

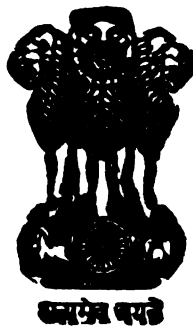
# **ESTIMATES COMMITTEE 1958-59**

## **THIRTY-FOURTH REPORT**

**(SECOND LOK SABHA)**

**MINISTRY OF TRANSPORT AND COMMUNICATIONS**

**Action taken by Government on the recommendations  
of the Estimates Committee contained in their  
Forty-First Report (First Lok Sabha) on 'General  
Matters and Air India International'**



**LOK SABHA SECRETARIAT,  
NEW DELHI.**

*December, 1958*

## **CORRIGENDA**

*Thirty-fourth Report of the Estimates Committee (Second Lok Sabha)*

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**Page 16, Serial No. 32, column 3, line 2, for 'a ground' read 'aground'.**

**Page 18, Serial No. 39, column 4, line 14, delete 'in'.**

**Page 20, Serial No. 8, column 4, line 14, for 'drat' read 'draft'.**

**Page 25, Serial No. 36, column 4, line 6, for 'thei' read 'their'.**

**Page 30, Serial No. 9, column 5, line 5, for 'aws' read 'was'.**

**Page 40, Serial No. 30, column 5, line 2, for 'tha' read 'that'.**

**Page 40, Serial No. 30, column 5, line 3, for 'tht' read 'the'.**

**Page 44, Serial No. 12, column 3, line 5, for 'operations' read 'operators'.**

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## MEMBERS OF THE ESTIMATES COMMITTEE

1958-59

1. Shri Balvantray Gopaljee Mehta—*Chairman*
2. Shri Shripad Amrit Dange
3. Shri Jogendra Singh
4. Dr. Sushila Nayar\*
5. Shri Radha Charan Sharma
6. Shri Ranbir Singh Chaudhuri
7. Dr. Gopalrao Khedkar
8. Shrimati Sucheta Kripalani
9. Shri M. Thirumala Rao
10. Shri T. N. Viswanatha Reddy†
11. Shri R. Ramanathan Chettiar
12. Shri N. R. Ghosh\*\*
13. Pandit Govind Malaviya
14. Shri Resham Lal Jangde
15. Shri Mathura Das Mathur\*\*\*
16. Shri Dodda Thimmaiah
17. Suri M. L. Dwivedi
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19. Shri Bhaurao Krishnarao Gaikwad
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21. Shri Rohanlal Chaturvedi
22. Shrimati Mafida Ahmed
23. Shri S. A. Matin
24. Shri Narendrabhai Nathwani
25. Shri Rajeshwar Patel
26. Shri Surendranath Dwivedy\*\*\*\*
27. Shrimati Renu Chakravartty
28. Shri M. Sankarapandian
29. Shri Jhulan Sinha
30. Shri Ramji Verma.

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\*Elected with effect from 28-8-1958 *vice* Shri Mahavir Tyagi resigned.

†Elected with effect from 17-9-1958 *vice* Shri J. Ramchwar Rao resigned.

\*\*Elected w.e.f. 23-9-58 *vice* Shrimati Renuka Ray resigned.

\*\*\*Elected w.e.f. 23-9-58 *vice* Shri N. C. Kasliwal resigned.

\*\*\*\*Elected w.e.f. 17-12-58 *vice* Shri Vijayram Raju resigned.

SECRETARIAT

|                                  |          |                                 |
|----------------------------------|----------|---------------------------------|
| <b>Shri S. L. Shakhder</b>       | <b>—</b> | <b><i>Joint Secretary.</i></b>  |
| <b>Shri A. R. Shirali</b>        | <b>—</b> | <b><i>Deputy Secretary.</i></b> |
| <b>Shri R. K. A. Subrahmanya</b> | <b>—</b> | <b><i>Under Secretary.</i></b>  |

## INTRODUCTION

I, the Chairman of the Estimates Committee, having been authorised by the Committee present this Thirty-Fourth Report of the Estimates Committee of the Second Lok Sabha on the action taken by Government on the recommendations contained in the Forty-First Report of the Estimates Committee of the First Lok Sabha.

2. The Forty-First Report of the Estimates Committee of the First Lok Sabha was presented to the House on the 22nd December, 1956. The Government furnished their replies to the recommendations pertaining to 'General Matters and Air India International Corporation' on the 30th January, 1958. A Study Group of the Estimates Committee (1958-59) examined the replies on the 28th August, 1958.

3. The Report has been divided into five Chapters:

I. REPORT.

II. Recommendations that have been accepted by the Government.

III. Replies of the Government that have been accepted by the Committee.

IV. Replies of the Government that have not been accepted by the Committee.

V. Recommendations in respect of which final replies of the Government have not been received.

4. An analysis of the action taken by Government on the recommendations contained in the Forty-First Report is given at Appendix I.

NEW DELHI:  
29th December, 1958.

BALVANTRAY G. MEHTA,  
Chairman,  
Estimates Committee.

## CHAPTER I

### REPORT

The Estimates Committee, in para 13, 16 and 17 of their Forty-First Report (First Lok Sabha), viewed with disfavour the inclusion of the Secretary, Ministry of Communications and the Director-General of Civil Aviation, in the Boards of Directors of the Air Corporations. *The Committee are glad to note that both these officers have since resigned their appointments on the Boards of Directors of the two Corporations in deference to the views of the Estimates Committee. They hope that this example will be emulated by other officers of the Secretariat who function ex-officio on the autonomous Boards of public undertakings.*

2. In para 25 of the Report, the Estimates Committee had recommended that Civil Aviation and Air Corporations should be a responsibility of the Transport Ministry as in U.K. and not of the Communications Ministry and that this change be given effect to at an early date. *The Committee are glad to note that Government have accepted this recommendation and have since amalgamated the Ministries of Transport and Communications and placed them under one Cabinet Minister.*

3. In para 30, the Estimates Committee had suggested that as far as possible the views of the Air Transport Council might be obtained on all problems which were capable of being referred to it under the terms of its constitution. They recommended, therefore, that the Government should lay down definite criteria for referring problems to the Council and that all problems specifying the criteria should be referred to the Council as and when they arose. It was also recommended that since the carriage of mails formed an important source of revenue to the Corporations the question of rates payable to the Corporations by the P & T Department for the carriage of mails might be referred to the Council. The Ministry have stated in reply that under Section 31(1)(b) of the Air Corporations Act the Director General of Posts & Telegraphs and the Corporations could refer any matter to the Air Transport Council, including the rates for carriage of postal articles by air but that the Air India International did not want to refer the question of rates for carriage of mails to the Air Transport Council while the D.G., P. & T. had no problems to refer to the Council. It has also been stated that the Corporation had held discussions with the D.G., P. & T. on the question and that the P. & T. Department hoped that the question would be settled on a mutually satisfactory basis. According to the Ministry, it would not, therefore, be quite appropriate for the Government to insist on the matter being referred to the Council.

The Committee feel that even though the Corporations and the Government have the discretion to refer any matter to the Air Transport Council it is desirable that the discretion should be exercised systematically. The Act specifies only the types of cases which might be referred to the Council and not the circumstances under which they should be referred. *It is, therefore, necessary in the opinion of the Committee to lay down the principles*

*which might guide the Government or the Corporations in referring matters to the Council.*

The Committee also feel that it is not proper that a matter like the carriage of mails which is an important source of revenue to the Corporations should be decided without proper examination by an independent authority. *As the Air Transport Council is intended for rendering advice in such cases, the Committee are of the view that the question of rates for carriage of mails might with advantage have been referred to the Council for examination.*

The Committee were informed that it was proposed to amend Section 30 of the Air Corporations Act to enable the Government to wind up the Air Transport Council when there was no work for it and that the only matter which needed independent examination, namely the 'Cost Structure' of the Indian Airlines Corporation, would be referred to an expert committee. *They hope that the freight rates for the carriage of mails will also be brought within the purview of that Committee.*

4. In para 46, the Estimates Committee recommended that there should be a Council for air research to direct research and ensure coordination with a view to making the most effective use of the available technical talent. In reply, the Government stated that while there were a number of separate units engaged in research and development, the scope and functions of each unit were very different. Moreover, the units were designed to serve the requirements of the particular organisation to which they were attached. It was, therefore, unlikely that the establishment of a Council for air research would result in the abolition of any of these separate units or their merger into a single unit. The Committee, however, feel that the existence of many different agencies which are doing air research in isolation is itself an argument for instituting a central coordinating body. The Coordinating agency, to start with, may pool all the information, sort out problems and help to make the maximum use of the facilities available in the various agencies. *The Committee, therefore, recommend that if possible, an existing institution like the Aeronautics Research Committee of the Council of Scientific and Industrial Research might be developed for this purpose.*

5. In para 123, the Estimates Committee had emphasised the necessity of settling the dispute between the A.I.I. employees and the Corporation in the matter of recognition of Employees' Union in a spirit of cordiality and understanding at an early date. In reply, the Government have stated that the A.I.I. Corporation accept this in principle. *While the Committee are glad that the Corporation have accepted this recommendation in principle, they would like to be assured that it is being observed in actual practice.*

## CHAPTER II

### RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

| S. No. of recommendations | Ref. to para No of the Report | Summary of Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                         | Reply of the Government                                                                                                                              |
|---------------------------|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1                         | 2                             | 3                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 4                                                                                                                                                    |
| 1                         | 12                            | <p>The authorities in charge of the Air Corporations should, at their level, proceed entirely on business and commercial principles, while the authority of the Government should prevail only where overriding considerations of national policy over commercial principles arise. Within those limits, the Corporation should not only retain its autonomy technically but should also be so constituted as to possess the business outlook.</p> | <p>The recommendation is accepted.<br/>(<i>The Ministry of Transport and Communications O.M. No. 1-CA(184)/56 dated the 30th January, 1958</i>).</p> |

2      13      The Committee feel that the presence of the Secretary, Communications Ministry on the Boards of I.A.C. and the A.I.I. could only tend to a blurring of his responsibilities, which should be avoided. The presence of the Secretary to Government on the Board of a Corporation or a public utility undertaking, particularly one which runs at a loss, would result in his becoming a party to its state of affairs and management and consequently he will find it difficult to retain an objective outlook on major issues, such as the regulation and management of economic policies which a Secretary to Government should possess.

4      When the air transport industry was nationalised it was realised that the Govt. would be faced with important problems of integration and consolidation of the air services in India and that during the initial stages, the Corporations would be faced with problems of an administrative and organizational character for dealing with which it would be necessary to provide the largest measure of co-ordination between the Administrative Ministry and the Corporations. It was also considered that provision of adequate financial control would be desirable for the economic operation of the air transport industry. Another aspect was that the establishment of the two Corporations involved taking over of assets of private owners and payment of compensation therefor and due attention had to be paid to the interest of Government. It was, therefore, decided that the Secretary in the Ministry of Communications and the Secretary in the Ministry of Finance should be Members of both the Corporations in order to ensure the desired co-ordination and financial control in conformity with Government's national policies. Thus, on general grounds as well as in the special circumstances relating to the air transport industry, the appointment of the

There is a tendency on the part of the Corporations, especially the I.A.C., as at present constituted to rely upon the D.G.C.A. to an extent more than is necessary. As the guardian of the law of Civil Aviation which he has to enforce on the Corporation, the D.G.C.A. should not share the responsibility for the conduct of affairs of the Corporation. Steps should therefore be taken to rectify immediately the anomalies and inconsistencies which have resulted from the concentration of all responsibilities in one officer.

Secretary of the Ministry of Communications as a Member of the Boards of the two Corporations was considered essential particularly in the initial stages. However, in deference to the views of the Committee, and considering the facts that the special circumstances are not now so important, Government accept the recommendation of the Committee regarding the withdrawal of the Secretary, Ministry of Communications from the Boards of the Corporations. The Secretary has resigned his membership of the two Corporations with effect from 2nd January, 1957.

*(The Ministry of Transport and Communications O.M. No. 1-CA(184)/56 dated the 30th January, 1958).*

The presence of the D.G.C.A. on the Boards of the two Corporations during their formative stages was considered necessary for bringing about the necessary co-ordination between the two Corporations and the Civil Aviation Department. This stage is now over and in deference to the view expressed by the Committee, the D.G.C.A. has resigned his membership of the Boards of the two Corporations with effect from 30-10-57. The resignation has been accepted by Government.

*(The Ministry of Transport and Communications O.M. No. 1-CA(184)/56 dated the 30th January, 1958).*

23 The Committee cannot over-emphasize the necessity of close co-operation between civil and military aviation whether in the matter of training, workshop facilities or of research. However they are not quite satisfied whether it should be practicable to have an Air Ministry for dealing with both civil and military aviation but they would commend the objects under lying the proposal and would further suggest that close co-ordination and co-operation between the two be effected and ensured by Government at every stage.

The suggestion that close co-ordination and co-operation between the Civil and Military Aviation to be effected and ensured by Government at every stage is accepted in principle. Such co-operation and co-ordination is ensured at present through the machinery of the following Committees/Sub-Committee which consist of representatives of the Air Force and the Civil Aviation Department, and also through informal consultations and discussions between the officers of either side.

(i) The Consultative Committee of Co-ordination between Air Headquarters and the Director General of Civil Aviation. (This Committee is in existence since 1949).

(ii) The Consultative Communications Sub-Committee of Co-ordination between Air Headquarters and the Director General of Civil Aviation.

(iii) The Joint Air Headquarters/Director General of Civil Aviation Sub-Committee for reviewing the existing machinery for the dissemination of latest information on airfields and landing grounds in India.

(iv) Equipment Selection Committee, Air Headquarters. (This Committee co-ordinates and exchanges information between the D.G.C.A. and the Air Headquarters on the procurement and standardisation of aerodrome equipment like Crash Fire Tenders, Beacons, etc.)

*(The Ministry of Transport and Communications O.M. No. 1-CA(184)/56 dated the 30th January, 1958).*

The Committee recommend that Civil Aviation and Air Corporations should be a responsibility of the Transport Ministry as in U. K. and not of the Communications Ministry and that this change be given effect to at an early date. In this connection they would also like to reiterate the recommendation made by the Estimates Committee in para 42 of their Nineteenth Report that the Transport Ministry should be separated from the Railway Ministry and placed under the charge of a separate Minister for Transport.

The Ministries of Transport and Communications have since been amalgamated as the Ministry of Transport and Communications and placed under one Cabinet Minister.

*(The Ministry of Transport and Communications O. M. No. 1-CA(184)/56 dated the 30th January, 1958).*

Government should make suitable regulations to prohibit persons who have retired or have resigned from Government services, especially those who are in possession of valuable information, from accepting service under foreign Governments or nationalised

The recommendation is being examined by the Ministry of Home Affairs.

*(The Ministry of Transport and Communications O.M. No.1-CA(184)/56 dated the 30th January, 1958).*

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undertakings in foreign countries without the prior approval of the Government.

Provisions of the nature referred to in this para already exist in Article 531-G of the C.S.R. so far as the cases of All India Service and Central Service Class I Officers who retire with pensions are concerned. It is not considered desirable or necessary to extend these provisions to lower categories of employees.

Persons not entitled to pensions are normally employed on contract or on a tenure or temporary basis. If they are on contract, they are generally entitled to a gratuity or to the benefits of Contributory Provident Fund etc., where a person is not entitled to any retirement benefit at all, Government has no hold on him after retirement. Where the retirement benefits take the form of Provident Fund or gratuity, once the dues in this regard are paid to them, Government can have no effective control on those officers. In any case, where a person resigns from service, he is not entitled to any retirement benefits from Government. The Government have, therefore, no effective control. The question whether any restrictions similar to those in Art. 531-C of the C.S.R. should be imposed on those entitled to benefits of Contributory Provident Fund has been considered on more than one occasion.

Such employment is not on par with that of pensionable employees. Whether employed on contract for a limited period or on an indefinite contract continuing until the attainment of the age of superannuation, such contracts are terminable on a stated period of notice (three months or six months)—on either side. Even where the contract is on an indefinite basis, it cannot therefore be maintained that such contract service is a secure life-time career for the employee. The main attractions of pensionable Government service, namely, security of a sufficiently long tenure and the prospect of a pension, do not operate in these cases. The imposition of a restriction regarding re-employment after retirement may in such cases well result in discouraging really competent and qualified persons from taking up non-pensionable employment under Government. This would be undesirable, especially when avenues of attractive employment in the private sector are becoming increasingly available to technically qualified persons.

Moreover, very few cases have so far come to notice in which non-pensionable employees of Government have after retirement made improper use in private employment of the knowledge and experience acquired by them while in Government service.

Another aspect of *ex-employees* of Government taking up service in foreign countries may also

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be mentioned. While it is undesirable that they should make any improper use of knowledge gained while in the service of the Government or Government undertakings, it may be an advantage that such persons gain experience and knowledge by working in foreign countries. This experience and knowledge can possibly become useful at a later stage for utilisation in the national interest if the person concerned seeks employment under Government or in an undertaking of national importance on his return to India.

Any rules or regulations that may be made by the Government of India would obviously not be binding on foreign employers. In the present state of development of the industries in India when foreign help is still needed to set up and promote national industries, it may not be worthwhile framing any rules and regulations which could not be effectively enforced and may only lead to unnecessary friction and avoidable discontent.

In view of the considerations mentioned above, it is not proposed to issue any orders laying down restrictions on ~~ex-employees~~ of

Government undertakings seeking re-employment elsewhere. The provisions of the Official Secrets Act will no doubt be applicable to certain categories of information which such persons may possess.

(*The Ministry of Home Affairs O. M. No. 12/23/56-Ests(A) dated the 28th March, 1957.*)

Instructions already exist *vide* this Ministry's Office Memorandum No 60/12/56-Ests dated the 17th April, 1956 that at the time of employing a person, it should be specifically ascertained from him whether he is already serving or is under obligation to serve any State Government or other public authority and, if so, the authorities concerned should be consulted before any negotiation is undertaken with the individual. The Ministry of Irrigation & Power in their Office Memorandum No. 3(191)/56-Adm I dated the 6th January, 1956 have invited the specific attention of the employing Ministries and project authorities to the tendency on the part of technical personnel to leave one project and seek employment elsewhere to the detriment of the project in which they are working. Prospective employers have been requested to :

- (i) Make it a condition that the application for employment must come through the existing employer, and

- (ii) Stipulate that applications would not be considered without a clearance certificate from the previous employer if the applicant has resigned his post within a specified period of time, say 4 to 6 months.

While it is recognised that a general ban on the re-employment of persons who have resigned from public undertakings may not be fair unless there is a reasonable assurance of continuity of employment in their former posts it is considered that as a general rule, all such persons before they are re-employed, should be asked to furnish to the appointing authorities full details of their previous employment in Government or Semi-Government Departments or State undertakings so that the latter may be approached for an opinion on the suitability of these persons for re-employment. It will also enable appointing authorities to decide on the desirability in each case of appointing persons who resign their posts in one organisation and seek fresh employment in another. It is requested that all appointing authorities in Government and in State Undertakings with which the Ministry of Finance etc. are con-

**earned may be asked to follow this procedure in future.**

(Ministry of Home Affairs O. M. No. 12/23/56-  
Ests(A) dated the 11th April, 1958.)

**Government should consider the feasibility of issuing instructions to the effect that when an employee resigns from one State undertaking and seeks employment in other, the latter should obtain a recommendation from the former in regard to his fitness for the subsequent employment.**

**The recommendation is being examined by the Ministry of Home Affairs.**

(Ministry of Transport and Communications O.M.  
No. 1-CA(184)/56 dated the 30th January 1958.)

Copies of the Ministry of Home Affairs Office Memorandum No. 60/12/56-Ests, dated the 17th April, 1956 and the Ministry of Irrigation and Power Office Memorandum No. 3/191/55-Adm.I, dated the 6th January, 1956, which contain certain instructions on the subject are enclosed. The question of issuing further instructions is under consideration and a further communication will be made.

(Ministry of Home Affairs Office Memorandum  
No. 12/23/56-Ests(A) dated the 28th March,  
1957).

Please also see Ministry of Home Affairs Office Memorandum No. 12/23/56-Esta(A) dated the 11th April, 1958, reproduced in column 4, Serial No. 18.

21 The Committee consider that the financial prospects of the Corporation are not entirely bright. While expansion of services and additional equipment may increase its capacity for earnings such projects will at the same time increase its expenditure, such as on man-power, maintenance, training, depreciation and interest on capital. Increasing competition will also require the provision of higher standards of passenger service. The Corporation should not, therefore, relax in its efforts to keep down unnecessary expenditure to control costs and to attract traffic.

The recommendation is accepted in principle. The management of the Corporation is not relaxing its efforts to keep down unnecessary expenditure to control costs and attract traffic.

(Ministry of Transport and Communications O.M. No. 1-CA(184)/56, dated the 30th January, 1958).

24 There are certain cases where third party claims are not strictly covered by the terms and conditions of insurance relating to liability. In order to meet such liabilities, a proposal has been made to earmark a sum of Rs. 5 lakhs for establishing a fund pursuant to the rules made under section 44(2)(c) of the Air Corporations Act. An early decision should be reached in the matter.

A decision has since been taken and the Central Government have prescribed the amount of Rs. 5 lakhs for the creation of the Fund.

(Ministry of Transport and Communications O.M. No. 1-CA(184)/56, dated the 30th January, 1958).

25 A cautious policy should be followed in the matter of the Insurance Fund which is being built up and out of which a portion of

The recommendation of the Committee is accepted in principle. While the A.I.I. Corporation are progressively bearing some

**aircraft risks are proposed to be covered, when the fund is sufficiently built up.**

**of the minor risks, all major aircraft risks are insured with Insurance Companies who, in turn, reinsure with Insurance Companies abroad so that the foreign exchange for replacement is readily available.**

(Ministry of Transport and Communications  
O. M. No. 1-CA(184)/56, dated the 30th  
January, 1958).

27 84 With the coming in of jet aircraft ordered by the Air India International, it should be possible for the Corporation to extend its services to New York either from London or from Tokyo. For this purpose, every step should be taken to study the traffic potential and trends of traffic increase on the two routes. Action may also be taken in odd time to enter into bilateral air agreements.

The point made by the Committee has already been noted by the Management of the A.I.I. and a study of both the routes has already been undertaken. Sales Contact offices have been opened—one in New York and one in Los Angeles—so that a study on the spot can be made as well as sales of connecting traffic in the dollar area can be generated and improved. Bilateral agreement already exists to enable the A.I.I. to operate on either of the two routes, if and when they are able to do so. The best possible utilisation of the existing fleet and the increased fleet in 1960 with a view to earning maximum revenue for the Corporation is a matter which is under the constant study of the Management.

(Ministry of Transport and Communications  
O.M. No 1-CA(184)/56, dated the 30th January,  
1958).

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The Committee are glad to note that A.I.I. has made a start in the direction of having a modern operational control, by having a movement control room in Bombay where by the movements of all their aircraft are watched and charted.

No comments.

(Ministry of Transport and Communications O.M. No. 1-CA(184)/56, dated the 30th January, 1958).

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The Committee are glad to note that the Corporation is playing an increasing part in the carriage of the country's international air traffic.

No comments.

(Ministry of Transport and Communications O.M. No. 1-CA(184)/56, dated the 30th Jan., 1958).

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The Committee feel that as regards traffic originating in this country the Corporation should periodically survey and analyse the traffic carried by all the airlines with the extent carried by it and from time to time take measures to capture more and more of the traffic. Ordinarily, the Corporation should not find it difficult to get the patronage of the Indian nationals.

The Corporation are receiving statistics of traffic carried by all airlines from India from the Director General of Civil Aviation which are scrutinised, and every effort is made to increase the A.I.I.'s share of traffic from India.

(Ministry of Transport and Communications O.M. No. 1-CA(184)/56 dated the 30th January 1958).

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The Committee are glad to note that by and large the facilities abroad and a ground offered by the Air-India International are found by passengers to be comparable with those of other International air-lines. However, suitable steps should be taken by the Corporation

The recommendation of the Committee regarding improving the quality of food and ensuring that high standards of catering are uniformly maintained is noted. The A.I.I. have recruited an experienced catering Superintendent from abroad who undertakes frequent tours to en-

poration to improve the quality of food served and also to cater to the differing tastes of various users of the Corporation's services. The Corporation should ensure that high standards of catering are uniformly maintained.

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While welcoming the establishment of the technical training schemes, the Committee recommend that the Corporation should examine the feasibility of admitting persons other than the Corporation's employees also to the courses of training, though most of the courses of training pertain to aeronautics and as such will be of limited utility to outsiders there should be opportunities to those who might like to be trained in those jobs.

In all nationalised undertakings, there should be a liberal policy for providing opportunities for training to certain number of persons even though they may not be strictly and directly required for the undertaking.

sure that the A.I.I.'s caterers at their various stations adhere to the menus laid down, in quality and appearance.

(Ministry of Transport and Communications O.M. No. 1-CA(184)/56 dated the 30th January, 1958)

The Corporation has already taken on 33 young-men from outside as Apprentice Engineers. These youngmen, on completion of a period of two to three years' training, would be considered for absorption in the categories of Flight Engineers, A.M.Es. or Technical Officers depending on their ability and aptitude.

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Under the In-plant training Scheme sponsored by the Director of Technical Education, Ministry of Labour, a number of students undergoing training in industrial institutions of the Government will be sent to the A.I.I. for training in workshop practices and in certain semi-skilled and skilled trades, for a period of six months. While no guarantee is given as regards employment, those trainees who show exceptional aptitude for aeronautical training may be considered for employment in the mechanic's categories.

The recommendation of the Committee regarding providing training for outsiders in nationalised undertakings will be examined. The recom-

mendation has also been brought to the notice of all the Ministries.

(*Ministry of Transport and Communications O.M. No. 1-CA(184)/56 dated the 30th January, 1958*).

No comments.

The Committee are glad to note that it is the policy of the A.I.I. to replace foreigners by Indians wherever possible in the Corporation in India.

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(*Ministry of Transport & Communications O.M. No. 1-CA(184)/56 dated the 30th January 1958*)

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The Committee understand that advertisements for requirement etc., in the A.I.I. is done through English and some foreign newspapers. The Committee suggest that the advertisements may also be published in some Indian language newspapers with wide circulation.

The Ministry of Information and Broadcasting have issued certain directive principles to be followed by Statutory Bodies, Nationalised Undertakings, etc., in the matter of advertising, which *inter alia* state that 'keeping in view the individual need of each organisation, increased use should be made of the Indian language newspapers for advertisements'. The suggestion made by the Committee which is also covered by the directive principles issued by the Information & Broadcasting Ministry will be considered by the management of the A.I.I. Corpn. The A.I.I. have on a few occasions in the past, issued advertisements in local vernaculars (Marathi and Gujarati).

The Committee recommend that the scheme which has been instituted for grant of prizes to members whose work, conduct and initiative is exceptionally good in the A.I.I. should be given wide publicity among the staff who should be encouraged to take part in it.

(Ministry of Transport & Communications O.M.  
No. 1-CA (184)/56 dated the 30th January,  
1958)

The scheme for granting prizes for members of the staff whose work, conduct and initiative are exceptionally good has already been given sufficient publicity and the staff are encouraged to take part in it by the Corporation. The Corporation will, however, give wider publicity to the scheme as suggested by the Committee.

(Ministry of Transport and Communications O.M.  
No. 1-CA(184)/56 dated the 30th January,  
1958)

### CHAPTER III

#### REPLIES OF THE GOVERNMENT THAT HAVE BEEN ACCEPTED BY THE COMMITTEE

| S. No.<br>of<br>recommen-<br>dations | Ref. to.<br>Para No.<br>of<br>Report | Summary of Recommendations | Reply of the Government |
|--------------------------------------|--------------------------------------|----------------------------|-------------------------|
| 1                                    | 2                                    | 3                          | 4                       |

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The Government should have set a time limit for the submission by the Air Transport Council of their report on fares and freight charges specially in view of the urgency of the matter which very vitally concerns the economic functioning of the Corporation.

The Air Transport Council was addressed on 19th September, 1955 to study the general problem of fares and freight rates to be charged on the air services operated by the I.A.C. and draw up for the consideration of Government a set of principles on the basis of which fares and freight rates should be determined. The Council was requested to communicate their recommendations to Government as early as possible. The Council was reminded about the submission of their report on the 25th May, 1956, i.e., eight months later. The Council intimated on 17-6-56 that the lines of the draft report were under discussion and that a decision would be reached at its next meeting. The Council was again requested on the 4th August, 1956 to intimate the approximate date



in view when fresh appointments on the Boards have to be made.

[*Ministry of Transport and Communications O.M. No. 1-CA(184)/56, dated the 30th January, 1958*].

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The Committee do not see why a certificate by the D.G.C.A. to the effect that the spare and stores in question are aircraft items and are specifically required for aircraft purposes should not suffice, as recommended by the Air Transport Enquiry Committee. On the authority of such certificate, the customs authority should be in a position to give clearance after charging thereon duty at the appropriate rates.

The Finance Ministry to whom the matter was referred have stated that while any documentary evidence produced by the Air Companies would be given its due weight by the Customs authorities, it would not be possible to accept the recommendation to have a classification solely on the strength of the certificate granted by the D.G.C.A. as that would amount to transferring the statutory obligations of the Customs authorities and the Central Board of Revenue to an outside authority.

[*Ministry of Transport and Communications O.M. No. 1-CA (186)/56, dated the 30th January, 1958*].

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The Committee suggest that :—

(a) There should be a 'pass or note' system in regard to the Customs Clearance of Aircraft material, i.e. as soon as invoices are

The Finance Ministry have not agreed to the extension of the 'pass' or 'note' system to the Air Corporations. But they have agreed to

received, the customs authority should allow the Corporations to clear the goods on the strength of an indemnity bond, subject to assessment at a later stage. It is understood that this facility was enjoyed by the Air India Ltd. in the past. If so, there should be no difficulty in extending the same facility to the Air Corporations.

(b) Assessors may go over to the airport and complete the assessment on receiving notice that goods have arrived by air.

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There should be a continuous review of the methods of cost accounting and the results. International air transport is a highly competitive industry, demanding advance planning and detailed check on results for successful management. The Corporation should, therefore, keep in touch with the system of cost control exercised by the modern operators and keep its own system sufficiently modern

introduce, on an experimental basis, a system under which direct clearance will be allowed at the airport on katcha bills of entry and subsequent formalities completed immediately thereafter at the Customs House.

The Customs Collector, Bombay has agreed that an Appraiser be sent frequently to attend to the release of consignments at the Santa Cruz airport

[*Ministry of Transport and Communications O.M. No. 1-CA(184)/56, dated the 30th January, 1958*].

The Management is regularly keeping in touch with the system of cost control exercised by other operators and is trying to keep its own system sufficiently modern to the extent it is possible and within the limits of expenditure it can incur for establishing such controls. Efforts to improve constantly the system are being made and will continue to be made.

[*Ministry of Transport and Communications O. M. No. 1-CA(184)/56, dated the 30th January, 1958*].

The policy regarding insurance of properties belonging to State controlled industries stated to be under consideration by the Ministry of Production should be made applicable uniformly for all State controlled industries of the Government.

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Since 1951, all the properties in which Government is directly or indirectly interested are being insured with the Indian Insurance Companies Association Pool. This arrangement will be in force, according to the present decision, till the end of December, 1957.

The late Ministry of Production was considered in consultation with the Ministry of Finance and the Controller of Insurance, the question of instituting a Central Insurance Fund for the public undertakings under that Ministry. A decision has been taken that it would not be worthwhile now following the question of starting a separate insurance fund, as had been proposed earlier, because, with the nationalisation of Life Insurance business, the position has completely altered. The Government have since taken over some Insurance Companies also including the Oriental Fire and General Insurance Co. and it is considered that Government undertakings, if they like, can ask for and obtain special rates of insurance. The question of a separate insurance fund for the public undertakings has therefore been dropped.

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[*Ministry of Transport & Communications O. M. No 1-CA (184)/56, dated the 30th January, 1958*].

The Air India International Corporation should take up with the customs department the question of inconvenience and irritation caused to passengers by the present procedure in the matter of customs checks and

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The Corporation have already taken up the question of inconvenience and irritation caused to passengers by the present procedure in the matter of customs checks with the Customs authorities, and also through the Director

examine if the method of dealing with passengers could be improved so as to cause less irksomeness and inconvenience.

General of Civil Aviation's Facilitation Meeting. The Corporation have been able to achieve certain amount of success in this respect.

[*Ministry of Transport and Communications O.M. No. 1-CA(184)/56, dated the 30th January, 1958.*]

112 Before setting up their own purchasing organisations in U.K. and the U.S.A., the Corporation should examine the economic aspect of the proposals.

The Air India International Corporation have set up their own Purchasing Organisation in the U.K., as they have a base in London with adequate staff to handle the purchases in the U.K. As the Corporation are operating with American Aircraft, the extent of their purchases in the U.K. is small. The arrangement, under which purchases are made direct in the U.K., has been working satisfactorily. The Corporation will examine the economy aspect of the proposal to set up their own Purchasing Organisation in the U.S.A. in detail before a decision is taken.

[*Ministry of Transport & Communications O.M. No. 1-CA(184)/56, dated the 30th January, 1958.*]

113 The Corporation should stock-pile to a reasonable extent stores which are consumed in regular quantities and in respect of their periodical replenishments, Government's stores purchase organisation should be utilised.

In the context of the present acute foreign exchange position, it is not practicable to stock-pile stores in excess of the absolute minimum requirements. The question of utilising Government Stores Purchasing Organisations, as far as possible, will be examined keeping in view the delays inherent in the procurement of stores through Government

Purchasing Agents and the nature of the requirements of the Corporation.

*[Ministry of Transport & Communications O. M. No. 1-CA(184)'56, dated the 30th January, 1958].*

The fleet of the A.I.I. consists of Super Constellations, manufactured in the U.S.A. The Boeings on order which are also manufactured in the U.S.A. will be fitted with Rolls Royce Conway engines manufactured in the United Kingdom. For purchases in the U.K., the Corporation has its own establishment in London, which is their important base. As far as purchases in the U.S.A. are concerned, which constitute the bulk of purchases of aircraft spares and stores from abroad the A.I.I. are not in favour of either making direct purchases controlled from Bombay or making use of the Indian Supply Mission, Washington. The Board of the Corporation has since given up the idea of setting up their own purchasing Organisation in the U.S.A. and have appointed a purchasing Agent in that country. As the procurement of stores is vitally connected with the efficiency of operations and any economy which may be achieved by the purchase of stores through Government Organisations is

likely to be at the sacrifice of efficiency, it is considered that it is better to leave the discretion in the matter to the Corporation.

[*Ministry of Transport and Communications O. M. No. 9-CA(10)/57, dated 10th October, 1958.*]

The Committee note that Works Committees do not exist in the A.I.I. Even though the functions of the Labour Relations Committee are practically the same as those of the Works Committees in their limited sphere (the Works Committees are for individual workshops whereas the Labour Relations Committee is intended for the whole Corporation). The Committee recommend that the Corporation should consider setting up of Works Committees in A.I.I at least in the Workshops.

Under Section 3(1) of the Industrial Disputes Act, 1947 the appropriate Government in the case of the A.I.I. viz. the Government of Bombay have not directed the A.I.I. to set up works Committees. The A.I.I. have all their workshops concentrated in one place viz. Works Committees, shop-wise, in addition to the Labour Relations Committee may result in the duplication of the functions of joint consultation which at present are within the scope of the Labour Relations Committee. Government are therefore of the view that until the A.I.I. are required to set up Works Committees under the Industrial Disputes Act, they may develop the existing Labour Relations Committee.

[*Ministry of Transport and Communications O.M. No. 1-CA(184)/56, dated the 30th January, 1958.*]

## CHAPTER IV

### REPLIES OF THE GOVERNMENT THAT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

| Sl. No. of<br>recom-<br>mendations | Ref. to Para No.<br>of Report | Summary of Recommen-<br>dations                                                                                                                                                                                     | Reply of the Government                                                                                                                                                                                                                                                                                                                                                              | Comments of the Committee                                                                                                                                                    |
|------------------------------------|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1                                  | 2                             | 3                                                                                                                                                                                                                   | 4                                                                                                                                                                                                                                                                                                                                                                                    | 5                                                                                                                                                                            |
| 7                                  | 27                            | <p>The Committee consider that non-official representation on Air Transport Council is inadequate. They recommend that as a rule such advisory councils should have a substantial non-official element in them.</p> | <p>Under Section 30 of the Air Corporations Act, the Central Government may constitute an Air Transport Council consisting of a Chairman and such other number of members, not exceeding eleven, provided that amongst the members to be so appointed there shall at least be one person with experience in financial matters and one person who is an employee of either of the</p> | <p>Government might be requested to state whether the Air Transport Council has been reconstituted and if so, to intimate the composition of the re-constituted Council.</p> |

Corporations with experience in labour matters. Government decided to set up a Council with ten members consisting of two members as stipulated in the act, 3 non-official members, the Chairmen of the two Corporations or their representatives, the D.G.C.A. or his representative, a representative of the Ministry of Railways & a representative of the Ministry of Defence. The Ministry of Defence were not in a position to nominate a representative and, therefore, the Council was set up with the Chairman and nine members. The decision regarding the composition of the Council was taken after taking into account the various interests, which it was considered, should be represented on the Council.

The Council was set up in April, 1955 and, under Rule 44 of the Air Corporations Rules, 1954, the term of office of the members is limited to three years. The

recommendation made by the Committee will be kept in view when the Council is reconstituted.

[*Ministry of Transport & Communications O.M. No. 1-CA (184) '56, dated the 30th January, 1958*].

The question of rates for the carriage of mails payable to the Corporation by the Posts and Telegraphs Department may also be referred to the Council even at this stage since mails form an important source of revenue to the Corporation.

As far as possible, the views of the Council should be obtained on all problems which are capable of being referred to it under the terms of its constitution and that with this object in view its machinery should be tuned to work

Government should be asked to state the latest position of the question which was stated to be under correspondence between the Government and the A.I.I. and whether the question had been referred to the Council and if not, the reasons therefor.

The question of rates for the carriage of mails payable to the A.I.I. Corporation is under correspondence between the Government and the A.I.I. Corporation. The types of cases which may be referred to the Air Transport Council by the Central Government, the Air Corporations, the Director General of Civil Aviation and the Director General of Posts and Telegraphs have been laid down in Section 31 of the Air Corporations Act. The Corporations, the D.G.C.A. and D.G. P. & T. have intimated

expeditiously. The Government should lay down definite criteria for referring problems to the Council. All problems satisfying the criteria must be referred to the Council as and when they arise.

ated that they have no problems at present to be referred to the Council.

*[Ministry of Transport and Communications O.M. No. 1-CA (184)'56, dated the 30th January, 1958.]*

Under Section 31(1)(b) of the Air Corporations Act, the Director General of Posts and Telegraphs and the Corporations may refer any matter to the Council including rates for carriage of postal articles by air. The Air India International Corporation, however, did not wish to refer this matter to the Air Transport Council. Recently we had inquired of the A.I.I. whether they had any problem for reference to the Air Transport Council and in reply the General Manager of Air India International had stated in his letter dated the 17th October, 1958 that the

A.I.I. had no points to refer to the A.T.C. and that they do not anticipate that they would have any in the near future. The D.G.P. & T. also has no problem for reference to the Council. Recently, the General Manager and the Financial Controller of the A.I.I. had held discussions with the D.G.P. & T. on the question of rates for the carriage of mails by air and the P. & T. are hopeful of settling the question on a mutually satisfactory basis. When the parties concerned with the question do not wish to make a reference to the Council, it would not be quite appropriate for the Government to insist on the matter being referred to the Council, especially when the parties are hopeful of reaching a mutually satisfactory settlement.

**33** As the integration of domestic services has been completed, it should be possible for Government to review the question of common Corporation for both the I.A.C. and the A.I.I.

**The Committee would like to know the circumstances in which the assurance to U.S. Commercial Banks was given at a time when already the Estimates Committee had recommended a review.\***

negotiated by the Corporation for financing the Boeing project, an assurance has been given to the U.S. Commercial Banks, from whom a loan of £ 11·2 million has been negotiated, that the Corporation will not,

\*The Government had carefully considered the recommendation of the Estimates Committee before the assurance in question was given to U.S. Commercial Banks. The Boring Project of the Corporation was approved by the Government subject to the conditions that the Corporation raised a loan to cover not less than 67% of the total cost of the project. The Air India International, therefore, negotiated a loan of Rs. 16.8 million from the World Bank and five U.S. Commercial Banks. The assurance that the borrower (The Air India International) will not consolidate or merge with any other Corporation, demanded by the lending Banks is usual in Bank Loan Agreement between various U.S. Airlines and the lending Banks and it stands to reason that there must be clauses in the Loan Agreement preventing the borrower or the owner of the borrower from putting an end to the business on the security of which the loan is made. Before the assurance was accepted by the Government, the recommendation made by the Estimates Committee was considered. For the reasons, which the Committee had themselves stated in paragraph 34 of the 41st Report, the Government felt that even though the question might be re-examined, a common Corporation for both the Indian Airlines Corporation and the Air India International was not feasible at that time. Further, if the Government decided later to merge the two Corporations, the Government would have the option under the Credit Agreement of pre-paying the debt without penalty. That being the practical position the assurance in question was given to the Banks.

[Ministry of Transport and Communications U.O. No. 1-CA (176)/58 dated the 22nd January, 1959.]

without the prior consent of the Banks, consolidate or merge with any other Corporation. As the loans will not be completely repaid till the end of 1965, the review proposed by the Committee cannot be undertaken at this stage.

[*Ministry of Transport & Communications O.M. No. 1-CA (184)/56, dated the 30th January, 1958.*]

There should be a Council for air research to direct research and ensure co-ordination with a view to making the most effective use of the available technical talent.

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It has been suggested that there should be a council for air research to direct research and ensure co-ordination with a view to making the most effective use of the available technical talent. The Research Unit set up by the Air India International is a very small unit and is designed purely to meet the requirements from the operations point of view. This Unit is very restricted in its scope and really forms a

In view of there being a large number of institutions doing research in isolation, a co-ordinating agency was necessary. If possible an existing institution like the Aeronautics Research Committee of the Council of Scientific and Industrial Research could itself be developed into such an agency.

nucleus for technical advice to the management of the Corporation on operational matters. It is quite usual for airlines to have such a small unit either under the nomenclature of Technical Bureau or a Research and Planning Branch. It is felt that the setting up of a council for Air research is not likely to result in the unit maintained by Air India International being merged into the council. This unit will have to continue separately.

2. The Ministry of Defence maintain a Directorate of Technical Development. This Directorate is organised to carry out research and development work related to the operational requirements of the Indian Air Force.

3. The Research and Development Centre of the Director General of Civil Aviation has functions which do not overlap with the above mentioned institutions. This Research

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Centre is entrusted with duties of a technical nature related to the functions and responsibilities of the Director General of Civil Aviation.

4. The Hindustan Aircraft Ltd., as a manufacturing organisation, have their own design and development organisation. They have to carry out a certain amount of research primarily related to design and manufacture of aircraft.

5. The Council of Scientific and Industrial Research has constituted an Aeronautics Research Committee for the purpose of co-ordinating and initiating research on all aspects of aircraft and aviation. Practically all the institutions mentioned in this note are represented on this Committee.

6. While there are a number of separate units engaged in research and development the scope and functions of each unit are very different. The units are designed to serve the requirements of the particular organisation to which they are attached. It is, therefore, unlikely that the establishment of a Council for air research would result in the abolition of any of these separate units or their merger into a single unit. The number of senior scientists engaged in this type of work in India is extremely limited. The aircraft manufacturing industry is almost in its infancy. Hence, it will be difficult to justify additional expenditure for setting up an independent council, for, air research is an ultimate development and will be required in future when the manufacture of aeroplanes of original designs have made considerable progress in India.

The recommendation of the Committee has been brought to the notice of the Ministry of Defence and the Council of Scientific and Industrial Research.

[*Ministry of Transport and Communications O. M. No. 1-CA (184)/56, dated the 30th January, 1958*]

20 A Board of Management consisting of the Chief Executive and his principal heads of departments should be appointed for the efficient conduct of the day to day business of the Corporation and suitable internal rules of procedure should be framed for the purpose.

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20 The Committee would like to know the progress made in this direction.

this question might be left to the discretion of the two Corporations.

[*Ministry of Transport and Communications O. M. No. 1-CA (184)/56, dated the 30th January, 1958*]

23                      76                      The Committee fail to see the need for the additional audit of the accounts by a firm of Chartered Accountants which has been voluntarily arranged by the Corporation when there is a full-fledged internal audit department and the external audit conducted by the Comptroller and Auditor General

The A.I.I. have, in connection with the financing of the Boeing project, obtained a loan from five Commercial Banks in the U.S.A Under the Credit Agreement for the loan to be granted by the Commercial Banks in U.S.A., certain covenants are laid down which make provision for submission

The Committee desire to know as to when the agreement between the A.I.I. and the U.S. Banks was entered into and whether the recommendation of the Estimates Committee was available at that time.\*

\*The Agreement between the Air India International Corporation and United States Commercial Banks was signed on the 31-1-57 and the recommendation of the Estimates Committee was available at that time.

The Board of the Air India International Corporation had considered the necessity for the audit of the accounts of the Corporation by an independent agency and had held the view that although internal audit was carried out and audit of the Comptroller and Auditor General was wider in its scope than the Commercial audit, it did not obviate the necessity of an independent examination or audit of the accounts. The Board considered it necessary that the annual accounts submitted to it and the Accounts Department should be examined by independent auditors before the annual accounts were submitted by the Board to the Central Government and the Comptroller and Auditor General, as required under the Act. The Comptroller and Auditor General is not obliged to complete the audit of the Corporation's annual accounts and to issue any certificate on which the Board of the Corporation could rely to enable the Board to adopt the annual accounts and submit it to the Central Government within the stipulated time. When the recommendation made by the Estimates Committee was under examination the Boeing Loan Agreement was being finalized and the agreement contained a provision for the submission of a periodical statement of accounts by the Corporation duly certified by the Chartered Accountant satisfactory to the Banks which had to be accepted. Such conditions are reported to be usual in Loan Agreements between the Airlines and the lending Banks in the United States.

[*Ministry of Transport and Communications v.o. No. 1-CA (176)/58, dated the 15th January, 1959.*]

is much wider in its scope than that done by commercial auditors.

to the Banks of half yearly and yearly statement of accounts, i.e. Profit and loss Account and Balance Sheet, by the Corporation which must be duly certified by Chartered Accountants satisfactory to the Banks. In view of this commitment, which has already been accepted, the Corporation is of the opinion, that it would not be possible to eliminate the audit by the independent Chartered Accountants at least as long as the loan is not completely paid off. The observations made by the Estimates Committee will be taken note of at a later stage.

[*Ministry of Transport and Communications O.M. No. 1-GA (184)/56, dated the 30th January, 1958.*]

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The Committee find that the Corporation is not able to undertake additional non-

The Committee desire to know the difficulties that were experienced by the

scheduled freight traffic for want of suitable aircraft. They suggest the feasibility of utilising the Skymasters of the I.A.C. when they are replaced by Viscounts, for international non-scheduled freight traffic may be examined in consultation with the I.A.C.

lines Corporation. The question will be considered, as recommended by the committee in paragraph 69 of their Forty-third Report, after all the ten Viscounts ordered by the I.A.C. are received and are in position.

**A. I. I. in building up their crew strength.**

It may be pointed out that in case of the A.I.I. it is not lack of aircraft but insufficient crew strength which mainly prevents the Corporation from accepting all charters for which offers are received by them. When the crew strength is built up, the Corporation expect to get maximum utilisation out of their aircraft and shall then have the capacity available for operating charters.

*[Ministry of Transport and Communications O.M. No. 1-CA (184)/56, dated the 30th January 1958.]*

**123** The Committee emphasise the necessity of settling the dispute between the A.I.I. employees

The Air-India International Corporation accept this in principle.

Although the A.I.I. have accepted this recommendation in principle, the

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and the Corporation in the matter of recognition of employees' union in a spirit of cordiality and understanding at an early date.

[*Ministry of Transport and Communications O. M. No. 1-CA(184) '56, dated the 30th January, 1958.*]

Ministry may be asked to state whether or not the dispute between the A.I.I. employees and the Corporation in the matter of recognition of employees' union has been amicably settled.

## CHAPTER V

### RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF THE GOVERNMENT HAVE NOT BEEN RECEIVED

| S. No. of<br>recommen-<br>dations | Ref. to Para<br>No. of Report | Summary of Recommendations | Reply of the Government | Comments of the Committee |
|-----------------------------------|-------------------------------|----------------------------|-------------------------|---------------------------|
| 1                                 | 2                             | 3                          | 4                       | 5                         |

15      The Committee have noticed an increasing tendency on the part of Government to appoint Secretariat officials as members of Corporation or Boards of Directors and to expect them to perform such functions concurrently with their Secretariat duties. In their Sixteenth Report, the Committee have referred to the very limited usefulness of such bodies. They have further emphasised in their Report on the B.E. Ltd. the necessity of demarcating clearly the Secretariat functions of laying down policies and the executive functions of

The reply to this recommendation is being sent separately. Government may be requested to expedite reply.

[*Ministry of Transport and Communications O.M. No. 1-CA (184) '56, dated the 30th January 1958.*]

implementing them and also the necessity to avoid associating secretariat officials with the actual execution of policies laid down by them, so as to enable them to retain the necessary objective outlook, they reiterate here the recommendations made by them in these reports.

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The Committee feel that there is considerable scope and justification for the existence of independent non-scheduled operations in this country.

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If the independent operators are to help expansions of services, particularly on routes which the nationalised Corporations are not in a position to operate, it is necessary and desirable that they should clearly know to what extent and how long they would be permitted to operate the services.

*Serial Nos. 12-14.*

*S. Nos. 12-14*

The recommendations of the Committee have been noted and it is being examined how they can be implemented within the conditions laid down in the Air Corporations Act, 1953 and the Industrial Policy Resolution adopted by Government.

The Ministry may be asked to state the decision arrived at regarding these recommendations.

[Ministry of Transport and Communications O.M. No. 1-CA (184)/56, dated the 30th January, 1958.]

A liberal attitude should be followed towards independent operators and if an independent operator satisfied the Government of his capacity to operate a service on a route on which the nationalised corporations are not in a position to extend their services, there should be no objection to grant a permit to the independent operator over that route.

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Air-India International should examine the case for providing accommodation facilities at airports used by them in India and if it is not possible for them to do the needful, the feasibility of providing slumberettes in airport buildings may be considered so that passengers who are detained at the airports due to postponement of flight could relax to some extent.

The suggestion has been noted and is being examined. Results of the examination may be ascertained from the Ministry.

[Ministry of Transport and Communications O.M. No. 1-CA (184)/56, dated the 30th January, 1958.]

NEW DELHI;  
29th December, 1958.

BALVANTRAY G. MEHTA,  
Chairman,  
Estimates Committee

## APPENDIX

### Analysis of the action taken by Government on the recommendations contained in the Forty-First Report of the Estimates Committee (First Lok Sabha).

|                                                                                                                        |     |
|------------------------------------------------------------------------------------------------------------------------|-----|
| 1. Total Number of recommendations . . . . .                                                                           | 42  |
| 2. Recommendations accepted fully by the Government                                                                    |     |
| No. .... .                                                                                                             | 19  |
| Percentage to total . . . . .                                                                                          | 45% |
| 3. Recommendations accepted by the Government partly or with some modifications                                        |     |
| No. .... .                                                                                                             | 2   |
| Percentage to total . . . . .                                                                                          | 5%  |
| 4. Recommendations not accepted by the Government but replies in respect of which have been accepted by the Committee. |     |
| No. . . . .                                                                                                            | 8   |
| Percentage to total . . . . .                                                                                          | 19% |
| 5. Recommendations not accepted by Government (including those which are still under consideration by Government.)     |     |
| No. .... .                                                                                                             | 13  |
| Percentage to total . . . . .                                                                                          | 31% |

**LIST OF AUTHORISED AGENTS FOR THE SALE OF PARLIAMENTARY  
PUBLICATIONS OF THE LOK SABHA SECRETARIAT, NEW DELHI-1.**

1. Jain Book Agency, Connaught Place, New Delhi.
2. Kitabistan, 17-A, Kamla Nehru Road, Allahabad.
3. British Book Depot, 84, Hazratganj, Lucknow.
4. Imperial Book Depot, 268, Main Street, Poona Camp.
5. The Popular Book Depot (Regd.), Lamington Road, Bombay-7.
6. H. Venkataramiah & Sons, Vidyandhi Book Depot, New Statue Circle, Mysore.
7. International Book House, Main Road, Trivandrum.
8. The Presidency Book Supplies, 8C, Pycrft's Road Triplicane, Madras-5.
9. Atma Ram & Sons, Kashmere Gate, Delhi-6.
10. Book Centre, Opp. Patna College, Patna.
11. J. M. Jaina & Brothers, Mori Gate, Delhi-6.
12. The Cuttack Law Times Office, Cuttack-2.
13. The New Book Depot, Connaught Place, New Delhi.
14. The New Book Depot, 79, The Mall, Simla.
15. The Central News Agency, 23/90, Connaught Circus, New Delhi.
16. Lok Milap, District Court Road, Bhavnagar.
17. Reeves & Co., 24, Park Street, Calcutta-16.
18. The New Book Depot, Modi No. 3, Nagpur.
19. The Kashmir Book Shop, Residency Road, Srinagar, Kashmir.
20. The English Book Store, 7-L, Connaught Circus, New Delhi.
21. Rama Krishna & Sons, 16-B, Connaught Place, New Delhi.
22. International Book House, Private Ltd., 9, Ash Lane, Bombay.
23. Lakshmi Book Store, 42, M. M. Queensway, New Delhi.
24. The Kalpana Publishers, Trichinopoly-3.
25. S. K. Brothers, 15A/65, W.E.A., Karol Bagh, Delhi-5.
26. The International Book Service, Deccan Gymkhana, Poona-4.
27. Bahri Brothers, 188, Lajpat Rai Market, Delhi-6.
28. City Booksellers, Sohan-ganj Street, Delhi.
29. The National Law House, Near Indore General Library, Indore.
30. Charles Lambert & Co., 101, Mahatma Gandhi Road, Opp. Clock Tower, Fort, Bombay.
31. A. H. Wheeler & Co. (P) Ltd., 15, Elgin Road, Allahabad.
32. M. S. R. Murthy & Co., Visakhapatnam.
33. The Loyal Book Depot, Chhipi Tank, Meerut.
34. The Goods Companion, Baroda.
35. University Publishers, Railway Road, Jullundur City.
36. Students Stores, Raghunath Bazar, Jammu-Tawi.
37. Amar Kitab Ghar, Diagonal Road, Jamshedpur-1.
38. Allied Traders, Motia Park, Bhopal.
39. E. M. Gopalkrishna Kone, (Shri Gopal Mahal) North Chitrai Street, Madura.
40. Friends Book House, M. U., Aligarh.
41. Modern Book House, 286, Jawahar Ganj, Jabalpur.
42. M. C. Sarkar & Sons (P) Ltd., 14, Bankim Chatterji Street, Calcutta-12.
43. People's Book House, B-2-829/1, Nizam Shahi Road, Hyderabad Dn.
44. W. Newman & Co. Ltd., 3, Old Court House Street, Calcutta.
45. Thacker Spink & Co. (1938) Private Ltd., 3, Esplanade East, Calcutta-1.
46. Hindustan Dairy Publishers, Market Street, Secunderabad.
47. Laxmi Narain Agarwal, Hospital Road, Agra.
48. Law Book Co., Sardar Patel Marg., Allahabad.
49. D. B. Taraporevala & Sons Co. Private Ltd., 210, Dr. Naoroji Road, Bombay-1.
50. Chanderkant Chiman Lal Vora, Gandhi Road, Ahmedabad.
51. S. Krishnaswamy & Co., P.O. Teppakulam, Tiruchirapalli-1.
52. Hyderabad Book Depot, Abid Road (Gun Foundry), Hyderabad.
53. M. Gulab Singh & Sons (P) Ltd., Press Area, Mathura Road, New Delhi.
54. C. V. Venkatchala Iyer, Near Railway Station, Chalakudi.
55. The Chindambaram Provision Stores, Chindambaram.
56. K. M. Agarwal & Sons, Railway Book Stall, Udaipur (Rajasthan).
57. The Swadesamitran Ltd., Mount Road, Madras-2.
58. The Imperial Publishing Co., 3, Faiz Bazar, Daryaganj, Delhi-6.
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60. Current Book Stores, Maruti Lane, Raghunatl Dadaji Street, Bombay-6.
61. A. P. Jumbulingam, Trade Representative & Marketing Consultant, Prudential Bank Building, Rashtrapathi Road, Secunderabad.
62. K. G. Aseervadam & Sons, Clonghpet, P.O. Ongli, Guntur Dist., (Andhra).
63. The New Order Book Co., Eliss Bridge, Ahmedabad.
64. The Triveni Publishers, Masulipatnam.
65. Deccan Book Stall, Ferguson College Road, Poona-4.
66. Jayna Book Depot, Chaparwala Kuan, Karol Bagh, New Delhi-5.
67. Book Land, 663, Madan Gate, Ajmer (Rajasthan).
68. Oxford Book & Stationery Co., Scindia House, Connaught Place, New Delhi.
69. Makkala Pustaka Press, Balamandira, Gandhinagar, Bangalore-9.
70. Gandhi Samriti Trust, Bhavnagar.

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**PRINTED AT THE PARLIAMENTARY WING OF THE GOVERNMENT OF INDIA PRESS,  
NEW DELHI AND PUBLISHED BY THE LOK SABHA SECRETARIAT UNDER RULE  
382 OF THE RULES OF PROCEDURE AND CONDUCT OF BUSINESS IN  
LOK SABHA (FIFTH EDITION.)**

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