lease holder has made sufficient capital investment in prospecting, in introducing improved methods of operations in the mines, he has not made sufficient profit during the course of his long years of lease, the lease has not changed hands and the present rate of royalty in respect of coal exceeds fifteen per cent. of the pithead price of coal"

Qazi Matin: I beg to move:

Page 1, lines 12 and 13,—

for "the Central Government if it is satisfied that it is expedient so to do, may, by notification in the Official Gazette," substitute

"Parliament may by law"

Sardar Swaran Singh: I am very sorry I have to oppose the amendment of Shri Panigrahi, because that will make it more rigid. The points of consideration that he mentioned will, in actual administration, be found very difficult to implement.

Shri Panigrahi: You have assumed power under article 31-A and you assured us that individual cases will be taken into consideration.

Sardar Swaran Singh: You are trying to enunciate a particular class of the individual cases which it is difficult for me to accept.

Mr. Deputy-Speaker: Amendment Nos. 1 and 2 are before the House now.

Shri Supakar: I rise to oppose clause 2.

Sardar Swaran Singh: That is the whole Bill.

An Hon. Member: That is the soul.

Sardar Swaran Singh: It is the soul and body, everything.

Shri Supakar: I oppose it because to my mind, this is a very inequitable provision of law. I advanced certain arguments during the consideration stage of this Bill. But, unfortunately, neither myself nor the other hon. Members who spoke were properly understood by the hon. Minister. What was submitted by us was not that the Government is going to give any further concession than what the coal-miners are at present enjoying. But what we submitted—what I submitted particularly—was that the Government, after taking into consideration the working of the mines and having made up their minds regarding the overall administration of mines between the date when the Bill was passed, namely, 1st April, 1948 and the date when the 1957 Bill was

taken into consideration, Government must have taken into consideration the difficulties, if any, of the coal mines, the industries and the necessity of the country's economy, and having regard to all those factors Government decided in the year 1957 to have a uniform rate of royalty on coal, and that is a very equitable provision.

I am not opposed to the Bill seriously, to the principle at least. If the Government says that five per cent royalty is too high, therefore, it is necessary to reduce it to 4.5 or 4 per cent or even less for some time to come, till our country is self-sufficient in coal, or till we have improved our position in the matter of production and distribution of coal, or till we have fair prices for coal. I can understand that. But I fail to understand why there should be a distinction between leases granted after the year 1949 and the leases granted before the year 1949. I also fail to understand why the Government, after coming to the conclusion as late as 1957 that a uniform rate of royalty should be imposed, should now say that they want the powers to be reserved for the Central Government, and that too without consulting the beneficiaries, namely the State Governments. I do not know why they want to assume power on themselves, power which this House should not delegate to the Government under the basic principles of delegation of legislation. I do not know why Government should be so anxious to reserve executive power to pick and choose in relation to lease granted before 1949 in the matter of variation or raising the royalties in a particular case. This is most unfair and I would submit that we should follow the basic principle that there should be no discrimination regarding the rate of royalty between leases granted before 1949 and after 1949. The fundamental principle is that whatever be the rate of royalty in a particular class of

cases, if Government want to revise them, they should come up before this House for its approval. I, therefore, oppose clause 2 of the Bill, and if you think that opposition to clause 2 of the Bill would amount to opposition to the Bill itself, I cannot help it.

Mr. Deputy-Speaker: Order, order. No talking. Even the farthest corner of the House is subject to the same discipline.

قاضی مانهن (گورنمنٹ) - جناب تھیو اسھیکو صاحب - یہہ جو مائنس ایلڈ ملولس (بیگولیوشن ایلڈ تیولیمیلت) امہلڈمیلت بل یوھ کیا کیا ہے اس میں مختروم وزیر نے جو امہلڈمیلت پیوھ کیا ہے اس پر میں نے یہ امہلڈمیلت پیوھ کیا ہے کہ یوچ ۱ - کلار ۲ میں لائن ۱۲ اور ۱۳ میں سے الناظ

if it is satisfied that it is expedient so to do, may, by notification in the Official Gazette."

نکال دئے جائیں اور ان کی جگہ الاظ "Parliament may by law"

دکھ دئے جائیں -

میں نے جو امہلڈمیلت دیا ہے اس سے پارلیامنٹ دو اختیار ہو گا -

مسٹر تیپی اسھیکر - پارلیامنٹ کو اختیار دیتے کی کہا فرروت ہے - پارلیامنٹ کو تو اختیار ہے کہ وہ جو چاہے فلڈ کر دے -

قاضی مانهن - میں نے تو یہہ اس لئے دیا ہے کہ اس میں جو یہ سہکشن

مسٹر تھیو اسھیکر - گورنمنٹ کو تو اختیار پارلیامنٹ دے سکتی ہے کہ وہ لمحہ لمحہن لے رہے رہے کوئی اور تدبیلی کرے - لیکن آپ پارلیامنٹ کو اختیار کسے دیتے ہیں -

قاضی مانهن - آنریہل مسٹر جو امہلڈمیلت لے ہوں اس میں انہوں نے یہہ وجہات دئے ہیں کہ وہ اس لئے لئے ہیں کہ بورڈ کمیشن پوچھ اور اس میں کسی قسم کی دکاوت نہ آئے پائے - اس امہلڈمیلت کو دیکھکو مہیے دساغ میں یہ بات آئی کہ اس سے کوں مائیلوس کے دماغ میں یہہ بات آ سکتی ہے کہ اس سے نہ معلوم کس وقت کہا ہے اس چڑو کو ملکوڑ وکھے ہوئے میں نے سوچا کہ اس کی پارلیامنٹ سے ملکوڑ ہو تو زیادہ بہتر ہو گا - اس مقصود سے میں نے یہہ امہلڈمیلت پیوھ کیا ہے - اگر مختروم وزیر ملکاب سمجھو گا تو اس چڑو کو دکھ لیں - میں سمجھتا ہوں کہ الگ وہ اس امہلڈمیلت کو ملکوڑ کو لیں تو ملکاب ہو گا - مجھکو اس کے علاوہ اور کچھو نہیں کہا ہے -

*[Qazi Matin (Giridih): Mr. Deputy Speaker, Sir, I have moved an amendment to the Mines and Minerals (Regulation and Development) Amendment Bill, brought forward by the hon. Minister. I have moved that in page 1, clause 1, in lines 12 and 13, the following words should be omitted.

"the Central Government if it is satisfied that it is expedient to

do so, may, by notification in the official Gazette,"

and the following be substituted:

"Parliament may by Law"

This amendment shall empower Parliament.....

Mr. Deputy Speaker: There is no necessity of empowering Parliament. Parliament can do anything it likes.

Qazi Matin: I have given it because in the section.....

Mr. Deputy Speaker: Parliament can always ask the Government to bring forward a piece of legislation or make any other change in it but how can we empower the Parliament?

Qazi Matin: Sir, the hon. Minister has said that the intention of bringing this Bill was to raise production and to see that no hindrance came in its way. I feel that the coal miners might think that anything may come out of this at any time. Keeping that in view, I thought that it would be better if Parliament granted it. It is with this object that I have moved this amendment. If the Minister thinks it proper he may accept it. I think it would be proper if he accepts it. I have nothing more to say.]

Sardar Swaran Singh: I am sorry if I have not been able to convince my friend opposite.

Shri Panigrahi: No one has been convinced.

Mr. Deputy-Speaker: Because the two premises are different. On the one side there is the hope that the Act, if enforced, would bring some money and would increase their royalty. On the other side, there is a fear that if it is enforced it might unsettle things. Therefore, they cannot agree.

Sardar Swaran Singh: But I must say that am generally happy that my hon. friends opposite are more keen to fill the exchequer than the Treasury Benches today.

Shri Panigrahi: We are interested and therefore we have got to fill it.

Sardar Swaran Singh: I am very happy that they are in favour of pushing up the tax at least in one sector. I hope that they will progressively develop that habit and fall in line.....

Shri Braj Raj Singh: Not with regard to direct taxes.

Sardar Swaran Singh:...to bring forward suitable measures. This is not a bad beginning and on that score I congratulate my hon. friends opposite: But, unfortunately, whether a particular thing suits them or not, if for the time being at any rate it can provide them with some argument to have a dig at any of the measures, they naturally would not hesitate to take advantage of that. That I do not grudge.

So far as the point that was raised by my hon. friend with very great vehemence and which he repeated while opposing the operative clause of the Bill regarding the difficulty that he feels about the distinction between pre-1949 and post-1949 leases is concerned, actually the position was that when the 1948 amending Act was brought into force, pre-1949 leases were left outside the purview of that measure. It is not a case of creating any distinction. The general principle also of making exceptions in favour of those Acts which have already taken place before a legislative measure is brought into force is something which is the usual trend of legislation. What I mean to say is that normally whenever any substantive law is changed, the initial bias is always against making it retrospective. It is no doubt correct that Parliament is supreme and they have got the right to apply the new changes even in substantive law from a retrospective date. I do not dispute the constitutional position, but it is not unknown that in most of the cases whenever any new basic change is made in any substantive law gene-

rally its application is prospective and what has happened before is generally accepted. Therefore, to argue with that vehemence that any distinction is being made between the pre-1949 leases as compared to the post-1949 leases has no force. The distinction is really historical because at that time a certain new substantive measure came into force which did not apply retrospectively. In 1957 it was intended that the whole thing should apply retrospectively. We are not opposing that in principle. We are only saying that this application instead of being at one step will be gradual. Therefore I fail to see the force in the argument that any distinction is attempted to be made between what has been described as a pre-1949 lease and a post-1949 lease.

Shri Supakar: The 1957 Act was retrospective.

Sardar Swaran Singh: That is what I am saying that in 1957, the Act was made retrospective. We are accepting the retrospective principle. We are only saying that the effect on those pre-1959 leases will be gradual. We are ourselves accepting that principle. We are only attempting to make that gradual.

Then another objection has been raised as if immense powers are being taken. May I remind the hon. Members opposite that the Central Government already has power under section 9(3). The Central Government may by notification in the official gazette amend the Second Schedule so as to enhance or reduce the rates at which royalty shall be payable in respect of any mineral with effect from such date as may be specified in the notification. The Parliament has already in their wisdom decided that the Government should be given this power to alter the rates of royalty by a notification. There is an additional safeguard. The Parliamentary control is there because under section 28 all rules made and notifications issued by the Central Government under this

Act shall be laid for not less than 30 days before each House of Parliament as soon as they may be after they are made or issued and shall be subject to such modifications as Parliament may make during the session in which they are so laid or the session immediately following. Therefore, there is no....

Shri Balasaheb Patil: Power is sought for modification of sections. That is the main point.

Sardar Swaran Singh: We are not taking any power to modify the sections. If the hon. Member applies his mind a little more closely, he will come to the conclusion that we are not taking the power to modify the sections. The section is there. That does not give us the power to modify the section.

Mr. Deputy-Speaker: Government cannot modify the section.

Sardar Swaran Singh: It is delegation of power. All these rules will be laid on the Table of the House and the House will have a controlling power with regard to those rules also.

So, what I am trying to make out is that the essential power of even varying the rates of royalty have already been given to the Government under section 9(3) and the control of the Parliament still remains because those rules have to be laid on the Table of the House under section 28. The House is entitled to make any variations in those rules. Therefore no other new principle of delegated legislation is involved in the amendment except that a certain rule making power is being taken and the power will be exercised in the light of what I have already submitted.

We also examined this question which has been raised by hon. friend Shri Supakar, that the overall rate of royalty might be reduced from say 5% to a lower figure of 3%. That is what could be done even by a notification. But that would have created a bad situation because most of the

[**Sardar Swaran Singh]**

post-1949 leases, where the rate of royalty is higher, would be hit by that automatically and unwittingly. We will be depriving the States of certain revenues which they are deriving which certainly is not the intention of Shri Supakar.

With regard to the amendment put forward by Shri Panigrahi—I hope he is not pressing it because this is only an attempt to define a particular class—It is not in the overall interest.

Shri Panigrahi: It is not a particular class. It covers all the interests of the different classes of coal mines.

Mr. Deputy-Speaker: That was only a hope. It does not matter if it is not fulfilled.

Sardar Swaran Singh: So far as the amendment of Shri Matin is concerned, in view of the provisions of section 28 it is not at all necessary because the Parliamentary control is there and surely the Parliament would not like to go into the drafting stage and actual individual approval. They will have an opportunity of controlling the rules or the decisions when those rules or notifications are laid on the Table of the House.

Therefore, I oppose both these amendments.

Mr. Deputy-Speaker: May I put these two amendments together?

Some Hon. Members: Yes.

Mr. Deputy-Speaker: I shall now put both the amendments 1 and 2 to the House.

The question is:

Page 1, line 11,—

after "coal" insert—

"provided the lease holder is not an absentee holder of the said lease; the lease holder has made sufficient capital investment in prospecting, in introducing improved methods of operations in the mines, he has not made sufficient profit during the course of his long years of lease, the lease has not changed hands and the present rate of royalty in res-

pect of coal exceeds fifteen per cent. of the pithead price of coal"

The motion was negatived.

Mr. Deputy Speaker: The question is:

Page 1, lines 12 and 13,—

for "the Central Government, if it is satisfied that it is expedient so to do, may, by notification in the official Gazette," substitute—

"Parliament may by law"

The motion was negatived.

Mr. Deputy-Speaker: The question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Mr. Deputy-Speaker: The question is:

"That clause 1, the Enacting Formula and the Title stand part of the Bill."

The motion was adopted.

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

Sardar Swaran Singh: I move:

"That the Bill be passed."

Mr. Deputy-Speaker: Motion moved:

"That the Bill be passed."

Shri A. C. Guha (Barasat): Mr. Deputy-Speaker, this Bill, apparently, will appear to be retracing a step taken forward in the parent Act passed only a few months back. I say apparently it is a step retracing back. But, I think, in substance almost all the powers now sought to be taken by the Government by this amending Bill have already been vested with the Government under some provisions of the existing Act. As just now explained by the hon. Minister, section 9 gives power to the Central Government to vary the rates of

royalty. There is also a proviso to section 16 which gives authority to the Government to vary the size of the leases particularly of the mines whose lease has been given before 1949. There is also section 13 which gives some overriding power to the Government. I do not know whether, in view of these powers already vested in the Government, there was any necessity for bringing this Bill, except that it may give a sort of psychological assurance to the coal mine owners.

It has been stated in the Statement of Objects and Reasons of this Bill that 80 per cent of the coal raised would be covered under the class of leases granted before 25-10-49. Eighty per cent of the coal produced in the country would be produced by such collieries. Coal is a very important factor. in the Second Plan perhaps the most important factor. If the Government feels that it requires certain more powers or if it feels that a sort of psychological assurance has to be given to the colliery owners, there is some justification, if not on the material basis, at least on the psychological basis. From that point of view, I do not object to this Bill. At the same time, I like to draw the attention of the Minister to the state of affairs prevailing in these collieries.

In some of the reports of the Government committees, particularly the Coal Mines Committee and the Indian Coal Fields Committee, the first one of 1937 and the second of 1946, give a picture of these leases. Some of the leases are almost in perpetuity, 999 years or something like that. Some leases cover wide areas, several hundreds of square miles. Though it may be necessary for the Government to take such powers or give a sort of psychological assurance to the coal mine owners, I think Government should take early and effective steps to bring all those anomalies to some normal conditions. The new people who taken out mining leases will be placed in a very bad position compared to the colliery owners who got their mining leases before 1949.

In one sector of economy, I think the hon. Minister cannot allow this sort of wide disparity for a long time to continue. I do not oppose this Bill. At the same time, I expect the hon. Minister will take early steps to bring down the anomalies which have been pointed out by some of the Government Committees, particularly the Indian Coalfields Committee of 1946 and the Coal Mines Committee of 1937. These committees have stated in strong terms about the continuation of these mining leases covering wide areas, some of them running almost in perpetuity. So, while I do not oppose this Bill, I hope the hon. Minister will take steps to bring them to normal conditions as soon as possible. I know that the colliery owners have to be given some sort of psychological assurance so that coal production may not come down. Sixty million tons of coal have got to be produced. I hope he will give some idea as to the Third Plan target: 100 million tons or something like that. From that point of view, a sort of assurance may be necessary. At the same time, these anomalies cannot be allowed to continue for a long time.

Mr. Deputy-Speaker: Is there anything to be said by the Minister?

Sardar Swaran Singh: Nothing.

Mr. Deputy-Speaker: The question is:

"That the Bill be passed."

The motion was adopted.

**RICE MILLING INDUSTRY
(REGULATION) BILL**

The Deputy Minister of Food and Agriculture (Shri A. M. Thomas):
I beg to move*:-

"That the Bill to regulate the rice-milling industry in the interests of the general public, be taken into consideration."

The circumstances necessitating an enactment of this kind are known to the hon. House. The report of the Rice-milling Committee along with the report of the decisions taken by the

*Moved with the recommendation of the President.

[Shri A. M. Thomas]

Government on its various recommendations were placed on the Table of the House some time ago. At that time, it was stated that legislation would be necessary to implement certain of the decisions taken by the Government.

In the First Five Year Plan, the Planning Commission had pointed out that a stage in the sphere of food processing industries has been reached when further expansion of a large-scale industry should not be permitted except under certain conditions and also recommended that so far as the rice-milling industry was concerned, Government should formulate a programme for eliminating the huller type of rice mills and organise hand-pounding of rice with a view to providing additional employment to the population in the rural areas as also to ensure a better standard of nutrition. The Ministry of Food and Agriculture set up in October, 1954 the committee to which I had made reference, which was known as the Rice Milling Committee to examine the problem that has been raised by the Planning Commission in detail. This Committee submitted its report towards the end of June 1955. The Planning Commission also set up another Committee known as the Village and Small-scale Industries Committee, which is also known as the Karve Committee to examine and report on small-scale industries including hand-pounding of rice. Chapter VI of that report makes specific mention of the problems relating to the hand-pounding of rice and both these reports were under the consideration of Government.

Mr. Deputy-Speaker: The Minister is likely to take some time?

Shri A. M. Thomas: Yes.

Mr. Deputy-Speaker: He may resume tomorrow.

Shrimati Renu Chakravarty: In view of the fact that many Bills have collapsed and this Bill has come up,

can we be allowed to send our amendments tomorrow?

Mr. Deputy-Speaker: Yes.

REPORT OF AD HOC COMMITTEE
ON COMPENSATION TO BE PAID
ON NATIONALISATION OF
KOLAR GOLD MINES

Shri Mohammed Imam (Chitaldrug): I am raising a discussion on the report of the committee that was appointed by the Government of India to determine and assess the quantum of compensation payable to the Kolar Gold Mines which were nationalised by the Government of Mysore.

The report itself, though it was ready in June, 1956, was placed on the Table of this House only on the last day of the last session, i.e. on 21st December, 1957. Anyhow, it did not escape my eyes, and having been associated with the various phases and stages of this Gold mining affairs and also feeling as I do regarding the quantum of compensation that was awarded, I thought it my duty to raise a discussion in the interests of the country.

This process of nationalisation by the Government of Mysore has involved the State in a loss of nearly Rs. 80 lakhs, and this loss has been entailed by the Government of Mysore mainly due to the active intervention of the Government of India, which would not have been the case if the matter had been left to the Government of Mysore alone.

The Government of Mysore, having decided to nationalise the gold mining company, determined the compensation at Rs. 87½ lakhs, which they thought very equitable under the circumstances, but this was not agreed to by the Government of India. The Government of India, especially the Minister for Mining and the Finance

Minister, practically forced the Government of Mysore to pay Rs. 164 lakhs. Also, they were responsible for making a gift to the company of all the foreign assets that were held by the company to the extent of more than Rs. 50 lakhs.

For a proper and correct appreciation of this situation, I think I may briefly review the events and the circumstances that led to the nationalisation of these gold mines.

These gold mining companies were incorporated in England in the year 1885. Since then these companies had very affluent and prosperous days. Even from the beginning they declared very substantial and enormous dividends. In fact, while the total amount invested in these companies was £12,18,000 (which corresponds to Rs. 1,60,00,000), the dividends declared by these companies were as follows. From 1886 to 1895 it was from 20 to 75 per cent; from 1896 to 1917 the dividend declared was 100 to 140 per cent; from 1917 to 1940 the dividend declared was 20 to 25 per cent. During this period the investors got back nearly 25 to 30 times the investment they had made.

During this time what was it that the Government of Mysore was getting?—hardly a royalty of five per cent. Thus, unbridled and unsupervised, the gold mining companies were making huge profits.

When the Second World War broke out, there were unmistakable signs of the value of gold going up very high. In fact, it did go up from Rs. 100 per oz. to Rs. 300, and the companies hoped to make very huge profits, but the then vigilant Government of Mysore levied an excise duty on gold in the year 1940. This excise duty on gold which belonged entirely to the Government of Mysore was very fruitful, and every year it fetched an income of more than a crore of rupees to the Government of Mysore from 1940 to 1949. I have no time to quote the figures, but if anybody challenges, I

am going to quote. However, I may say that during some years the Government of Mysore derived a revenue of Rs. 140 lakhs per annum and this was practically a *Kamadhenu to them*.

But it so happened that in 1949 when the Congress Government came to power, somehow suddenly they thought it fit to abolish this duty which was fetching a revenue of more than Rs. 1 crore per year, and the plea was that they were going to replace it by a more rational agreement. So, in 1949 in spite of the protestations and the opposition of some Members, including myself, the then Government abolished this duty wholesale and replaced it by an agreement.

It was this agreement that proved the undoing of these gold mines. It was this agreement that proved disastrous to the Government of Mysore. Because of this agreement the Government of Mysore entirely lost the revenue it was getting.

Secondly, one of the conditions in this agreement was that the Kolar Gold Mining should incorporate itself as a rupee company in the State of Mysore. The company people took advantage of this, and I must say they played a fraud. Till then it was a sterling company holding assets both in Mysore and in England, but under this agreement as they were asked to form a rupee company, they divided the company into two portions—one a sterling company which was retained in England, and the other a rupee company formed in Mysore. The shareholders were common to both, and this rupee company was a subsidiary company, but all the assets that were in England to the extent of more than Rs. 50 lakhs were retained in England as the assets of the sterling company, and to the rupee company they only transferred the mines and also all the liabilities to the extent of Rs. 136 lakhs. It was this rupee company that was nationalised. The sterling company that was in England and all those assets were

[Shri Mohamed Imam]

beyond the purview of the Government of Mysore.

When Shri K. Hanumanthayya, the then Chief Minister of Mysore, found that the agreement which was substituted in place of the gold duty proved adverse and was the cause of depriving the Mysore Government of its entire revenue, he appointed a committee. I was also in that committee.

Here is the report of that committee, but I need not go into the details of that report. Suffice it for me to say that the committee's findings are that the company did everything in their power to reduce the profits, to increase the working costs and to show that there was no surplus to be shared by the Government, and that is why the Government could not get any revenue, anything out of it. So, at least as a sort of compensation the committee recommended that the royalty which was till then only five per cent should be doubled. That was a modest proposal. It was accepted by the Government of Mysore. The Chief Minister, Shri K. Hanumanthayya, who was also the Finance Minister, accepted it. He included it in the Budget and also mentioned it in his speech. But, in the meanwhile, unfortunately, the company's representatives and others approached the Central Government and their Ministers, and instructions came from the Central Government to the Government of Mysore not to go ahead and not to double the royalty. I may quote here from the summary of the proceedings of the informal meeting of the shareholders of the Kolar Gold Field Mining Companies held in London on Tuesday, the 18th September, 1956, which is very revealing:

"The main recommendation of the committee was for the Government to double the royalty of 5 per cent on gold proceeds. This suggestion was accepted by the Government of Mysore and was, in fact, included in the budget speech of the Chief Minister in

April, 1955, before the Mysore Legislature. So serious would the effect of this doubling of the royalty have been upon the finances of your companies that the proposal was taken up very actively with the Government of Mysore and with the Central Government by your Chairman, Mr. M. A. Sreenivasan, and by myself on behalf of the companies, with the result that this disastrous step was averted, and the proposal was dropped."

So, this proposal of doubling the royalty had to be dropped by the Government of Mysore, because the mandate came from the Government of India not to proceed further. I am sorry they were influenced. If the proposal of doubling the royalty, I do not think this question of nationalisation would have arisen, and it would have stopped there. But the Government of Mysore and the Mysore Legislature thought over it further, and then, we thought of nationalising it. It was the unanimous wish of the Mysore Legislature, irrespective of parties, to nationalise this gold mining. We wanted to nationalise not because we wanted to be vindictive, not because we were frustrated in our attempt to double the royalty, but in the interests of the mines themselves; in the interests of the longevity of the mines themselves, they had to be nationalised. For, the company knowing full well that their lease was going to be determined very soon—because there were only ten years left—were working only very high-grade ores; and there was no development work done. Their main idea was to get as much profit as possible. So, in the interests of the longevity of the mines, and in order to see that the mines did not exhaust themselves—for, it must be understood that the mines are, after all, a wasting asset—the Government of Mysore decided, and the Legislative Assembly of Mysore unanimously passed a resolution that the Kolar Gold Mining Companies must be nationalised.

Then, the Assembly gave a mandate to the Government or to the Ministry there to go ahead with the nationalisation proceedings. A draft Bill was prepared by the Government of Mysore in which they provided compensation at Rs. 87.5 lakhs. It was hardly our intention or that of the Government of Mysore to expropriate the mining companies. We never wanted to confiscate. We wanted to give them fair and just compensation in the circumstances. It was on this basis that this Rs. 87.5 lakhs was arrived at. It was arrived at on the basis of the prevailing highest market value of the shares during the three years prior to nationalisation. It was arrived at by adopting the same principle that was adopted while nationalising the Imperial Bank of India or the air companies. And we were about to go ahead.

Then, a letter came from the Minister of Mines on 21st March, 1956, saying that they doubted the quantum of compensation and asking us not to proceed further. I am taking this statement from the speech of the Minister, Shri H. Siddaveerappa, who sponsored this Bill. He said:

"Then, on the 21st of March, 1956, the Minister in the Ministry of Natural Resources, Government of India, wrote to us stating that the Government of India felt considerable doubt about the quantum of compensation."

Then, there was a reply from the Government of Mysore.

"Then, again, on 23rd March, 1956, Government addressed a letter and told them that 'probably a solitary instance like this may not have a reflection on the overall foreign market'."

Then, on 16th April, 1956, the Government of Mysore addressed a letter to the Government of India.

"That letter was addressed by the Chief Minister wherein we agreed like this:

'Regarding the compensation to be paid, personally, I have

no objection to the Government of India fixing the quantum. But it may be borne in mind that the ultimate authority for agreeing to the quantum is the Mysore Legislature. Hence, I feel the determination of the final figure must be as nearly as possible to the views of the State Legislature.'"

After a great deal of correspondence between the Government and the Centre, we stated:

'It is now for the Government of India to determine the amount of compensation which they consider adequate and fair'.

So, the State Government entirely surrendered their rights, and the entire responsibility of fixing the compensation was thrown on the Central Government. The State Government were deprived of their initiative. They had no hand in the matter. Thereafter, it became the responsibility of the Centre and the Central Minister to fix the compensation.

And what did the Central Government do? Generally, on such occasions when there is a serious dispute between the party who wants to acquire and the party who is dispossessed, it is the practice everywhere, even in Western countries, to appoint an independent judicial tribunal. When the coal mining companies and the steel companies in England were nationalised, an independent tribunal was appointed. Here also, in the Air Corporations Acquisition Act, provision has been made to the effect that if there is difference of opinion, then the matter must be referred to an independent tribunal which would be presided over by a High Court judge or a Supreme Court judge.

I wish that the Government of India had followed this procedure in this case also. When there was so much of difference of opinion, I wish they had appointed an independent tribunal as had been done in so many other cases. But the Government of India appointed their own employees.

[Shri Mohamed Imam]

Three officers were appointed to form a committee; one was a Joint Secretary in the Ministry of Natural Resources and Scientific Research; another was a Joint Secretary in the Ministry of Finance, and another was a Deputy Secretary in the Ministry of Finance. These three formed a committee, and they have produced the report which is now under discussion.

With all due respect to them, I must state that I want you to consider if they were competent enough to arrive at a definite and judicial conclusion; they may be good at their secretariat work; and they may be good as defence secretaries or as finance secretaries. But, to determine the quantum of compensation in such an affair, it does require a certain amount of experience in mining work, and a certain amount of technical knowledge. At least, they must have studied the mining area; at least, they must have studied the previous conduct of the mines and the future prospects of the mines. They held two meetings, called for the representatives of both the parties, and then gave an award. The Mysore Government presented their case. It was examined.

The talk of nationalisation came in only in the year 1955. We had taken the highest market rates that were prevailing during the period 1950-55. On that basis, the total amount came to Rs. 87.5 lakhs. This was quite reasonable. And this was the principle that was adopted when we nationalised the Imperial Bank of India; there, the average of the market value for one year previous to nationalisation was taken and the compensation arrived at. This was the principle adopted while nationalising the Reserve Bank of India and various other concerns. But here, this was the view placed before the committee.

On the other hand, the gold mining company people wanted to go back to the period 1945-50. The nationali-

sation was in the year 1955, but the gold mining companies wanted the prevailing market rates that existed during 1945-50 to be taken and the quantum to be arrived at on that basis. As you know, 1945 to 50 were the boom years; immediately after the war, it is the experience of many, and also my experience, that the share values in every concern went up by three or four times, because there was plenty of loose money during the period 1945-50.

For example, I know something of the Bank of Mysore. The prevailing value of the share was Rs. 505 in 1946. Now it has gone down to Rs. 250. The value of shares of all other concerns has similarly gone down considerably and conditions are not the same as what they were.

There is another thing. The share value between 1945 and 1950 of the gold mining companies represented the combined value of the assets of the sterling company both in England and here, because at that time the sterling company was one and it included the assets both in England and in Mysore. But after 1950, the company had to do only with assets in Mysore. Its assets consisted of nothing but the mines and also the load of a huge liability. So it is natural that the share value went down. So the Committee would have very well up held the contention of the Government of Mysore and awarded Rs. 87.5 lakhs. If you go through the report, you will see that they agree with the reasons given by the Government of Mysore. This is what they say:

"The Committee recognises that there is force in the contention that market quotations do not necessarily reflect the true value of shares. Values on the stock-exchange were subject to a variety of influences, some of which were wholly extraneous to the industry in question. Frequently, market sentiments affected share prices most. Subject to this

reservation, however, the market price of shares, if carefully selected, could reflect, within reasonable limits, the true value of the shares. In compensating the shareholder, therefore, for the shares of which he is deprived, the Committee thought a good basis would be the stock exchange valuation. Such valuation must be of a date as near to the date of transfer of ownership as possible."

16.12 hrs.

[SHRIMATI RENU CHAKRAVARTTY in the Chair.]

What the Committee did was this. They took the average of the share values right from 1945 to 1955, ten years, and arrived the compensation figure of Rs. 164 lakhs. This was a very novel procedure, unheard of in any case of compensation. This, I am afraid, is going to be followed as a precedent in future for further nationalisation. In that case, I do not know where we will be. This Committee's report will serve as a precedent for future transactions of this nature. Is there any instance where ten years' average prior to nationalisation has been taken as the basis of compensation?

On going through the report, I am afraid I must submit that the members of the Committee were not sure of their own mind. I think they were handicapped and they were not free to come to their own conclusions.

Then I come to the most excruciating point. The Committee did one thing. In arriving at the compensation of Rs. 164 lakhs, they took into consideration the assets existing in England, the assets which formed part of the sterling company in England, amounting to more than Rs. 50 lakhs. So they recommended in their report that out of this Rs. 164 lakhs plus Rs. 5 lakhs that is, Rs. 169 lakhs, Rs. 50 lakhs of assets which were in the possession of John Taylor and Sons in England, should be deducted.

Shri Dasappa (Bangalore): What is his authority for the statement that it was as much as Rs. 50 lakhs and not less?

Shri Mohamed Imam: It is in the report itself. I know he is out of touch with this; because he was responsible for the abolition of the gold duty.

Shri Nath Pal (Rajapur): This is the first time we are hearing about it.

Shri Dasappa: The hon. Member referred to an agreement which was arrived at at the time of nationalisation where certain figures are given. Is he referring to that or to any other report?

Shri Mohamed Imam: Since the point has been raised by my hon. friend, I am ready to give the explanation.

When the company was bifurcated, I am afraid it concealed the fact of having assets in England. Shri Dasappa was asked a definite question in 1949 when he moved for the abolition of the gold excise duty, as to what were the assets in England.

Shri Surendranath Dwivedy (Kendrapara): Does he refer to the hon. Member opposite?

Shri Mohamed Imam: Yes. Then he said there were only chairs broken chairs and tables.

An Hon. Member: Worth Rs. 50 lakhs?

Shri Mohamed Imam: I did not want to raise this but since it has been referred to, I can quote what he said. I do not blame him because he was in England at that time and it was as a result of his visit and the visit of some other gentlemen, when they had a meeting there, that they decided to abolish the gold duty. He came here and introduced the Bill for the abolition of the gold duty. Perhaps he was not aware of the assets in England. That is why we presume that the company people did not reveal the existence of their assets there.

Shri Dasappa: May I say that he knows for a fact that the negotiations started even earlier to our getting into power. That was in October 1947. I am surprised that he should think that this was settled in England. This was never settled in England; the whole thing was settled in Mysore.

Shri Mohammed Imam: I take it from your speech. I have to time.

Shri Nath Pai: He only finalised it!

Shri Mohamed Imam: You yourself said that you Dr. Subbiah, Dr. Ramaswami Mudaliar and others discussed and agreed.

Mr. Chairman: Order, order. The hon. Member should address the Chair.

Shri Mohamed Imam: I have no objection.

When this Committee was appointed by the Government of Mysore, our auditors and others discovered that there were assets there worth more than Rs. 50 lakhs. On the authority of this report I can say that.

Mr. Chairman: I think even in this report, there is a reference to it.

Shri Dasappa: Rs. 31.48 lakhs.

Shri Mohamed Imam: No, no. Rs. 50 lakhs. Our auditors who were stationed there said it was more than Rs. 50 lakhs. Shri Siddha Veerappa has said somewhere that it is more than Rs. 80 lakhs. So it is not less than Rs. 50 lakhs; it is much more than that.

Now, this was proposed to be deducted from Rs. 169 lakhs and the Committee recommended that Rs. 119 lakhs should be taken as the quantum of compensation. Shri C. D. Deshmukh was the Finance Minister at that time. He accepted it. Instructions were sent to the Government of Mysore to go ahead with nationalisation on the basis of this amount. We were all aware of it. I was a member of the Legislative Assembly then. In the meanwhile, unfortunately there were two changes. There was a change of the Finance Minister here.

There was a change of the Chief Minister in Mysore. So when the Bill came, we were all surprised. I was in the Assembly. The Bill included—I have the Act with me—the full amount of Rs. 164 lakhs. We were given to understand earlier that it would be Rs. 119 lakhs. We all protested that this amount of Rs. 164 lakhs ought not to be given. But we were given to understand that the ruling party had sent a mandate from the Centre, so they had to accept it.

Now, who is responsible for this increase of Rs. 50 lakhs? In spite of the recommendation of the Committee which they appointed, in spite of the protestations of the Government of Mysore, in spite of the principles that had been laid down, who is responsible for awarding this extra amount of Rs. 50 lakhs? How was the compensation raised from Rs. 119 to Rs. 164 lakhs?

Shri Basappa (Tiptur): Does he mean to say that Shri C. D. Deshmukh had agreed to Rs. 119 lakhs?

Shri Mohamed Imam: Yes. I am going to quote from the speech of Shri K. Hanumanthiah who was the Chief Minister of Mysore, how much he protested against this. He made this speech in the Legislative Assembly.

"The question of nationalisation of these gold mines has commanded the unanimous approval of this House. It is admitted on all hands that the compensation now fixed in the Bill is excessive. The only argument in support of it is that this is a negotiated settlement. Sir, I wish to state that even in the matter of negotiated settlement, there must be fair compensation. Fair compensation means neither an under-estimate nor an over-estimate. Without mincing matters, I would like to state that the compensation now fixed under the Bill is an over-estimate".

"I had, as the House is aware, something to do with nationalisation and fixing the compensation.

This compensation had to be fixed on very well known principles. Although I handled this subject, I was not keeping in mind either the consideration that this Company should be deprived of its legitimate right or we should be generous at the expense of the tax-payer. What I wanted was just compensation fair compensation in the strict sense of the term. In order to fix the compensation, we followed the well-known method of fixing the compensation on the basis of market value of the shares. That was the principle that was adopted in the case of nationalising the Imperial Bank. I understand that is also the principle on which nationalisation of Steel Companies was effected in the United Kingdom. I therefore thought that those two precedents were the very correct precedent for us to follow. On that basis, we looked into the list of 'Share Market Operations'. We were just; we did not want to take the market value of the shares into consideration after the question of nationalisation was mooted. We therefore took the rates that prevailed before the nationalisation was publicly discussed; on that basis the figure arrived at was Rs. 87.8 lakhs. To me, Sir, that is the correct figure, that is the fair figure. But the Companies stated that that was a very low amount. The Companies urged that their assets were greater in value. Naturally, the Government of India has the authority constitutionally as well as politically to find out what is the just settlement between the two contending parties. When the representatives of this Legislature approached the Government of India to discuss this matter it was agreed that the Government of India should finally fix the compensation after hearing both the parties. In fact, I took objection from the very beginning that Mysore Government should be tre-

ated on par with these Companies as though they are of equal status. Even so, the Government of India thought that they would be doing the right thing in hearing representation of the Mining Companies. It was specifically understood that after hearing the views of the Mysore Government and the views of the Companies, the Government of India should fix the compensation. The Government of India appointed a Technical Committee and that Technical Committee consisted of Government of India Senior Officers. That Committee after having gone through all the relevant facts came to the conclusion that the compensation to be fixed should be Rs. 119 lakhs.

Sir, at that stage I left the Ministry. I was under the impression that this Rs. 119 lakhs was far in excess of the amount that we had arrived at. I have already told you, Sir, that compensation was not fixed by the Government of Mysore arbitrarily; it was on the basis of the market value of the shares prevailing prior to the question of nationalisation coming up before the public.

No fairer proposition could have been made. But since the Government of India had entered the scene and since they took up the responsibility of fixing the amount, we had to accept this sum of Rs. 119 lakhs rather reluctantly. Even when this amount was mentioned to us through correspondence, I wrote a letter immediately that this amount was in excess of what we considered to be a fair compensation. Then I was given to understand that it was the decision of the Central Government and we had to accept it. Subsequently, the Mysore Government accepted this sum. Now, I am rather surprised that we have to pay about 45 lakhs in excess of the sum that had been

[Shri Mohamed Imam]

determined by the Government of India. In the matter of fixing the compensation of this sum of 119 lakhs, Sir, the Central Cabinet took the decision. The then Finance Minister Sri C. D. Deshmukh participated in those negotiations from the beginning to the end and it was on his advice that the Central Cabinet accepted the figure of 119 lakhs. That is what I was given to understand. What makes either the Mysore Government to accept or the Government of India to propose to 164 lakhs now, I am not able to understand fully Sir. I see the force of the argument advanced by my friend Sri Mariappa that this is a foreign concern and we have to assure the capitalists in other countries that we will not only be just but even generous. If it is a matter of generosity, I have no argument. If it is a matter of paying half-a-crore of rupees for the goodwill of this English Company, I have no quarrel. What we propose to do now is to fix what is called fair compensation. I feel that the sum recommended by the Committee of the Government of India and subsequently accepted by the Central Cabinet, namely 119 lakhs, is the amount that should legitimately be paid. Even though that amount exceeds by several lakhs the sum the Mysore Government recommended, namely, 87.8 lakhs, we have to accept it because we agreed to the Government of India arbitrating as it were in regard to the quantum of compensation. When the Government of India has arbitrated once and fixed the figure at 119 lakhs, why should the Government of India again revise this sum by such a big figure as 45 lakhs? On the other hand, I would have thought that the sum should have been reduced because the Mysore Government was continuously making representation

that the fair compensation is 87.8 lakhs and not more. Instead of giving a decision, as they say, in favour of the people, they have increased the sum to this enormous extent, in favour of the Company. If it is a negotiated settlement we are still free to urge the Government of India to reconsider this sum that has been fixed. That is a matter for this House to consider, to judge and to decide. It is a matter in which I cannot do anything."

Then, again he said:....

Mr. Chairman: The hon. Member must now conclude.

Shri Surendranath Dwivedy: It is worse than the Mundhra affair.

Mr. Chairman: May I know who are the hon. Members who are desirous of speaking on this?

Shri Keshava (Bangalore City): I just want to say a few words.

Mr. Chairman: There are only a few. The hon. Member may continue.

Shri Mohamed Imam: That is the reaction of the Chief Minister, Sri Hanumanthayya, who I may say, is the architect of this nationalisation and who took up the consideration of this very actively.

I have referred to how unjustly the compensation proposed by the Government has been raised by Rs. 50 lakhs. I would like to know what was the driving force and what are the reasons.

Again I must state one or two more points, wherein the Company has been favoured perhaps as a parting kiss. From March 1956, every transaction and every capital gain is liable to tax on capital gains, and under section 12B of the Income-tax Act, the tax has to be paid. This transaction was effected during December, 1956 and the Company was liable to pay the tax on capital gains. But, here, also, the Government very kindly waived it and the Company

has acknowledged it in its Report. This is what they say:

"Due to the recent introduction in Parliament in Delhi of two financial Bills imposing taxation on capital gains and other measures there seemed to be a real danger that the compensation to which I had just referred might become taxable in the hands of the K.G.F. Companies and holding companies. I returned only on Saturday from a further visit to India and I can only say that after two days' discussion in Delhi last week, I received a satisfactory assurance from the Finance Minister of the Government of India in this regard as far as these Companies are concerned."

It is again the Finance Minister that has raised the compensation amount.

"Mr. Arthur Taylor then told the meeting of the important discussions which later took place with the Finance Minister of the Government of India and the concerned officers at New Delhi when a decision was finally reached and said 'that decision was given in the Companies' circul-lars, and we are satisfied...."

So, this decision seems to have been taken by the Finance Minister. I have read this from a copy of the summary of the proceedings of an informal meeting of the share-holders of the company which I am placing before the House.

Leave alone that. Are the assets worth the amount we are paying? Are the mines functioning? Are they as beneficial or useful as before? Here, I have got a report of the Government of Mysore regarding the working of these mines.

The Minister of Mines and Oil (Shri K. D. Malaviya): Generally, the hon. Member is not audible during the latter part of his sentences.

Mr. Chairman: The hon. Member may speak with his face raised so that he may catch the mike.

Shri Mohamed Imam: The difficulty is that there are no tables.

Mr. Chairman: I understand the genuine difficulty of the hon. Member.

Shri K. D. Malaviya: These reports may be kept on the Table of the House.

Shri Mohamed Imam: The report of the Government of Mysore says:

"On 29th November, 1956 the three Kolar Gold Mines were nationalised and taken over by the Government of Mysore under the provisions of the Kolar Gold Mining Undertakings (Acquisition) Act, 1956. Of these three mines, Mysore Mine is in a very critical position. The payable ore reserves are expected to last for a period of approximately 12 months. The only ore shoot in this mine viz., the 43rd ore shoot is nearly exhausted. With a view to find new ore reserves, intensive development work was taken on hand immediately after nationalisation. This mine is in the same position as the Nundydroog Mine was in 1949, where a new reef called the West Reef was discovered, and it is expected that this West Reef runs along the three mines."

They have to spend crores of rupees. Then it goes on to say:

"Therefore the development work in Mysore Mine is now concentrated on finding this West Reef.

The position of the Champion Reef Mine is also none too happy. The Mine has reached a depth of over 10,000 feet and working conditions at such depth have created many problems of not only temperature control, but also ground control and rock-bursts. In February 1956, one of the shafts viz., the Biddicks Shaft

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was involved in a serious rock-burst and consequently this shaft was closed, thus cutting all approaches to an area which provided probably half the payable reserves of this Mine. A scheme has been undertaken to open up this area in consultation with the Chief Inspector of Mines."

In all, it has resulted in a loss of Rs. 72 lakhs during the first year.

Mr. Chairman: The hon. Member should conclude now.

Shri Mohamed Imam: I have only one more point. How much does each shareholder get as compensation as against the prevailing market value?

Shri K. D. Malaviya: I do not know.

Shri Mohamed Imam: For Nundy-droog Mine where the average share value between 1951-54 was 5 sh. 9d. per share of 10sh., he gets 21 sh.—that is, nearly four times the market rate. For Champion Reef Mine where the share value—these values were given to me by the Government of Mysore—was 5 sh. 6d. he gets 15 sh.—nearly three times. For Mysore Mine—the case of Mysore Mine is somewhat different, because the people had given up all hopes—where the share value was 1 sh. 10 d. to 3 sh. they get 4 sh. So, practically, these shareholders get nearly three times to even four times the prevailing market rate. Is it justified? After all, it is a question of buying and selling. Is there anybody who will pay three times the market value and purchase shares?

An Hon. Member: Yes; the Government of India is there.

Shri Mohamed Imam: Sir, in the Mundhra affair it was a question of paying one or two rupees more which involved us in a huge loss. Almost all the transactions in the Mundhra affair pales into insignificance when we consider the generosity and recklessness with which this amount has been paid.

Mr. Chairman: The hon. Member must conclude now.

Shri Mohamed Imam: The shareholders who never thought of regaining the capital were so much choked with joy that in their company meeting they all decided to contribute two annas per share, which comes to about Rs. 4 lakhs, and give it to the persons who have helped them.

श्रीमती सहोदरा जाहं (सागर-रवित-अनुसूचित जातियाँ): सभानेत्री महोदया, माननीय सदस्य महोदय को बोलते हुए एक छंटा हो गया है। मैं जानता चाहती हूँ कि जितने भी माननीय सदस्य बोलता चाहेगे, क्या उन सब को भी एक एक छंटा दिया जाएगा ?

सभानेत्री महोदया: क्या प्राप भी इस बहस में भाग लेना चाहती है ?

Shri Mohamed Imam: The issues involved are these. How far can the Central Government interfere in the affairs of the State Government? Can they deprive the State Government of all the initiative as it has been done many a time? The other day, the Home Minister said that they cannot interfere in the affairs of Orissa. In all such matters, can they interfere? To what extent can they interfere in a matter which is of a concurrent jurisdiction?

In this case the Mysore Government has been deprived of Rs. 1 crore. This must be made good by the Government of India. A judicial and impartial tribunal must be appointed to go into all these things. Previously, tribunals have been appointed in such trivial cases as the Mudgal affair, where he took some persons to the Minister for which he was debarred from membership. Here I find the company's representations always spending their time in Delhi with the Ministers. Are such things allowed? Is there no such thing as discipline in the Ministry? Is this a case where the Minister is allowed to do what

he likes? First of all, the Government of India must pay Rs. 1 crore for the development of these mines; and secondly, to find out all these things, an impartial committee must be appointed to enquire into the affairs of the various Ministries that are concerned in this unhappy affair.

Shri Shankaraiya (Mysore): Madam Chairman, it gains me very much to see that the Mysore Government and the people of Mysore have been made to pay more than what they ought to have paid, or what the circumstances should have made them pay as compensation. In fact, I was also a Member of the Legislative Council when this Nationalisation Bill was moved. We were having very grave apprehensions then, and the statement of the Chief Minister was also considered at great length. We were given to understand that the Central Government had given its approval to this figure. But now, after going through the report that was placed on the Table of the House on 23rd December, 1957, it hurts the feeling of every Mysorean to know that the poor Mysoreans have been made to pay more than Rs. 50 lakhs for nothing at all. This is borne out by the very facts and figures furnished by the report of the *ad hoc* Committee itself, apart from the valuations made by the Government of Mysore and other authorities.

This Committee was appointed—some dates would be necessary to understand this thing—on 11th May, 1956. Even though the Committee was appointed on 11th May 1956, the Mysore Government representatives were heard after the 25th of May, whereas the Committee met for the first time on 15th May 1956. But the Gold Company did not furnish their views or appear before the Committee and represent their views till 11th June 1956. So the Committee could get a picture of both the sides only on 11th June 1956. There was a considerable delay of one month, even though they were asked to furnish their figures and express their views before the Committee. Even after

11th June 1956 they took a considerable number of days to give the revised figures and estimates of their value of the assets. The report was submitted on 25th June 1956—that is, within 14 days. I want to know whether within these 14 days the Committee has tried to assess the values as represented and given by the Company, and whether the figures furnished by the Mysore Government were correct or not.

I now come to the question of Rs. 50 lakhs. A doubt was expressed as to how this amount was arrived at, and how it was to be paid. It is a story by itself. For the benefit of the House, I shall deal with it before the point regarding the compensation figure and how it was arrived at is taken up. The Committee in its report has stated that out of the total amount of Rs. 169 lakhs to be given as compensation, this Rs. 50 lakhs, which is the asset held in foreign companies should be deducted. I shall read from page 13, paragraph 20:

"From this sum must be deducted Rs. 50 lakhs which the Committee understands represents the value of current market rates of the investments, mostly in Government securities, held by the companies in the U.K."

That was referred to by Shri Mohamed Imam. Whether it was verified before the actual payment of compensation is a point to be noted. This figure of Rs. 50 lakhs was merely furnished by the company. The Committee recommended in the report itself that it should be verified whether it was Rs. 50 lakhs exactly or whether it was less or more than that. Whether that has been verified is still a matter of doubt.

Now, we will have to see whether it is really an investment of Rs. 50 lakhs, and also see how it has been arrived at. Coming to the report itself, we see that in 1949 the negotiations started for a reversion of agreement and in 1950-51 these foreign companies were made to open the

[Shri Shankaraiya]

inland companies, that is, the subsidiary companies in the Mysore State. Then, they had to transfer the assets. Till then, mainly the sterling companies were there in England, with their head office and everything, but the mines were being worked here and the assets held. When they had transferred the assets, including the several assets in the field itself, they enhanced the value. They gave inflated figures and the inflated figures come to the extent of Rs. 34 lakhs. That is admitted in the report itself at page 2.

"The Committee was further informed that when the Rupee Companies were formed on 1st April, 1951, certain fixed assets like buildings, machinery, and plant and other capital assets like mining rights, were transferred to them by the British Companies at enhanced values in excess of the book values."

The difference between the enhanced value and the book value would be Rs. 35.14 lakhs. The extent of the enhancement, representing a capital gain, was credited in the books of the British Companies to a capital reserve account as follows. That is, a sum of Rs. 35.14 lakhs which ought to have been ensured to the benefit of the local companies at the field, that is, the Rupee companies, and which ought to have been credited here, was credited in the British sterling companies and this amount of Rs. 35.14 lakhs has been enhanced to Rs. 50 lakhs while the companies gave the figures to the Committee. This Rs. 50 lakhs has to be verified. So, there was nothing of the sort. So, this inflated figure of Rs. 35.14 lakhs which was credited there, on account of the buildings and other things, has been further enhanced to Rs. 50 lakhs, and that has been accepted, and without verification the amount has been fully paid. It is said that point that has to be clarified and properly explained.

Coming to the valuation of the assets itself, this is a mine which is of a deteriorating nature. The mine had been worked for nearly 70 years. Though Mysore was fortunate enough to have gold fields,—if I were to trace the history briefly—the credit was there but the benefits were all for the foreigners. Though the company was started in 1870, till 1947, when the independence came the Britishers were having sway and their will was dominant. The Mysore Government was a subordinate Government. Mysore was a princely State and so the advantages and other things were there for the benefit of running a company. The Mysore Government ungrudgingly gave several concessions in starting this company and building up the factories. In giving this enhanced or inflated figure, the Central Government or the Committee have not taken into consideration the several concession not only in the construction of buildings but the others, namely, water-supply, the supply of electricity at a very low rate, etc., for running this company, at the cost of development of other industries. This inflated figure has been given and the advantage of it is taken to the British companies for investment, and that has been further enhanced to Rs. 50 lakhs and the full amount is being paid.

Even with regard to the assets that have been invested here, what is the criterion that has to be adopted for fixing the compensation? No doubt the Committee has taken the share values of the stock exchange into consideration. It is known to all that even though the Mysore State possesses this gold field, the advantages are very little to them, if we compare the dividends and the profits and the high salaries and the luxuries and the luxurious methods in which the officers and others live. The Government of Mysore and the people of Mysore derive very little benefit. Apart from it, whatever it may be, it was under an agreement, and we

respected the agreement and we suffered. In spite of it, at the time of this transfer, should not justice be done? Should not the concessions that were given to them as capital be taken into consideration? When the amount that was invested by them has been realised already to the extent of 25 times, should the compensation be still high? How can an inflated figure be given to them? These are matters for consideration.

The Mysore Government appointed a Committee for share valuation. They went into the details of the whole thing. They took the very big figures of the prices quoted in the market. They evaluated the figure. They did not want to be very harsh and they did not want to take undue advantage of these things. They wanted to be fair to the shareholders. They did not want the company to lose anything and to give any discredit. So, they evaluated the whole thing at the big figure, the peak figure just before the election. Even then the question of nationalisation had not come in. When the price was high that date was taken into consideration, and that price was taken into consideration. They then arrived at the figure of Rs. 87 lakhs as compensation. This figure was not accepted by the company. Naturally, the companies would be interested in opposing it. But on a fair judgment, should it not be considered whether the claim made by the companies is right, whether the figure is not high and whether the protest made by them is reasonable? Rs. 87 lakhs has been arrived at as the amount of compensation. What is the amount that has been claimed by the company? They claim, and value the assets, as Rs. 8.5 crores. Where is the valuation? For future profits they valued it at Rs. 2 crores. That comes to about Rs. 10.5 crores. Apart from this, they wanted insurance premia and other things to the extent of Rs. 6.39 crores. In all they wanted Rs. 16.39 crores. So, was it a fair figure? Was it reason-

able? In a business company like this, when the mines have been worked to the maximum period of 70 years, when they were in a deteriorating condition, was it a fair figure? The company themselves are in the know of these facts, namely, that they could not be worked profitably hereafter. So, the compensation should have been arrived at after taking all these facts into consideration. Even though the Government brought it to the notice of the company, they never took care of it. On the other hand, instead of taking a reasonable period just before that date, they took the period of 10 years which was the peak period of their profits so far and arrived at a high and inflated rate of compensation. They have arrived at Rs. 220 lakhs. Between 1945 and 1950, the compensation according to the market and share value is estimated at Rs. 220 lakhs and between 1950 and 1955, it is Rs. 101 lakhs. So, they have arrived at the mean by taking 10 years and arrived at Rs. 164 lakhs. This is most unfair. Nowhere such a long period is taken into consideration.

Apart from this, the companies also claimed compensation for the liabilities that they had to pay to their officers and others to the extent of Rs. 136.2 lakhs. The Mysore Government have been insisting that this inflated figure was not given to the Mysore Government at the time of their approach, but the first time they furnished this figure was to the Committee. It is an inflated figure and these liabilities have not been checked whether they are really liabilities or not. Nobody has been able to certify it and the Mysore Government wanted that these liabilities also should be deducted out of the compensation to be paid to the company. But instead of allowing some margin for the liabilities that the Mysore Government had to shoulder, while paying compensation they ignored this and they put the heavy burden of Rs. 186.2 lakhs on the shoulders of the Mysore Government.

[Shri Shankaraiya]

They have given Rs. 164 lakhs to the company and added to that these Rs. 50 lakhs. But it is an inflated figure and there was nothing else by way of investment except by book adjustment and these inflated figures.

Mr. Chairman: The hon. Member must conclude now. There are so many other hon. Members who want to speak.

Shri Shankaraiya: I will finish this point and conclude. It is said in the report that:

"The Mysore representatives drew the Committee's attention at this stage to the contingent liabilities of Rs. 136 lakhs already mentioned in para 4 and claimed that a deduction of this amount should be made from whatever figure may be arrived at on the basis of share valuation. The Committee considers this contention is not tenable in that all these liabilities are incidental."

etc.

How can it be incidental? When they have made an evaluation of the assets and liabilities and when all the assets and advantages have been given to the companies, I place it before the House to decide whether it is reasonable and whether real justice has been done to Mysore.

Shrimati Parvathi Krishnan (Coimbatore): Madam Chairman, I would like to join the two previous speakers in expressing my concern at the delay that was there in placing the report of this ad hoc Committee on the Table of the House. This report was completed in June, 1956, but this House was taken into confidence only as late as December, 1957. I welcome this opportunity for a discussion of this report on the floor of the House, because we are concerned here not only with this narrow field of compensation being paid to one particular company in one case of nationalisation, but the whole principle of nationalisation is involved in it. The manner in which compensation is being assessed and the manner in

which it is being paid are matters that cause us very great concern.

The details have already been put before the House by the hon. speakers who preceded me. Mr. Imam pointed out how necessary it was to go back to the 1949 agreement to see how unfair and unjust was the amount that was finally arrived at and decided upon by the Central Government. In other words, it seems that the Central Government took upon itself an absolutely arbitrary power as regards deciding the amount of compensation and left the burden of the payment of that compensation to the Mysore Government which to my mind is nothing more or less than an inroad into the powers of the State Government, an inroad that causes very grave apprehension as far as all of us are concerned, because it is the people of the Mysore State who will have to be taxed by the Government for paying this compensation; it is the workers in the mines who will have to force the benefits to which they are entitled.

Take the question of liability. When the liabilities were being assessed, the question of the bonus for the year 1953-54 was not taken into account. When it was brought to their notice, the bonus was placed at a small value of Rs. 5 lakhs. At that time, the case was already before the tribunal. Today the tribunal has awarded Rs. 40 lakhs and today the Mysore Government goes to the Supreme Court on appeal against the award of bonus for those years. Therefore, this extra burden is placed on the Mysore Government and the warning that was given at the time of nationalisation that the bonus issues are pending for the years 1953-54 and 1955-56 was brushed aside. And the assessment of compensation was at a rate which had nothing to do with the liabilities that were to be paid.

As far as the question of compensation goes, what the committee say

in their report is a general principle on which compensation should be decided, not a principle only pertaining to this particular case. At page 4, they have said:

"The Mysore Government had, therefore, decided to adopt the method of share valuation which was more favourable to the company."

Later on, they say:

"The Committee was of the view that these various methods would give results which could only serve as rough guides to what the correct valuation should be. The matter had, therefore, to be examined on the basis of first principles Nationalisation of an industry must be regarded as a political decision taken by a Government in exercise of its sovereign powers to give effect to a social policy for which, in a democratic set-up, it has a popular mandate. The compensation to be paid must, therefore, be related to the social objective in view. Whatever that objective, it is now widely recognised that compensation must be such that there is no discrimination against those compulsorily dispossessed of their property in the interest of the community as a whole. In other words, the dispossessed must be given compensation as nearly equal as possible to the value of the property of which they are deprived."

Here the shareholder is being deprived of the share scrip and the valuation of the shares on the date as near as possible to nationalisation should be taken as the basis for the calculation of compensation. This is what the committee held and yet we find that when finally we come to the question of the exact sum of compensation, as Mr. Imam has already pointed out, the compensation goes beyond the value of the share. Those who hold the shares in

England receive compensation which goes to as much as three times the value of the shares. And, what are we told when we raise these problems? When you nationalise, when you take up this question of compensation, why are you so frightened, why do you go beyond even the value of the shares and the assets? Why do you give something more and all the time, come forward with the plea that if we do not do this, then more foreign capital will come, that if we are too strict about it, then we will find that no further foreign investment will come to our country, that the country will not progress, industrial progress will be hampered and so on and so forth?

It seems that you get blackmailed into paying something which is far more than what is really just, holding this bogey up all the time. The Mysore Government is the most competent authority to go into this matter, because it is the Mysore Government that has been handling this whole issue from the time the 1949 agreement was signed. Then they had set up a committee to go into the working of that agreement and that committee pointed out that there were violations of that agreement. It was on the basis of that report, on the basis of the serious violations of the agreement which took place that the Assembly had unanimously come to the decision that the mines would have to be nationalised. Then Government went into the issue and came to a decision to pay a sum of Rs. 27 lakhs and odd as compensation. Obviously, they were the most competent authority. But I am really amazed that the Central Government should have dictated terms to the State Government so far in excess of the sum that was already decided.

Now, take the question of the assets in London. At the time of the 1949 Agreement it was pointed out in the Mysore Assembly that these assets were existing in London, that when the Indianisation of the Company

[Shrimati Parvathi Krishnan]

was to place, it should not be only the assets in Mysore State that should be taken over, but the assets in London should also be taken into consideration. At that time, the then Finance Minister of the Mysore Government, who now happens to be a member of this August House absolutely just-poo-poohed the assets that were there in London and as apparently he had just returned from a visit to London, he talked about the assets there saying that they were broken chairs and broken tables. Probably he had sat on those chairs and dined on those tables and in the process they may have been broken. But, anyway, later on we found that it was not just broken chairs and broken tables. Responsible committees and responsible authorities have come to the conclusion that the assets are worth as much as Rs. 50 lakhs and the *Ad Hoc Committee* suggests that it should have been deducted from the total amount of compensation paid to Messrs. John Taylor & Sons. But these are suddenly added on again and the Mysore Government is dictated to pay it. When the Bill comes up before the Mysore Assembly, we find that the original understanding that was there, the original assurance that Rs. 50 lakhs would be deducted from the total Rs. 164 lakhs, that assurance has just vanished into thin air and the Mysore Government is being asked to pay the whole amount of Rs. 164 lakhs. Naturally, there were protests there in the Mysore Assembly; but they were brushed aside, brushed aside because the Government there at that time considered that this was a fair amount, because that happened to be an order of the High Command, because that happened to be the question of a State Government belonging to the same ruling party as that ruled at the Centre which have to toe the line, whatever may have been their opinion, whatever may have been their earlier decision in this matter. This seems to be what happened as far as the extra com-

pensation that was paid was concerned.

Then, there is also the question of discrimination between the European staff and the Indian staff in the Company at the time of nationalisation. What happened was that originally when the question of nationalisation was discussed, then the terms of agreement and the terms of work that should be given to the various personnel and to the staff had also been discussed. The management had called the various staff, explained to them what was going to happen, explained to them also on what terms they would be continuing in service. Immediately there was a flurry and a representative was sent to Delhi and that representative sends a telegram back, having convinced the Central Government of how after all those who had come here and sacrificed so much by living in this hot and uncomfortable climate should naturally be given some concessions and should be a little kindly dealt with and that the native population, the black-skinned, should not be given the same treatment as the other superior white-skinned people. This is the telegram which is being sent back from Delhi to assure the European personnel in the Committee. This was read out on the floor of the Mysore Assembly when the Bill was being discussed. This is what the telegram says:

"Government anxious retain personnel of all technical Departments Stop Option regarding continuance with pension right to be given to Europeans Stop Existing agreements Europeans may be completed with renewal to technical staff up to a minimum of five years from vesting Stop Non-renewal will entitle European employees pension rights Stop Company will be formed John Taylors continue Managers as at Hutt Stop Provident and pension funds

will vest in company trustees including Taylors Nominee Stop Sterling provident funds to remain in UK Stop Please indicate names European personnel Technical Departments and others who may decide to leave before vesting date in spite of these assurances Stop Immediate reply requested."

As soon as this telegram was received there, naturally the Indian personnel were perturbed about it and they immediately sent a telegram to the Finance Minister of the Government of India and to the hon. Minister in charge of the Kolar Gold Fields. And this is what they have stated:

"Reference Assurance of special concessions to European Staff on Kolar Gold Mines given by Central Government. Indian Staff greatly perturbed and protest against all measures of discriminatory nature militating against Nationalisation Bill Stop Indian Staff competent of running the Industry efficiently and assure Government of loyal co-operation Stop Discriminatory concessions to Europeans deeply offend National dignity and self-respect of Indians in Kolar Gold Fields and creates atmosphere adversely affecting Industry."

Now you would like to know the reason why I bring this before the House, though it does not directly come within the scope of the report of the Ad hoc Committee. Here I would like to point out that when compensation is being paid which is far beyond what we consider reasonable, over and above that, while nationalising an industry, instead of raising the Indian staff, instead of accepting their enthusiastic co-operation, instead of inspiring them to do their best for a nationalised company, you discriminate against those very people who are your most loyal servants. They come forward to give you

their co-operation. But what do you say? You say: "It is necessary to retain these foreign technicians; we cannot leave them; we must give them good terms; we must give them this, that and the other". Why not you have the same terms for all technical personnel whoever they may be? Why do you have this discrimination? Why is it that when you are nationalising, when the process of nationalisation is being inspired as a result of the whole trend that was developing in the country towards the socialist pattern of society, a trend and desire to own the means of production here and to drive out all that is foreign, why is it that at that time such discrimination should take place?

Mr. Chairman: The hon. Member should conclude.

Shrimati Parvathi Krishnan: I am concluding. These matters have got to be considered and I would appeal to the Minister to consider them. Of course, it is a very difficult proposition that he has to defend here, though no doubt he will continue to defend it, because, after all it was the Finance Minister who took the decision and it is the Minister for Mines who, unfortunately, has to hold the baby in this House. But I would appeal to him that this whole matter should be gone into, that a Committee should be set up to go into the working of these mines and that the Mysore Government should be given all the help that is necessary to ensure that these mines will be properly worked and, at the same time, a warning should be taken from this case that such fantastic amounts should not be paid in the form of compensation in future and Indian interests, whether it be the economic interests or whether it be the interests of the personnel and the workers who are concerned with any particular industry, should always be first and foremost in the mind of the Government.

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Mr. Chairman: How long will the hon. Minister take to reply?

The Minister of Mines and Oil (Shri K. D. Malaviya): About half an hour.

Mr. Chairman: Then there will be very little time left for other hon. Members.

Shri Keshava rose—

Mr. Chairman: The hon. Member did not rise earlier.

Shri Basappa: I will require only two to three minutes.

Mr. Chairman: We will have to finish by half past five. I will first call Shri Keshava. He should not take more than two or three minutes.

Shri Keshava: I am very happy that my colleague on the other side, Shri Mohammed Imam, was pleased to bring forward this discussion on the floor of the House. He has brought blood into it and went into matters of detail and quoted facts and figures which came into his possession while he was the then reputed leader of the Mysore Assembly.

An Hon. Member: Opposition leader.

Shri Keshava: Yes, opposition leader.

Mr. Chairman: The hon. Member should not waste time on this.

Shri Keshava: Perhaps a satisfactory reply would have been given by one of our colleagues here, who was then in office in the Cabinet of Mysore.

There are no two opinions over this fact that the Mysore Government somehow took upon itself the nationalisation of an industry which had been worked for 70 years and more and that was a gold mining company. Most of the gold had been mined al-

ready. One or two mines in Mysore had already failed to function. At that stage some doubts arose and it looks as though the Central Government wanted to punish the bad boy, i.e. the Mysore State, by saying, "You are nationalising a concern, which is not worth nationalising, and as such you will have to pay heavily for it." But, I think, the Central Government has played a very significantly unsatisfactory part in this game. Of course, there may be opportunities for justifying its actions by saying that there was a committee and a reputed concern was appointed by the Committee itself for evaluating the property of the gold companies. That amounted to several crores of rupees, about Rs. 9 crores. The gold company was itself paying the premium on its property which itself amounted to nearly Rs. 2 crores. Whatever it is, I do not blame the Company for having inflated its assets and things of that kind. It is human nature. When they see a great opportunity of taking some money from the Indian Government they would certainly like to do it and do it in the best manner possible. For that we cannot blame them. But even the book value of the assets must have been very much inflated. Even that runs into several crores of rupees.

Apart from all these crores of rupees, the Central Government ought to have made it a point to find out the proper, suitable and just compensation to be paid to the company. The Mysore Government had come to the conclusion of about Rs. 89 lakhs. I am sure the company also would have accepted it very happily but unfortunately we have seen from the facts and figures that have been disclosed before us that nearly a crore of rupees or more have been ordered to be paid under the instructions of the Central Government. This is a matter which very much involves the relationship of the State and the Centre. In several matters the very unsatisfactory nature of the action of the

Central Government so far as State Governments are concerned has come about.

One other feature which I am unable to understand is that the workers of this gold mining company, who work under the bosom of the earth had put in a claim for compensation and for bonus. That was before a tribunal and the tribunal had decided almost at the time when the compensation was fixed and nationalisation was done. That amounted to Rs. 40 lakhs. But unfortunately even that amount has not been deducted from the compensation paid to this company. A very heavy amount—unduly heavy—and undeserving compensation has been paid and even the natural claim of the workers which was before a tribunal and which the company was fighting against has not been withheld from the compensation. That could easily have been done. Even that has not been done. I would like to have an explanation from the hon. Minister concerned regarding that matter.

Now, of course, as my hon. colleague was pleased to put it, the matter has come to the Supreme Court and the Government is now pleading the inability to pay the amount for want of funds and things of that kind. No doubt it has been very significant that the company is not now in a position to make profits. It is only making both ends meet. Anyway, the process of nationalisation and the payment of compensation has been absolutely unsatisfactory and even though this may not be as bad a case as that of Mundhra's it does in my opinion require a judicial enquiry and I heartily agree with the proposals made by my other hon. colleagues in this matter.

Mr. Chairman: I now call Shri Joachim Alva. Would he be able to make a few remarks within five minutes? Otherwise I will call the hon. Minister.

Shri Dasappa: If he is not making it could I have an opportunity?

Mr. Chairman: I am very sorry though I would have liked the hon. Member to get it. When I asked as to how many hon. Members were desirous of participating in the debate at that time if the hon. Member had stood up, I would have certainly cut short the speech of the Mover and allowed the hon. Member an opportunity. But, I am afraid, he did not do that. Now it is too late. The hon. Minister will have to be given half-an-hour to reply.

Shri Dasappa: May I make a submission? Shrimati Parvathi Krishnan made some remarks about me. I would only take two minutes.

Mr. Chairman: I will just put a suggestion to the House. This has developed into a very important debate and if the House does not mind sitting for about ten or fifteen minutes more then I shall allow hon. Members a chance to speak.

Some Hon. Members: Yes.

Shri Joachim Alva (Kanara): The State of Mysore possesses some of the finest industrial undertakings of the land. We have the Hindustan Aircraft Factory there. We have the Hindustan Machine Tools which has done excellent work and has years of progress ahead. We have the Kolar Gold Fields the only one of its kind in the whole of India. But when we come to the Government of India we get a different deal. We have also the Bhadravathi Iron Works, the pioneer iron and steel works of the Government. But when we come to the Government of India, they turn a deaf ear to us. They are not dealing with the Bhadravathi Iron Works with fairness. When it came to the question of sending a representative to the Soviet Union they gave any number of representatives to the Tata Company and even to their auxiliary companies or contractor, but not one

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representative of the Mysore Iron Works, i.e., the Bhadravathi Works. We asked for money for development works. That has been ignored. Without money, we cannot strike at some remarkable developmental works. The Government of India, especially the Finance Ministry neither smite on the just nor uphold the just, uphold the just in the sense that the State of Mysore came begging for the Kolar gold field's actual evaluation. It completely destroyed the balance and put the scales up in favour of the British and has paid out this excessive amount. An evaluation committee of the Government of India was set up, but on what principles it worked, I do not know.

I must congratulate the Hanumanthaiya Government in putting up a deal in buying the Kolar Gold Fields. It was inevitable, but somehow or other they were not prompt and vigorous in facing the inevitable, in making out correct amount of compensation. I am sure if they had held it for some time, the Government would have won the battle. What principles the Government of India adopted in granting this compensation? It is high time that the Government of India decided now in regard to what they will pay for future undertakings. There are a large number of undertakings that will fall into the laps of the public sector. There are a large number of undertakings which are foreign undertakings and which may come in the private sector. The Government of India will have to settle the principles of compensation. They will have to lay down the principles and not leave it to the whims of officers or even to the pleasure of the hon. Finance Minister in deciding these things.

This House knows how the ex-Finance Minister, Shri Deshmukh, when he was the Governor of the Reserve Bank allowed a dishonest Banking company, which is now under liquida-

tion, to take an overdraft of Rs. 80 lakhs. The Bank was situated hardly hundred yards from the Reserve Bank of India. The Exchange Bank of India went into liquidation and the officers were prosecuted and the Reserve Bank Governor solemnly explained that it was all a matter of course in business!

17-28 hrs.

[Mr. DEPUTY SPEAKER in the Chair]

Now comes the question of paying somebody at somebody's expense from somebody's pocket. They give it all away from the Mysore Government's pocket. All these principles are wrong. The Finance Ministry has to be correct and just in all its dealings. Unless they are able to settle it in this manner, the States shall not be satisfied in the matter of legislation nor will the public of India be satisfied with the measure. You put the shareholders in the wrong. If the shareholders are not there, you put the consumers in the wrong. Who is going to pay for this in the final round? The consumers will have to pay in the final round and the citizens of the Mysore State.

I went round the Kolar gold mines and I was the first Indian to go into Silesian Coal mines, about 2,000 feet below in Poland and 8,000 feet below in K.G.F. The first thing that struck me was the abject poverty of the K.G.F. workers. You produce gold and you give the best type of salaries to the top workers and the top executives and nothing to the workers, down below. Today we are seized with the consciousness of a secular State and we shall not permit any factory to be put up unless you first provide the workers' dwellings and all the social amenities to workers. And here are the British people who have exploited the mine for 70 or 80 years. Thereafter the Kolar Gold Fields passed into the hands of the Government of Mysore. The workers' dwellings were not worth anything.

My hon. friend is here who represents that district. Shri Thimmaiah was returned unopposed from that district and he will at least testify to this fact.

The Deputy Minister of Agriculture (Shri M. V. Krishnappa): He knows nothing about it.

Shri Joachim Alva: That is not fair. He was elected unopposed from that district. Any way, my hon. friend the redoubtable Deputy Minister of Agriculture is also from there and I congratulate him. This is the impression that we had when we entered the Kolar gold fields. The quarters of the workers were not decent or suitable for living. What were the social amenities, we did not know. The moment you go into a factory, from the faces of the workers and their dependants, you can say what are the prevalent conditions. I can say, show me the faces of the workers and their wives and children and I can tell you what the rate of social progress in that factory is. Judged from that standard, the Kolar gold fields under the British owners was much below the standard. The hon. Member Shrimati Parvathi Krishnan has shown how the salaries of these top executives, white-skinned people were inflated. It looks to me like the broker who had two girls to be married. The first was pretty, but ageing up. The second was squint-eyed and not capable of marriage. He managed the deal of the first, but when it came to the second girl, he would not consent to the disposal of the first girl unless the second one also went off with the first. The second was nothing but like the ramshackle buildings in London for which the Mysore State had to pay dearly.

As I said, we are today entering an era when the Government of India may buy over many concerns for the public sector, for the benefit of the people of India from foreigners. The private industrialists also buy many

concerns from foreigners. We must set up a regular code of ethics as to what we shall pay, on what principles we shall pay. Unless we settle that, it will all come to a complete mess and it will be too late for Parliament to interfere. Not after 2 or 3 years, but after five years, we shall have to go round the morgue and find out the mistakes. We shall get nobody to hang. We shall find nobody to penalise. Everybody shall escape with roses around their necks. This will be the state of affairs which we are called upon to face.

There is one more point to which I should like to refer before I end. It is not merely the gold of the Kolar gold field that we are bothered about. We have to produce real gold. That is the moral of the debate. Today we have this company. It may prove dud after a few years. No gold may come out of the Kolar gold fields at all. What shall we do? Shall we clap hands? We have the Soviet Union which in 30 or 40 years is in the top of the world in regard to gold. Russia found gold in Siberia in a fox-hole! There are many gold mines in the world which are being denuded of all gold. In India we have got gold deposits here and there. We must be up and doing. Otherwise, we shall not have sufficient gold in our coffers to put to our benefit.

I will reserve one or two minutes to quote what exactly I said in regard to gold production in this country. I said:

"Then, I come to gold which is everything in this world, which will do everything to the Reserve Bank, which has assumed a factor of tremendous importance"

This is from my speech on the Reserve Bank of India (Amendment) Bill.

"The Soviet Union today claims to be the second largest holder of gold in the world as well as being

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the second largest producer of gold in the world. Thirty years ago, the gold in the Soviet Union may have only consisted of jewellery the czars and czarinas wore. These are facts which should induce us to see why we cannot also produce gold. The Reserve Bank cannot merely sit and discharge only clerical, supervisory or organisational functions and forget this major function of seeing that the country produces gold. Tell me how much gold you have and I shall tell you what your strength is.

The non-Soviet countries are producing 27.15 million ozs. of gold and the Soviet Union has been producing anything between 8 and 15 million ozs. of gold per year."

Why I am stating all this is this. Countries which were known to be backward and un-developed have produced gold. Therefore, it is time that we in India shall not be merely content with seeing whose fault it is, how the companies have been run and what amount of compensation has been paid, but we shall put our efforts together and see that we produce gold and we shall have enough gold to pay for our imports.

Shri Dasappa: Mr. Deputy-Speaker, I had no intention of taking part in this debate. But, I have received certain provocation at the hands of Shri Mohamed Imam the Leader of the Opposition in the Mysore Assembly then and Shrimati Parvathi Krishnan.

The references to my part are wholly irrelevant for the purposes of this case because that referred to the replacement of the gold duty by a new arrangement for very obvious reasons namely that the gold duty was weighing very heavily on the mines. The arrangement was this. Up to Rs. 100 per oz. there was the arrangement of taking royalty and so

on. If one oz. of fine gold fetched more than 100,—the market was high in India and it continues to be high today—the arrangement was that the Mysore Government must get 75 per cent and the Kolar gold fields must get 25 per cent of the excess value of the gold. That was all right in the days when working expenses were not high. But, as you know, the working expenses went on mounting. The cost of 1 oz. of fine gold was very much more than what it was when it was fetching only about Rs. 100. Therefore, they said, we want some relief. The Gold Duty Relief Act was passed. Even then, it made no provision whatever for what is known as development footage which means that in every deep mining company, we must always set apart a percentage of the working expenses towards exploration of new reefs. This arrangement that we had prior to 1949 made no provision for it and we were faced with a situation when the longevity of the mine was coming to an end and there will be no gold for them and no profit for us. That was the situation.

That was examined from about 1947. It is not exactly 1949. It was concluded in 1949. Even before we came to power in October, 1947, negotiations were on and there were a series of meetings between the Government of Mysore and the Gold mining companies. There was just one short visit of the Dewan who happened to be Sir Ramaswamy Mudaliar to London and I had to go on an industrial mission. Having gone to London, we had just to meet. There was no decision taken in London. I am flabbergasted that a responsible Member of the Opposition there should make such a wholly untrue statement that the decision was taken in London. I am surprised at it. Nothing was done there except to meet. Then we came back and then it was all finalised. The

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whose agreement was placed before both the Houses of legislature in Mysore, the Mysore Representative Assembly that was existing and the Legislative Council. It was endorsed by both the Houses because it was extremely reasonable.

The particular thing that they referred to is, what was the structure of the Gold mining companies in virtue of this agreement. There were these four Gold mining companies. At that time we insisted that we should have a rupee company because we would have a hold on them and sterling company should not be insisted. Therefore, they took away all the portion of the reserves that they had and formed a holding company in the U.K. and the assets that were in India were formed into a rupee company. I see nothing wrong in that arrangement. That is all that was there.

What I mean to say is, even granting whatever it was, that does not alter the basis of arriving at the compensation here. That the compensation has been high, there is room for difference. I am not going to dispute that. In fact, the Government of India have dealt with the Mining company in a very generous, liberal manner. (Interruptions) They must have had very good reasons for that. My friends have said about that and I agree with them. Having been responsible for paying this higher amount, they must make good to some extent to the Mysore Government. They should not make the Mysore Government responsible for the whole amount. That is not the point. The point is, the shares of the holding companies in the U.K. and the rupee company here were all taken into consideration for the purpose of computing compensation. That is my point: not as if we had to pay compensation only with reference to the rupee company in India. I will read the relevant portion. We find here certain enhanced value to which my hon. friend Shri Shankariah referred.

We find here that out of Rs. 35:14 lakhs Rs. 18:70 lakhs are not to be taken into calculation because it was explained to the Committee that in the case of the Oragam mine which went into liquidation in 1954 earlier than the idea of nationalisation, the benefit of the enhanced value of the assets had already accrued to the shareholders.

Shri Shankaraiya: This asset was transferred in 1951 even.

Shri Dasappa: I am asking Shri Shankariah... (interruption)

Mr. Deputy-Speaker: He may not reply to anybody's point. What he has to say has to be listened to.

Shri Dasappa: The main point is that it referred to the holding companies there having certain assets, but what I say is that the next sentence makes it clear:

"In the case of Nandidrug and Champion Reef the enhanced values had no significance for the shareholders in view of the fact that the Mysore Government had calculated compensation on the basis of the entire assets of the British companies including those of their Indian subsidiaries."

Therefore, the basis of the calculation was of the entire assets of the British companies as well as the rupee companies in India. The Mysore Government certainly made it out that it should not be more than Rs. 87½ lakhs. The Central Government, for reasons which they have set out there, have doubled it. As I have already said there is certainly room for difference of opinion on this point. I am certain that the amount that has been awarded to the gold mining company, John Taylor and Sons, is on the liberal side.

Shri Surendranath Dwivedy: What is your opinion?

Mr. Deputy-Speaker: He is giving that opinion.

Shri Dasappa: I am telling you it is on the liberal side.

Shri Basappa: What should it be according to you?

Shri Dasappa: I have not gone into the calculations. If I had been on the committee, or if I had anything to do with the finances, I would have given the whole of the figures, and possibly I would not have so readily succumbed to the pressure from the Centre, but the Centre has its own responsibility.

This is a question of nationalising a foreign concern, and for the first time I think a foreign concern has been nationalised in India. There was no precedent for it, and the general principle is that in nationalising foreign concerns you are a little on the liberal side. That is the policy that is followed everywhere, not only in India. Therefore, it may be that the Central Government, as I myself said, has been on the liberal side. But I only wanted to justify my stand, namely that my part in this does not come anywhere in the picture either so far as the decision to nationalise the mining companies or so far as the award of compensation is concerned. I really do not understand why my name should have been unnecessarily dragged into the bargain unless it be to give them some pleasure.

Mr. Deputy-Speaker: The hon. Minister.

Shri Thimmaiah (Kolar—Reserved-Sch. Castes): I want three minutes, Sir.

Mr. Deputy-Speaker: Now there is no time.

Shri Thimmaiah: Two minutes. I do not want to take more than that.

Mr. Deputy-Speaker: I am sorry. It is not possible to give any time.

Shri Thimmaiah: I come from that area. Two minutes. Not more than two to three minutes.

Mr. Deputy-Speaker: But I cannot extend the time now.

Shri Thimmaiah: It can be extended by two minutes. I will finish in two minutes.

Mr. Deputy-Speaker: I have not permitted the hon. Member.

Shri Thimmaiah: Two minutes. Please. By this time I would have finished.

Mr. Deputy-Speaker: All right. Should I succumb to pressure from all sides. What should I do?

Shrimati Renu Chakravarty: On a point of explanation. When I asked who were the Members who wanted to speak, the hon. Member did not stand up.

Shri Thimmaiah: I shall tell you why I did not rise.

Mr. Deputy-Speaker: That explanation is not needed. That would take away the two minutes.

Shri Thimmaiah: Before the Mysore Government thought of nationalisation and before my friend Shri Mohamed Imam thought of nationalisation, it was I who moved a resolution for the nationalisation of the industry in the District Congress Committee which was approved and sent to the Mysore Government. My friend Shri M. V. Krishnappa does not know it. We were interested only in nationalisation. The complication of compensation I do not know, and even my friend Shri M. V. Krishnappa today cannot understand the complication of compensation. We had felt that the Mysore Government and also the

Government of India would settle amicably and pay just compensation. Even now I have got an impression that the Government of India agreed to compensation more than that prescribed by the Mysore Government because it was a foreign concern, and it is the normal policy, as was explained by the Prime Minister also one day, that when we acquire the properties of foreign concerns, we will have to be a little liberal. So, they paid a higher compensation because they felt it was a foreign concern. Only they have bungled in the matter of the award made by the tribunal to labour. They have not deducted it and they have not paid it and they have put the Mysore Government in an awkward position to bring the award before the Supreme Court. That is all.

Shri M. V. Krishnappa: Now he is satisfied.

Mr. Deputy-Speaker: If credit is to be given, it shall be shared.

The Minister of Mines and Oil (Shri K. D. Malaviya): But for the fact that I have been reminded several times of the Mundhra affair, I would have stuck to my usual practice of not relying much on my prepared brief, but I have to be a little more careful. Therefore, I will mostly rely on the prepared brief that I have brought with me, in connection with this evening's debate.

Before I get into the mechanics of this question, I would like, with your permission, to give a little background of the entire question, as, incidentally, at that time, I was the Minister for natural resources in the old set up of our Ministries dealing with this question.

I had to go out of the country two times during the course of these negotiations—once very early at the start, and a second time almost at the end of it, perhaps a day or two before the final decisions were taken, or three

days—I do not exactly remember. I will have to check up from my papers.

I have mentioned this visit of mine abroad in connection with a very important aspect which has been ignored by this House. It is the technical problems involved in the working of the deepest mine that the world has so far as gold mines are concerned.

I might remind you that the mine in question is now perhaps being worked at a depth of about 10,000 feet, and the plans which include the working in the near future will have to take into account a depth of 11,000 odd feet. There is no other mine in the world from where gold is extracted at such levels.

When I went out during the early stages of these negotiations, I enquired from people in the USSR, if I remember aright, and in Germany and France also, to find out whether we could get some good experts, technical people, to work these mines on behalf of the Mysore Government. I got a definite "No" from all these places because none of these countries were experienced in working of gold mines beyond two to three thousand feet. This was a difficult task which was facing the Mysore Government and the Government of India, and I had to take into account this very difficult technical problem that faced the Mysore Government.

I returned soon with the impression that perhaps rightly Taylors were the only people who were competent from the point of view of the experience that they had gathered in the last two or three decades or more.

Shri Dasappa: Seventy years.

Shri K. D. Malaviya: I am not talking of 70 years. These people had gathered sufficient experience in working these very deep mines, and also in the economics of working such deep mines, not only in respect of the reserves, calculation of reserves, but also in respect of the day to day

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working of these mines. Even in South Africa where there are deep gold mines, they are not as deep as nine to eleven thousand feet.

So, I came back with the impression that they were the only people perhaps with whom we had to reckon, and this fact could not have been ignored while carrying on negotiations with the people whom we wanted to replace and take over the mines.

For these reasons when I returned I advised the Government of Mysore not to nationalise these mines. And I warned them that this was not a proper course for them to take, mainly because, firstly, the mines were dying mines, as they had been worked for about seventy years, and secondly because the lease was to terminate only after fifteen or sixteen years. If we had to negotiate, for acquiring the mines, then the pre-1849 conditions of acquiring mining lease had to be taken into account. Conditions were such that we had to take into account the value of the assets, the lying ores and all that in a different context and our rules and laws were not such as to deal with the question of compensation in any satisfactory manner.

Shri Joachim Alva: I want to ask a simple question.....

Shri K. D. Malaviya: I am sorry. I have to go on, because otherwise I will be disturbing my process of argument. After I finish, I am prepared to answer questions.

Mr. Deputy-Speaker: The hon. Member must realise that the Minister is not prepared to yield, and, therefore, he has to yield.

Shri Joachim Alva: What about Indians being trained?

Shri Shivannajappa (Mandya): It is only Indians who are working it now.

Shri K. D. Malaviya: I was saying that the point was to advise the Government of Mysore whether they should take over or not. I was convinced because there were only a few more years left. They had better be allowed to go ahead with this, for, we had no experts to work the mines, and there was not the money needed also. We worked it out arithmetically and tried to convince the Mysore Government representatives that they had better abstain from nationalising the mines. But we had only the right to advise them, and they had the fullest right to take over or acquire.

We had also to take into account the many conditions that it was necessary for the Government of India to take into account, from an overall point of view, for our international trade relations, and also the fact that we were an under-developed country, and we had to depend for a lot of investment on the public not only of U.K. but also of the neighbouring countries and other countries. Having failed to be convinced that these mines could be worked by our own people, and also having failed to be convinced that we could get any other party to work the mines for the Mysore Government, and having been convinced that the Government of India had to take a larger point of view such as to expand their trade, to get financial assistance from abroad and to get better credit facilities and so on, we felt that this point of negotiation with the Taylor Bros. appeared to be comparatively a small affair.

Now, on this background, I would like to give you briefly the facts as they emerged.

There is one more point. If the compensation had been based on an evaluation of the individual assets of the company, there is no doubt that found to be much larger than arrived the sum payable would have been

at by the share valuation scheme. The company pressed for the adoption of this basis of valuation at that time. We could not have said 'no' to them if it was merely a question of exercising the rights of the two parties.

Now, to begin with, I want to remove an impression of my hon. friends opposite and some others that we thrust any decision on the Mysore Government.

Shri Mohamed Imam: You did.

Shri K. D. Malaviya: We did not dictate our decision to them. It is unjust and not correct to say that we thrust any decision on them. The Chief Minister went on demanding from us our assent to the Bill and also sought our advice on economic questions, technical questions, financial questions and political questions, and all that. I advised him to come here. We held several meetings here in which I went on continuing my advice to him, because I knew that he would not make much money out of it. I told him that discretion is the better part of valour; there are so many other things in which we can invest money. I even suggested to him the idea of breaking up the entire three companies group and to reserve our resources for working one new, virgin areas, and to leave the old mines to John Taylor's. But my suggestion was not accepted. Therefore, I did not dictate anything. We acted as their helper, adviser and friend. When I saw that the Mysore Government was bent on doing what it wanted, of course, we had no alternative but to say 'yes', they had every right to use their discretion because the property belonged to them. If they wanted to make a mistake, they were free to do whatever they liked. We are here to help the States.

As I understand the notice that was given by my hon. friend, his complaint against the Government of India is that they felt so dissatisfied with the compensation of Rs. 87 lakhs decided upon by the Mysore Government that

they interfered with this decision, appointed an ad hoc Committee of their own accord to determine the amount of compensation and compelled the Mysore Government to accept the Committee's recommendation of Rs. 169 lakhs, even though this was far in excess of the amount determined by the Mysore Government, that is, double, the sum proposed.

Now, this charge of compulsion and our being dissatisfied with the quantum of compensation fixed by the Mysore Government is not consistent with the facts. That is all that I can very modestly submit to you. The matter is not as simple as it looks. The Report of the Committee itself shows how extremely complicated the business of assessing compensation for nationalised undertakings actually is. I want to remind the House of the point made out by my hon. friend this side that this was the first foreign concern which was to be acquired during those few years near about the time when we were busy with our development and expansion programmes in a rather ambitious way.

But before I proceed to deal with the specific complaints in detail, may I crave the indulgence of the House to remind them of certain salient facts in this connection? This matter goes back, as has been pointed out in certain speeches, to February 1954. In that year, the Mysore Government proposed to the Ministry of Natural Resources and Scientific Research an enhancement in the rate of royalty from 5 to 10 per cent in the budgetary interest of the State. This demand of that Government could not be accepted because of the then existing rules, regulations and laws.

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In the pre-1949 leases, we had not the right to enhance the rate of royalty from 5 to 10 per cent. These started about 70 or 80 years back. So, that increase itself would have become a major factor for compensation whenever time for acquisition.

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came. Therefore, the Government of India could not agree to the proposal as the mining lease held by the Company was an old one.

Some of these objections were removed when article 31 of the Constitution was amended in April 1956. The Mysore Government immediately reverted to the question of the rate of royalty and pointed out to the Government of India that ever since the Repeal of the Duty on Gold Act in 1949, for which very valid reasons have been produced by my hon. friend Shri Dasappa who knows more about this than I myself know. (Interruptions.) What did my hon. friends say? (Interruptions.)

It pointed out to the Government of India that ever since the Repeal of the Duty on Gold Act of 1949, pursuant to an agreement entered into by the State Government with the Company, the drop in the State revenues from this concern had been of the order of Rs. 50 lakhs. It felt that the only remedy in the circumstances was to nationalise it. And the first time this proposal was made by the Mysore Government that they should be allowed to nationalise, we wanted to dissuade them from taking this course. The Government of India urged that the mines in question were the deepest. I have related all those reasons why we tried to dissuade them not to acquire those mines and take over the responsibility of running those dying mines. Apart from the substantial compensation that will have to be paid which involved questions of finance and foreign exchange for its remittance, the Government of India felt apprehensive that the nationalisation of this very old and well-established foreign undertaking would discourage the flow of foreign capital into the country and was also bound to have repercussions in the sphere of international relationship and trade.

Now, papers are not with me here. But, Mr. Deputy-Speaker, I would like to inform the House that the

British Government also intervened in this matter and they conveyed the deep anxiety of the investors in their country in view of the fact that John Taylors and they themselves thought that the compensation offered by the Mysore Government was wholly inadequate and that although the Government of India's assurances were to the extent that the compensation offered to them was adequate and fair, yet they felt very concerned and they wanted an assurance from the Government of India that we would try to help in restoring better relations between the Mysore Government and the Company.

Shri Joachim Alva: You never exercised any discrimination.

Shri K. D. Malaviya: As the State Government felt committed to pursue the suggestion in view of the overwhelming popular support behind it, it proceeded on June 12, 1955 to announce its decision to nationalise the gold mines. The Mysore Legislature on October 17, 1955, passed a resolution requiring the State Government to take immediate steps to nationalise the mines, as a first step towards the establishment of a socialistic pattern of society. This point was also discussed.

Shri Shankaralya: May I know whether it is not a fact that before the resolution was passed, the Mysore Government approached both the India Government and the company as a result of the 1949 agreement and the Company did not agree, did not give access to study all the figures and others?

Shri K. D. Malaviya: Yes, Sir; they refused. But what could I do if they wanted to exercise their right? I know it. The Government of India could not help it and there is no use of my hon. friend reminding me and asking whether it is a fact or it is not a fact. They wanted to stay here and work the mines as leaseholders and not to be turned out and get compensation. (Interruptions.)

In March, 1956, the State Government forwarded to the Central Government a Bill for the acquisition of the mines, passed by the Mysore legislature for the President's assent. That is where we come in. The Bill provided for payment of compensation of Rs. 87.8 lakhs to the company. The Government of India considered the Bill and, while agreeing to it in principle, felt that it was not possible for them to come to a final decision on the data before them. The Government of India wished to be satisfied that the arrangement for the management of Kolar Gold Mines after nationalisation were technically sound. They also wished to be satisfied that the Mysore Government's methods of assessment for paying compensation to the company were equitable, particularly, as the Government of India had given assurance from time to time that a fair compensation would be paid in the event of nationalisation of any undertaking.

If this expression "fair compensation" is being interpreted by some section of the House as liberal compensation, well, I take the liberty of even defending the expression "liberal compensation" for the arguments which have been mostly stated, and I do not want to repeat them.

Shri Nath Pai: Sir, I do not want to interrupt the hon. Member. But he said that he could not compel the company to disclose documents and figures. Why did you then compel the Government to pay compensation, which in many cases was three times more than the values of the shares as shown by the figures that were cited by my hon. friend? Will you explain that? It is not liberally that you have paid, you were something much more than that; you were extravagant at the cost of the people.

Shri K. D. Malaviya: It was not. I can only answer by saying: "It was not; definitely not".

Sir, accordingly the matter was discussed further between the two

Governments in April, 1958. We had several discussions, both formal and informal. In one of these discussions, I remember—I do not remember whether my hon. friend opposite was invited to be present—our ex-Minister of Finance, Shri C. D. Deshmukh was also present. Perhaps my hon. friend has referred to this conference.

Shri Mohamed Imam. I was a member of the delegation that came here with the Chief Minister to plead

Shri K. D. Malaviya: Thank you. Shri Hanumanthayya led that delegation. I suggested to him that all those people should sit round a table and discuss matters. Our Finance Minister wanted all of us—Mysore Government and the Ministry of Natural Resources—to take a liberal view of the whole question. Shri Deshmukh then dealt with the whole question most frankly. He said that this question of compensation to Kolar Gold Mines cannot be treated and should not be treated in an isolated way, because we are just entering into a phase where we have to deal with many international proposals. He said that this was not going to be the last deal with the British people, there might be many more and, while there is no question of accepting any unreasonable demand of the company, it is only fair that we should take an overall view of the whole thing, and, therefore, try to examine whether on that background this figure of Rs. 87.8 lakhs was fair or not. He thought that it was not fair. Therefore, without giving any specific figure he merely recommended that all the members who had come from Mysore, including the Members of the Opposition, should take that view. I am glad to state that the Chief Minister responded very well. He said: "I leave everything to you. We quite appreciate that we should consider this question of quantum of compensation from this background. This is the correct perspective". He readily agreed. I do not remember whether my hon. friend was there or not.

An Hon. Member: He was there.

Shri K. D. Malaviya: I do not remember his face even now. Unfortunately, I have not met him many times. If he was there, he did not raise a single voice then. Today he stands up and makes a complaint, a grouse of this kind. What is the point in that? On the other hand, I remember to have met the Leader of the Opposition, perhaps, separately, who quite sympathised with us and said: "Yes; this must be so".

Shri Mohamed Imam: Sir, I rise on a point of personal explanation.

Mr. Deputy-Speaker: Not in between. I will allow personal explanation afterwards.

Shri K. D. Malaviya: I am not going to take more time. I shall try to finish earlier. The points that have to be considered between the two Governments were considered only in our advisory capacity. They were: the quantum of compensation, the basis of evaluation of the mining rights and industrial assets, the arrangement for working the mine after nationalisation and the financial and foreign exchange implications on nationalisation. These were the four points on which we wanted to discuss with the Mysore Government to reach some sort of agreement amicably. The Government of Mysore fully appreciated the viewpoints of the Government of India as being just and sought to emphasise that public opinion in Mysore was strongly in favour of nationalisation which could not be denied. The Mysore Government's efforts in this behalf were apparently successful. They could not come to some sort of agreement with the company. They agreed and went back from here and agreed to pursue the negotiation. We also called the representatives of the company and asked them to pursue the negotiations with the Mysore Government because, at that time I had full hope that an amicable settlement would be reached. So, we did not go into it. We only

advised the Mysore Government's representatives and the representatives of John Taylor to sit down again once more and try to process the whole problem and resolve the knots.

Shri Shankaraiya: We wanted your advice.

Shri K. D. Malaviya: Unfortunately, the Mysore Government was not successful. It accordingly requested the Central Government in April, 1956, for advice again, with regard to the appropriate sum to be paid as compensation.

In this connection, it will not be proper for me to go into details of all the discussions that I had with the Chief Minister. I fully remember them. But I could only produce the gist of it, namely, that he was in a very reasonable frame of mind when he said that he appreciated the argument that we produced. He said, "All right, we will agree, considering all the circumstances and admit that this figure could be increased". With a view to assist the Government of Mysore in dealing with this rather complicated matter, the Government of India constituted in May, 1956 a small committee of senior officials at expert level to go into the question, to recommend a suitable sum to be paid to the company. I do not see why any objection should have been raised for the appointment of an expert committee to assess the whole problem and to come to some sort of a specific recommendation to be transmitted to the Mysore Government.

Now, I have very little to add to what the Committee had to recommend. There is only one point which I would like to refer to.

Shri Basappa (Tiptur): You paid more than what the Committee had recommended. Why? They recommended Rs. 164 lakhs and you have paid Rs. 160 lakhs plus Rs. 50 lakhs and so on. Why was it so?

Shri K. D. Malaviya: I know. I am coming to this point, the recommendations.

Mr. Deputy-Speaker: I cannot save the Minister from his friends.

Shri Tangamani: All are united in this.

Mr. Deputy-Speaker: I never said that friends sit only on this side.

Shri K. D. Malaviya: The Committee has given very careful consideration to the question. I am only reproducing paragraph 16 of the report where they discussed the basis of compensation. I will refer the hon. Members to paragraph 16 of the report where the averages of two periods, the first and second periods, have been mentioned. I have nothing more to add except to say that the first period was recommended by the company, and the second period was or the average for the second period was recommended by the Mysore Government.

Shri Basappa: No, Sir. That is not correct. It is the Committee that decided upon the second period.

Shri K. D. Malaviya: There were two periods: one was the boom period and the other was the rock-bottom period when there was depression in the gold market. We took advantage of other two. What we did in an *ad hoc* way—I repeat the words 'in an *ad hoc* way'—was this, and it was because there was no other alternative, suitable formula. I fail even to understand how any hon. Member could suggest to us that there must have been something specifically laid down method for all time to come so far as the payment of compensation for any company is concerned. So far as this question was concerned, we took the average of the two, one the rock-bottom share values and the other, the highest values. Even that was not accepted and rejected totally by the company. Their demand was more than Rs. 6 crores.

At this time, the British Government intervened and they expressed

their concern over the inadequacy of the quantum of Rs. 119 lakhs and Rs. 50 lakhs and all that. The whole question was considered again by the Government at the highest level and the Finance Ministry, our Ministry and the Government as a whole agreed to the fact that the compensation should be fair and should not be very much far from what we had originally suggested. Therefore, the whole question was reconsidered and an increased quantum of compensation was offered. That was accepted by them . . .

Shri Shankaralya: It was not accepted.

Shri K. D. Malaviya: I am referring to the quantum of compensation that has been accepted now finally. It had to be increased, because they did not accept the previous figures.

The one fact which should not be forgotten by the House is that those people definitely conveyed their decision to us that if we fail to satisfy them on this question, if the negotiations broke down and if we imposed a decision on them through legislation whether it was Rs. 150 lakhs or Rs. 119 lakhs, they would not stay here to work the mines. That was a point which was made out definitely by them . . .

An Hon. Member: Blackmail.

Shri K. D. Malaviya: Call it blackmail or whatever you like; I am not here to defend their attitude; I am here only to state the facts. The facts are, it was the Mysore Government's headache. They transferred that headache on us and said, "Look here; we are going to nationalise. You will have to run the mines. You will have to find out an expert. We will pay you Rs. 10 and not Rs. 20. Under these conditions, you have got to take the responsibility." We said, "We will advise you. If you accept our advice, then you will have to pay a fair compensation, because we have got to keep these people as we cannot

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do without them. They did not accept our first proposal and therefore, under the circumstances, we suggested "Pay more". I said, "Pay more" and even if my hon. friend had been there, he would have also said, "pay more".

Some Hon. Members: No, no.

Shri K. D. Malaviya: We have much more experience than hon. Members opposite, because it is natural for us to accumulate more experience.

The committee's recommendations were transmitted to the Mysore Government and on receipt of their approval, President's assent was accorded to the Bill passed by the Mysore Legislature on October 30, 1957. In view of the representations made to the Government of India by the U.K. High Commissioner—I repeat it—and the general adverse reaction of the British financial Press to the amount offered as compensation, the Government of India reconsidered the matter at its highest level.

Shri Shankaralya: Mysore Government has fully paid the amount.

Shri K. D. Malaviya: It will be thus seen that the Government of India's role throughout has been only to help and guide. We had to extricate the Mysore Government from the muddle which they had themselves created. I have ventured to use this word, because they did not accept our advice . . . (Interruption).

Shri Basappa: It is the Minister's point that the Mysore Government cannot work the mines?

Shri K. D. Malaviya: If there is any objection, I withdraw the words. (Interruptions).

Mr. Deputy-Speaker: Yes: against the State Governments, we avoid all these reflections, because there would be reactions in the State Assemblies against us.

Shri K. D. Malaviya: I withdraw it.

Shri Basappa: We can find technical personnel even now to work the mines.

Shri K. D. Malaviya: They were honestly convinced that they should nationalise the mines and we were honestly convinced that we should advise them to postpone it for another 15 or 16 years, because there were complications of compensation, technical problems of working the mines, finding out a suitable party to work the mines in the absence of John Taylor and all that. I stated that it was difficult for us to find a suitable party. Now everything is being justified, because we are not making too much money from these mines. We wanted to make both ends meet. Now I have gone through their latest reports. So, I can assure them that under the circumstances the best was done by us. Because, we had to maintain our relations in the international market and we had to expand our trade.

I have nothing more to add. I have stated that we had been "liberal"—if you want to use the word—in order to maintain our position in the world, in order to attract more capital, sterling capital to this country. It is only because of that that we are able to function like this, we are able to get and maintain the goodwill of all the countries who are going to help our industries. I have nothing more to add. I think I have satisfied the House.

Shri Mohamed Imam: The Minister was pleased to refer that I was in the delegation . . .

Shri K. D. Malaviya: I did not go there.

Shri Mohamed Imam: When our delegation came here, the representative of the Company walked into the Minister's room.

Mr. Deputy-Speaker: Unceremoniously entered into the room of the Minister?

Shri Mohamed Imam: Shri C. D. Deshmukh was also there. He said: both of you may meet and come to an agreement. That is what he said. Then the Mysore delegation and the representatives of Company met. They were told: you cannot expect anything more than Rs. 87 lakhs.

Shri K. D. Malaviya: I do not remember anyone having entered my room unceremoniously.

Shri Mohamed Imam: He said that he will not agree to anything more than Rs. 87 lakhs. After that, we met again. The representatives of the Company never met the Mysore Government delegation. The delegation was completely ignored. Finally, when the decision came from the Government of India, it was only then that we came to know of this position. Then we complained in the local Assembly that we were not taken into confidence while taking the decision. We were badly let down. We were never consulted. The entire decision was taken by the Government of India.

Secondly, I would request the Minister to credit the Mysore Government with a certain amount of intelligence and foresight.

Shri K. D. Malaviya: I am not able to hear the Member.

Shri Mohamed Imam: The Minister should credit the Mysore Government with a certain amount of intelligence and foresight.

Mr. Deputy-Speaker: If it is to be credited to one side, the other side will have to be debited.

Shri Mohamed Imam: We did anticipate that the non-technical personnel may go away. We were prepared for that.

Shri K. D. Malaviya: Is he making another speech?

Shri Surendranath Dwivedy: Why are you afraid?

Shrimati Parvathi Krishnan: Don't get excited.

Shri Mohamed Imam: Most of the Indian officers assured us that in the event of the European officers quitting the place, they will manage it. We were confident that they will work the mines. Even if you ask them today they will say that they will shoulder the responsibility and this Rs. 4 lakhs which is now being paid to Messrs. John Taylor and Company for the working of the mines would have been a saving.

Mr. Deputy-Speaker: The discussion is now over.

18.25 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Thursday, the 1st May, 1958.

[Wednesday, 30th April, 1958]

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Subject	COLUMNS	Subject	COLUMNS
WRITTEN ANSWERS TO QUESTIONS— <i>contd.</i>		WRITTEN ANSWERS TO QUESTIONS— <i>contd.</i>	
<i>U. S. Q.</i>		<i>U. S. Q.</i>	
<i>No.</i>		<i>No.</i>	
3008 Head-on-collisions on Railways. . . .	12388-89	3037 N.E.S. and Community Development	12407
3009 Investment in Inland Waterways	19390	3038 Wireless Staff, North Eastern Railway	12408
3010 Family Planning. . . .	12390	3039 Scheduled Castes and Scheduled Tribes in Cuddalore and Villupuram Postal Divisions	12408
3011 Transport Facilities to Betel Leaves on S. E. Railway. . . .	12391	3040 Scheduled Castes and Scheduled Tribes in P&T Department Trichy	12409
3012 Derailment of a Goods Train on Secunderabad-Dronachalam Section	12391-92	3041 Golden Rock Railway Workshop	12409-10
3013 Reorganisation of Panchayat System	12392	3042 Telephone Exchange	12410
3014 Drinking Water Supply in Delhi	12392-93	3043 Adulteration of Milk and Ghee	12410
3015 Use of Hindi on Railways	12393	3044 Sale of Fans	12411
3016 Anti-malarial Measures in Manipur	12394	3046 Misuse of Railway Warrants on Central Railways	12411
3017 Policy for Forwarding Applications	12394-95	3047 Ratlam Godhra Railway Line	12412
3018 Construction Allowance	12395-96	3048 Family Planning. . . .	12412-13
3019 Forests in Himachal Pradesh	12396-97	3049 B.C.G. Vaccination	12413-14
3020 Purchase of Fertilizers in Himachal Pradesh	12397	3050 Licensed Porters at Railway Stations	12414
3021 Gazetted Officers in Posts and Telegraphs Department	12397-98	3051 Wooden Sleepers for Railways	12415
3022 Delay in Postal Delivery	12398	3052 Staff of North-Eastern Railway	12415
3023 Sugar Mills in U.P. . . .	12398-99	3053 Wangbal Farm in Manipur	12415
3024 Family Planning. . . .	12400	3054 Daily Farm at Lamphel in Manipur	12415-16
3025 Construction of Railway Line in Marathwada (Bombay)	12400	3055 Daily Schemes	12416
3026 Sugar Mills in U.P. . . .	12400-01	3056 Looting of Goods Trains	12416-17
3027 Import of Foodgrains	12401-02	ADJOURNMENT MOTION	12417-18
3028 Railway Enquiry Clerks	12402-03	The Speaker withheld his consent to an adjournment motion regarding the death of several persons in the Lok Sahayak Sena Camp at Sasthamkotta in Quilon District on the 29th April, 1958	
3029 Tirunelveli-Trivandrum Rail Link	12403	The Minister of Defence (Shri Krishna Menon) later on made a statement on the subject	
3030 Poultry Farms in Punjab. . . .	12403-04	REPORT OF RULES COMMITTEE PRESENTED	
3031 Famine in Assam	12404	Third report was presented.	
3032 New Sub-Post Offices. . . .	12404-05		12419
3033 New Hospital for New Delhi	12405-06		
3034 Co-operative Forest Societies	12406		
3035 Railway Protection Force	12406		
3036 Hamira Sugar Mill in Kapurthala	12407		

Subject	Columns	Subject	Columns
REPORTS OF ESTIMATES COMMITTEE PRESENTED Seventeenth and twenty-first were presented	12419	BILL PASSED The Minister of Steel, Mines and Oil (Sardar Swaran Singh) moved for the consideration of the Mines and Minerals (Regulation and Development) Amendment Bill. The motion was adopted. After the clause-by-clause consideration, the Bill was passed.	12465—12518
MOTION TO REFER THE BILL TO SELECT COMMITTEE—ADOPTED .	12425—12	BILL UNDER CONSIDERATION	12518—20
Shrimati Tarkeshwari Sinha moved that the Central Sales Tax (Second Amendment) Bill, 1958 be referred to a select committee. The motion was adopted		The Deputy Minister of Food and Agriculture Shri A. M. Thomas moved for consideration. The Rice-Milling Industry (Regulation) Bill, b, taken into consideration. The speech was not concluded.	
BILL WITHDRAWN Further discussion on the motion to consider The Indian Stamp (Amendment) Bill 1958 continued . . .	12419—21, 12424—2 12452—5	DISCUSSION ON MATTER OF URGENT PUBLIC IMPORTANCE	12520—86
On a point of order raised by Shri Naushir Bharucha that the Bill did not comply with provisions of Article 274 of the Constitution, the Bill was withdrawn.		Shri J. M. Mohamed Imam raised a discussion on the Report of the <i>ad hoc</i> Committee on the compensation to be paid on the nationalisation of the Kolar Gold Field Mines .	
DEMANDS FOR EXCESS GRANTS FOR—1954-55. The Demands were voted in full.	12453—65	Shri Keshava Deva Malaviya replied to debate	
		AGENDA FOR THURSDAY, THE 1ST MAY, 1958 Consideration and passing of Appropriation (No. 3) Bill 1958.	