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Friday,
8th May, 1953

PARLIAMENTARY DEBATES

HOUSE OF THE PEOPLE

OFFICIAL REPORT

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OFFICIAL REPORT

2881

HOUSE OF THE PEOPLE

Friday, 8th May, 1953

The House met at a Quarter Past Eight of the Clock.

[MR. DEPUTY-SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

FOREIGN EXPERTS IN BHAKRA NANGAL PROJECT

*1943. Sardar Hukam Singh: Will the Minister of Irrigation and Power be pleased to state:

(a) whether Mr. M. H. Slocum, Director, Construction and Plant Design, Bhakra Nangal Project has lately asked for some more experts to be imported for this Project; and

(b) the number of foreign experts already working on this Project and their annual bill charged to the works?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) No. Sir.

(b) (i) 44.

(ii) Rs. 40,88,000/-

Sardar Hukam Singh: Could I know the number of Indian engineers that are assisting Mr. Slocum in the construction of this project?

Shri Hathi: There are about one hundred or even more. The total, I think, is 116 or so.

Sardar Hukam Singh: Did Mr. Slocum or did he not make a complaint that the Indian engineers that he wanted were not given to him, and that those whom he did not approve of were thrust on him, and he was the sole traveller in the journey?

Shri Hathi: No, that is not the position. No engineers were thrust upon Mr. Slocum. He never made any selection by name of any particular person. He would say that he wanted a particular type of engineer with some qualifications, and those were given to him.

Sardar Hukam Singh: What is the latest estimate about the period for which these experts are to be retained?

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Shri Hathi: May be four years or so.

Dr. Ram Subhag Singh: Is it true that quarters of different designs have been constructed and are being constructed in Nangal for American engineers?

Shri Hathi: Quarters of different designs are not being constructed. There might be some difference in the accommodation, but not in the designs.

Shri Jasani: May I know the annual salary paid to Mr. Slocum and other experts engaged in this project?

Shri Hathi: They are 44 in number. If he wants, I can lay a statement on the Table of the House.

Mr. Deputy-Speaker: It has been asked so many times.

Shri Jasani: May I know whether that salary is taxable?

Shri Raghbir Sahai: When is the work likely to be finished?

Shri Hathi: The first phase will be over in 1955/56.

Shri Achuthan: What is the latest tendency in regard to foreigners in this project? Is it on the ascending or descending stage?

Shri N. M. Lingam: May I know, Sir, the nationalities to which these experts belong?

Shri Hathi: Mostly they are Americans.

TRADE WITH TIBET

*1944. Dr. Ram Subhag Singh: Will the Minister of Commerce and Industry be pleased to state:

(a) whether normal trade relations between Tibet and India have resumed;

(b) the approximate value of Tibetan goods imported into India in the year 1952-53; and

(c) the approximate value of Indian goods exported to Tibet during the above said period?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) There has been nothing abnormal with trade relations between Tibet and India in recent times.

(b) Rs. 71 lakhs.
(c) Rs. 227 lakhs.

Dr. Ram Subhag Singh: Has any understanding been arrived at between the representatives of Tibet and India in regard to trade relations between the two countries?

Shri T. T. Krishnamachari: I do not understand what the import of the question is. If he means whether it is on a Government to Government basis, no, Sir.

Shrimati Tarkeshwari Sinha: May I know, Sir, whether licences have been issued for the export of cotton piece-goods to Tibet? If so, how much cloth will be supplied in 1953?

Shri T. T. Krishnamachari: The limitation was formerly in the nature of quantity. We had a limit of 600 tons per year. But then, with the decontrol of distribution, that was changed and the Political Officer, Sikkim, is empowered to give licences to such persons as he thinks fit for a total quantity of about 1,000 tons.

Dr. Ram Subhag Singh: What are the materials whose export to and import from Tibet are not allowed?

Shri T. T. Krishnamachari: I can tell the hon. Member the materials that go into the trade. I cannot say what are not allowed.

Shri N. R. M. Swamy: What is the nature of the goods exported and imported?

Shri T. T. Krishnamachari: The bulk of the goods exported are cotton piecegoods, dyes, gur, iron, salt, sugar, foodstuffs, narcotics, hides and skins, metals, and there is an item called 'Miscellaneous' which must be made up of several items too small to be mentioned. Imports are wool, woolen yarn, woollen cloth, animal hair, carpets, skins, furs and livestock.

Shri Velayudhan: May I know, Sir, whether the licences between India and China for goods are issued through our Political Officer at Sikkim and whether he is recognized by the Chinese Government?

Shri T. T. Krishnamachari: It is not a question of India and China. The question relates only to Tibet. There is no question of recognition of the Political Agent by the Chinese Government. If he recommends issue of licences, licences are issued. It is a mere matter of procedure.

श्री भक्त वर्षन : क्या माननीय मंत्री महोदय को जात है कि पश्चिमी तिब्बत में हमारे व्यापारियों को अनेक प्रकार के कर देने पड़ते हैं। यदि उनको जात है तो इस सम्बन्ध में कोई लिखा पढ़ी की गई है?

बाणिज्य मंत्री (श्री करमरकर) : जो कर देने पड़ते हैं उन के बारे में हमारे पास कोई रिप्रेजेन्टेशन नहीं आया है।

Shri Muniswamy: May I know, Sir, whether it is because of the non-availability of goods that such goods are imported, or because of their quality?

Shri T. T. Krishnamachari: My hon. friend does not understand that trade is a thing which flows, and is governed by laws of demand and supply. If the people need goods and they come in, all that we can do is either to put a ban or regulate or allow them to come in freely. In this case, goods are more or less allowed to flow freely both ways.

INDIANS EMPLOYED IN CEYLON

*1945. **Shri S. C. Samanta:** Will the Prime Minister be pleased to state:

(a) whether it is a fact that Ceylon has or is going to amend her immigration law to prohibit foreigners on visit from taking up employment or business in the island;

(b) the number of Indians there at present in employment or in business;

(c) whether the Government of India had any correspondence with the Government of Ceylon about the future employment of Indians and also about the business to be carried there by Indians; and

(d) if so, with what results?

The Prime Minister (Shri Jawaharlal Nehru): (a) No. A person proceeding to Ceylon on a visa has, however, to make, *inter alia*, a declaration on his application that he shall not engage himself in any employment on arrival in Ceylon.

(b) Figures are not available.

(c) No.

(d) Does not arise.

Shri S. C. Samanta: May I know, Sir, whether any fresh correspondence is going on with the Ceylon Government on the apprehension that such amendments may be brought in?

Shri Jawaharlal Nehru: There is no correspondence as such, but naturally we are always in touch, through our High Commissioner, with the Ceylon Government discussing various matters.

Shri T. S. A. Chettiar: May I know if there is any truth in the press statements appearing recently that a reasonable settlement can be arrived at between the Government of India and the Ceylon Government over the treatment of Indians there?

Shri Jawaharlal Nehru: There is this much truth in the statements that there were talks between our High Commissioner and representatives of the Ceylon Government. We always hope that a reasonable settlement will be arrived at.

Shri M. L. Dwivedi: May I know whether a gesture has been shown by the Ceylon Government as a result of which possibilities have arisen of a solution of the long-standing question of Indians domiciled in Ceylon?

Shri Jawaharlal Nehru: As I have just said.....

Mr. Deputy-Speaker: That is what he has said.

Shri Sarangadhar Das: May I know if there are similar restrictions imposed on the Ceylonese who migrate to India?

Shri Jawaharlal Nehru: As far as I know, there are no such restrictions. As far as I know, no Ceylonese come for that purpose to India. May be an odd person may come here and there.

Shri A. M. Thomas: Sir, may I enquire whether all these and similar questions will be discussed between the two Prime Ministers in their forthcoming meeting at London?

Shri Jawaharlal Nehru: Well, similar questions may be, but not all these.

Shri S. C. Samanta: May I know, Sir, whether there were other restrictions before than those mentioned by the Minister?

Shri Jawaharlal Nehru: What kind of restrictions?

Mr. Deputy-Speaker: What kind of restrictions? It cannot be vague.

Shri S. C. Samanta: Now, Sir, some restrictions are put as regards applications etc. May I know whether there were other restrictions before over which complaints were made to the Ministry?

Shri Jawaharlal Nehru: The present restrictions, as they are called, do not indicate any change in the law. When an Indian citizen applies for visa to go to Ceylon, before giving a visa, they ask him to give this assurance that he will not indulge in any occupation of this kind there because of the employment situation there. It is not a legal restriction: it is a restriction under the visa system. One must distinguish between the cases of those people of Indian descent in Ceylon and people who go from India. As I have said, this applies to those who go there with a visa.

INDIANS IN SOUTH AFRICA

*1948. **Shri S. N. Das:** (a) Will the Prime Minister be pleased to state whether it is a fact that the South African Government have recently begun resorting to ingenious devices to drive out as many African nationals of Indian origin as possible from their land of birth?

(b) If so, how many such persons of Indian origin have been affected so far?

(c) Is it a fact that a South African citizen of Indian origin, Shri Boodhia Bhana by name who entered the Union after attaining the age of 16 was ordered by the Minister of the Interior to leave the Union after the death of his father and the expiry of his temporary permit?

The Prime Minister (Shri Jawaharlal Nehru): (a) and (b). As far as the Government of India are aware, no person of Indian origin born in South Africa has so far been sent out of that country against his wishes.

Admission to South Africa is however being refused on minor technical lapses to those who would ordinarily have been admitted as wives and children of persons of Indian origin domiciled in South Africa: and the Government of South Africa have now decided to ban their entry completely by legislation.

(c) Yes.

Shri S. N. Das: May I know, Sir, whether any, and if so what progress has been made in the functioning of the three man Commission of Good Offices to bring about negotiations between the countries concerned?

Shri Jawaharlal Nehru: No progress has been made.

Shri S. N. Das: May I know, Sir, the reasons why any progress has not been made when the Commission was constituted long ago?

Shri Jawaharlal Nehru: Primarily, the reason is a certain reluctance of the Government of the Union of South Africa to the step being taken; to some extent, delay was also caused in the United Nations in the formation of the Commission.

Shri S. N. Das: May I know, Sir, whether since the elections in South Africa, that Government have intensified the measures for the removal of persons of Indian origin from that country?

Shri Jawaharlal Nehru: If the hon. Member means the intensification of measures for removal, I think, there have been no measures for removal. In fact, the answer is that nobody has been removed from there.

Shri Bogawat: May I know whether there is any possibility of solving this question by the U.N.O.?

Shri Jawaharlal Nehru: The matter is before the U.N.O.

Shri N. M. Lingam: May I know whether about 100 wives of our nationals there arriving by a ship were not allowed to join their husbands?

Shri Jawaharlal Nehru: So far as I know, the wives were allowed to land and presumably they have joined their husbands. But, I think the South African Government made some kind of statement to the effect that they reserve the right to take any future action that they may decide upon.

Shri G. P. Sinha: May I know whether the South African Government is trying to do away with the Gandhi-Smuts Pact?

Shri Jawaharlal Nehru: A very great deal has happened since then.

Dr. Lanka Sundaram: May I know, Sir, whether, in view of the extraordinarily confusing position of Indians in South Africa in respect of citizenship and domicile, the Government propose to take up this matter to the International Court to establish their rights of domicile etc.?

Shri Jawaharlal Nehru: It is difficult for me to answer that question straight off, because normally speaking, any question is taken up to the International Court with the consent of parties. I rather doubt the other party would be willing.

EXPULSION OF INDIAN MERCHANTS FROM BURMA

*1949. **Shri M. R. Krishna:** (a) Will the Prime Minister be pleased to state how many Indian merchants have so far been expelled from Burma?

(b) What are the reasons for this expulsion of Indian merchants from Burma?

(c) What categories of businessmen are expelled and what categories are retained?

The Prime Minister (Shri Jawaharlal Nehru): (a) 11 Indians have so far been asked to leave Burma.

(b) No reasons have been given. Under Section 3 of the Foreigners' Act (Burma), the President of Burma is empowered to ask any foreigner to leave Burma without assigning any reasons.

(c) No particular category of businessmen has been singled out for expulsion; but generally speaking those considered undesirable are asked to leave while those not considered undesirable are allowed to stay.

Shri M. R. Krishna: May I know, Sir, what is the total value of the property left by these Indians in Burma and whether any arrangement has been made to allow these Indians to get back their property?

Shri Jawaharlal Nehru: I don't think any question of property has thus far arisen. Most of them have appealed to the courts there and their appeals are pending. These are individual cases. I do not think they should be considered *qua* Indians and Burmese.

Shrimati A. Kale: May I know whether we can take such action in India?

Shri Jawaharlal Nehru: Of course. We can always take action against a foreigner.

Shrimati A. Kale: How many instances have taken place so far?

Shri Jawaharlal Nehru: I know we have taken action.

Shri Punnoose: May I know whether these merchants are expelled along with their property or is the property held back?

Shri Jawaharlal Nehru: These are individuals against whom presumably action is taken. Their right to property as such is there and will remain with them.

Shri Muniswamy: May I know whether all these merchants have come to South India?

Shri Jawaharlal Nehru: I have got a list of their names. Judging from their names they are representatives of sections of India all over.

बाबू रामनारायण सिंह : क्या भारत सरकार ने इस तरह का कुछ पता लगाया है कि वह लोग कैसे आदमी थे और उन लोगों का वहाँ से निकाला जाना वाजिब था या नहीं ?

श्री जबाहुरलाल नेहरू : जी हाँ । हमें यह इतला मिली है कि इसमें कोई ऐसी बात नहीं है जिस में हमें ऐतराव करना चाहिए। वहाँ मामला अपील में है। मैं ज्यादा नहीं कह सकता और मेरा इस में कुछ कहना ठीक नहीं है जिसका कुछ असर इधर या उधर हो। लेकिन यह कोई हिन्दुस्तानियों के खिलाफ बात नहीं है। यह तो कुछ लोगों के खिलाफ व्यक्तिगत रूप से कार्यवाई की गई है जिनको वह पसन्द नहीं करते थे।

SUGGESTIONS OF U.N. EXPERTS ON COMMUNITY PROJECTS

*1950. **Shri S. N. Das:** Will the Minister of Planning be pleased to state:

(a) what were the important points suggested by the U.N. experts on Community Organisation in the course of their talks with the Members of the Planning Commission before they left India;

(b) whether as a result of their suggestions made to the Planning Commission, the Government of India have taken or propose to take steps for maximum mobilisation of man and money power of the Community; and

(c) whether the suggestion that the universities should be associated with the Projects has been considered and steps taken to give effect to the proposal?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) A statement is laid on the Table of the House. [See Appendix XI, annexure No. 40.]

(b) The Mission's official report has not yet been received. In the meantime, the suggestions made by the Mission at its meeting with the Planning Commission have been communicated to State Governments.

(c) This question is under consideration.

Shri S. N. Das: May I know, in regard to Technical service at the project level, whether any action has been taken with regard to this suggestion?

Shri Hathi: Yes, Sir. From April 16 to 19, there was a meeting of the Development Commissioners from various States. This question was considered and an agreed decision was arrived at that power should be delegated to the State Governments for implementing this.

Shri S. N. Das: May I know whether the suggestions made by the U.N. Mission were included in the project?

Shri Hathi: Even from our experience the question of a policy for the training of the village development workers was already there.

Shri S. N. Das: May I know whether any educational institutions have so far interested themselves in these project areas?

Shri Hathi: Some educational institutions have associated themselves in the project area. Some students from Gujarat, about 1500, are having a camp just now, and in Bihar also there were students of colleges who took part in this project area.

Shri S. N. Das: What has so far been done regarding the resolution on Rural Savings and Decentralisation of industries?

Shri Hathi: So far as the decentralisation of industries is concerned. It will be necessary to have a certain survey of project areas to estimate surplus labour and seasonal employment and unemployment. A technological investigation into the types of industries, small in size consistent with efficiency and other services is being made; that will take some time.

Shri N. M. Lingam: May I know whether the suggestions made by the experts were made after an intensive study of the project works in the country?

Shri Hathi: In fact, that is being done even now.

PAKISTANI RAID ON NADIA BORDER

*1952. **Sardar A. S. Saigal:** (a) Will the Prime Minister be pleased to state whether it is a fact that on the 22nd January, 1953, about 25 Pakistanis raided at Chechania in Bengal-Burma Union?

(b) How much booty was taken away?

(c) Is it a fact that in Nadia District under Karimpur Police Station Pakistani raiders intensified their activities in several border villages?

(d) What steps are the Government of India taking to stop these raids?

(e) How many such raids have taken place by Pak-Raiders in Nadia border since Partition, i.e. 15th August, 1947 up to 31st January, 1953?

The Prime Minister (Shri Jawaharlal Nehru): (a) and (b). Persons suspected to be Pakistanis committed a dacoity on the 22nd January 1953 in a house in Dewanpara, about a mile from village Chechania. Cash, ornaments and cattle worth over Rs. 3,000 were taken away.

(c) and (e). There have been 142 raids after Partition by Pakistanis on border villages in Nadia District. 42 of these took place in Karimpur Police Station limits. In January 1953 there were 5 raids in Nadia District of which 3 took place in Karimpur Police Station.

(d) Police patrol along the border has been intensified. Resistance parties have been organised in the border villages. Particular incidents have been taken up with the East Bengal Authorities.

Sardar A. S. Salgal: Will there be high level talks about these raids with the hon. the Prime Minister of Pakistan in near future when the hon. the Prime Minister meets him?

Shri Jawaharlal Nehru: These questions are usually discussed at more low level talks.

PRIORITIES FOR PROJECTS

*1953. **Shri L. N. Mishra:** (a) Will the Minister of Planning be pleased to state whether Government propose to constitute some special Committee to advise on the issue of giving priorities to the various new irrigation and power projects?

(b) If so, what are its composition and financial liability?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) and (b). It is proposed to constitute the Committee in the near future.

Shri L. N. Mishra: May I know by what time this committee is expected to be set up?

Shri Hathi: I cannot say exactly the time; it may take a few months.

Shri L. N. Mishra: May I know whether the new committee would, in

the matter of determining priorities, supersede the functions of the existing Central Water and Power Commission; if not, how is co-ordination between the two to be achieved?

Shri Hathi: The functions of the Committee are outlined in the Report of the Planning Commission. The Committee will assess the economics of the various schemes and they will then assess the priorities.

Shri Punnoose: May I know whether the new committee will be representative of the various States who are interested in irrigation?

Shri Hathi: As I said the matter is under consideration, but the Chief Engineer of the States concerned will be on that committee.

RAW HIDES INDUSTRY

*1954. **Shri Ganpati Ram:** Will the Minister of Commerce and Industry be pleased to state:

(a) the position of raw hides industry in India since July, 1952 to January, 1953; and

(b) the measures, if any, taken by the Government of India to improve the condition of the industry?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) and (b). A statement is laid on the Table of the House. [See Appendix XI, annexure No. 41.]

श्री गणपति राम : क्या मन्त्री महोदय बतला सकते हैं कि छोटे छोटे उद्योग धन्धों को भी सरकार की तरफ से कोई सहायता दी जाती है या कोई घन दिया जाता है?

- **Shri T. T. Krishnamachari:** If the hon. Member would read the statement he will find that so far as the smaller industries are concerned, they will be the concern of the All-India Khadi and Village Industries Board which has selected leather industry amongst the small industries which need help by the Board.

Shri Ganpati Ram: May I know whether the State Governments are taking interest in developing this industry?

Shri T. T. Krishnamachari: Some State Governments are, according to my information.

Shri S. C. Samanta: May I know Sir, whether it is true that in some parts of Mahasu district in Himachal

Pradesh raw hides are buried unused? If so, what steps are being taken by Government to avoid this wastage, which leads to the import of a large quantity of leather goods of daily use?

Shri T. T. Krishnamachari: The range of my information is much more limited than that of the hon. Member. I can take the information of the hon. Member.

Babu Ramnarayan Singh: May I know, Sir, what are the actual practical steps which have hitherto been taken to help khadi industry?

Shri T. T. Krishnamachari: At the moment it is raw hide and not khadi.

AUSTRALIAN PRESS DELEGATION

*1955. **Shri Ganpati Ram:** Will the Prime Minister be pleased to state:

(a) whether the Australian Press Delegation arrived in India at the invitation of the Government of India;

(b) the purpose and personnel of the Delegation;

(c) the expenditure, if any, met by the Government of India; and

(d) whether such other delegations have been invited from other foreign countries and if so, from where?

The Prime Minister (Shri Jawaharlal Nehru): (a) Yes.

(b) The visit was to enable responsible pressmen from Australia to acquaint themselves first-hand with the conditions prevailing in India, and help to improve Indo-Australian understanding.

The Delegation was composed of:

(i) Mr. J. Goodge of the "Sun", Sydney.

(ii) Mr. Guy Harriott of the "Sydney Morning Herald", Sydney.

(iii) Mr. Maurice Simpson of the "West Australian", Perth.

(iv) Dr. Peter Russo of the "Argus", Melbourne.

(v) Mr. Douglas Wilkie of the "Sun News-Pictorial", Melbourne.

(c) The entire expenditure of the visit.

(d) Yes. During the last three years, press delegations from Burma, Turkey and Iran were invited.

ROAD CONSTRUCTION TO ALIPORE VILLAGE

*1956. **Shri Ganpati Ram:** Will the Minister of Planning be pleased to state:

(a) whether it is a fact that road construction to Alipore village in Delhi State started by the Prime Minister was completed with a cut down estimate of P.W.D. by one third;

(b) the length of the road and expenditure incurred as against the estimated cost; and

(c) whether such experiments are being made in the construction of other roads under the Community project in the State?

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

(b) The length of the road is 1933 ft. The expenditure incurred is Rs. 7,600/- against the normal P.W.D. estimate of Rs. 11,000/-

(c) Yes.

श्री गणपति राम : क्या मेरे जान सकता हूँ कि इस तरह के और भी एक्स-पेरीमेंट्स दूसरी स्टेट्स में किए गए हैं और वे एक्सपेरीमेंट्स कुछ सही निकले हैं?

श्री हाथी : हाँ, जी, दूसरी स्टेट्स में भी एक्सपेरीमेंट किए गए हैं और सही निकले हैं।

KOSI CONTROL SCHEME

*1957. **Shri L. N. Mishra:** (a) Will the Minister of Irrigation and Power be pleased to state with reference to the reply to starred question No. 225 given on the 20th February, 1953, whether the present work of the Kosi Control Scheme is going on in pursuance of the recommendations made by the Kosi Advisory Committee?

(b) If so, when is construction of the western earthen embankment as suggested by the said committee to be taken up?

(c) What is the amount of money sanctioned for the Kosi Control Scheme in the year 1953-54?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) Yes, Sir.

(b) Construction work can be taken up only after the Project is sanctioned.

(c) No amount has been sanctioned so far as the Project Estimate is not yet ready.

Shri L. N. Mishra: May I know whether the design of the Belka dam has been finalised and what is its estimated cost?

Shri Hathi: The design of the Belka dam is likely to be completed by the end of May 1953. The estimates could be prepared after the designs are ready.

Shri L. N. Mishra: May I know whether it is a fact that the American expert, Mr. Savage, is to be invited to examine the design of the Belka dam?

Shri Hathi: No, Sir, I have no information at present that he has been invited.

Shri L. N. Mishra: May I know whether Government have any idea when the actual work of the construction of the dam or the excavation of the canal is to be taken up?

Shri Hathi: That will depend after the project estimates are ready.

REPORT OF JUTE MILLS' DELEGATION IN BIHAR

*1958. **Shri L. N. Mishra:** (a) Will the Minister of Commerce and Industry be pleased to refer to the reply given to starred question No. 224 asked on the 20th February, 1953 regarding Jute Mills' Delegation in Bihar and state what action Government propose to take on the Report submitted by the said Delegation?

(b) Is it a fact that the jute growers and dealers of Bihar along with the Bihar Press had protested against the manner of enquiry conducted by the said Delegation and had demanded a fresh examination of their case?

(c) If so, what are the steps taken thereon?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) to (c). The Report has been examined in consultation with the Government of Bihar and the Ministry of Railways. The questions at issue were mainly of production and transport of Bihar jute. The Railway administration were able by large scale movement of empty wagons and running of special trains under special arrangements to move over 50 per cent. of jute lying in Bihar by the end of February 1953 and hope to clear the entire stock by the end of

August when the new crop is expected.

As regards the other questions namely improving the outturn of Bihar jute, provision of better retting facilities etc., Government is awaiting the report of the Committee on better production of jute recently appointed by the Ministry of Food and Agriculture.

Shri L. N. Mishra: May I know, Sir, whether representations have been made to Government that the quality and output of jute in the Purnea and North-East part of Saharsa districts are not as bad as reported by the said Delegation?

Shri T. T. Krishnamachari: Whenever somebody says the quality is not good, there are other people equally anxious to say that the quality is good. The matter has to be decided on the merits of each case. The fact really is that some parts of Bihar do produce jute which is not of high quality. It may be that the Purnea quality is good quality; it is known that the Purnea quality is good.

Shri L. N. Mishra: Do Government propose to get the whole question of the quality and output of Bihar jute examined thoroughly through its own machinery just to ascertain the truth?

Shri T. T. Krishnamachari: I have mentioned in my answer that the Food and Agriculture Ministry has appointed a Committee to go into the production of jute. The terms of reference of that committee include the question of improvement of quality. We would like to await the report of that committee before thinking of taking any other action.

Shri T. K. Chaudhuri: Is there any reason to suspect that the I.J.M.A. has been discriminating against Bihar jute?

Shri T. T. Krishnamachari: I cannot see how there can be any basis for a suspicion of that nature. I do not think the Bengal people are the near-cousins of the I.J.M.A. and the Bihar people are not even related.

Kumari Annie Mascarene: May I know whether Government had invited expert opinion with regard to the quality of the jutes?

Shri T. T. Krishnamachari: The hon. Member probably has not seen jute produced in this area. If she has she would understand that no expert opinion is necessary. The trade knows what the quality is.

STRIKE IN MACHINE SHOP OF AMERICAN CONTRACTOR AT BOKARO THERMAL PLANT

*1959. **Shri N. P. Sinha:** (a) Will the Minister of Irrigation and Power be pleased to state whether the workers of the Machine Shop of the American Contractor at Bokaro Thermal Plant went on strike in February, 1953?

(b) If so, how long did the strike continue and from when?

(c) Who was the contractor?

(d) What was the dispute about and whether it has been solved or not?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) No, Sir.

(b) to (d). Do not arise.

Shri Velayudhan: May I know whether this particular foreign contractor was brought by the Government of India or whether he is doing private business here on his own behalf?

Shri Hathi: It is a firm carrying on business.

LAND DISTRIBUTION

*1960. **Shri N. P. Sinha:** (a) Will the Minister of Planning be pleased to state whether any specific legislation to fix up a ceiling and floor for possession of cultivable lands in consonance with the principles of the Five Year Plan is under contemplation of the Government?

(b) If so, what criteria would be adopted to fix up the limits?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) A number of States have undertaken, or propose to undertake legislation on this subject. It is not contemplated that there should be single uniform legislation throughout the whole country. But it is expected that the legislation of individual States will be in general consonance with the principles contained in the Planning Commission's Report.

(b) As regards the ceiling, I would draw the hon. Member's attention to paragraph 18(1) of Chapter XII of the Planning Commission's Report wherein it is stated that this would have to be fixed by each State having regard to its own agrarian history and present problems. Various possible criteria will be found discussed in paragraphs 14 and 16 of the same chapter.

Shri N. P. Sinha: Arising from the report of the Planning Commission that the upper limit may be three

times the family holding, I want to know what would be the average size of the family holding?

Shri Hathi: As the words used are, it may be three times the family holding. The various States have to take into consideration the various factors which would constitute a family holding or an economic holding in a particular area. That would depend upon the quality of the soil, the yield of the crop and other factors. That will be for each State to decide.

Shri T. S. A. Chettiar: What are the States which are contemplating the introduction of legislation in this matter?

Shri Hathi: U. P., Hyderabad, Madhya Pradesh and Madhya Bharat.

Shri K. C. Sodhiya May I know what steps Government have already begun taking on the recommendation of the Planning Commission?

Shri Hathi: U. P. has already passed an Act called the Bhupdan Yagna Act. The Bills in the other two States, namely Madhya Pradesh and Madhya Bharat, are under consideration.

Shri A. M. Thomas: Preliminary to the enactment of a comprehensive legislation, it has been proposed in the Plan that a land census may be taken in 1953. May I enquire at what stage the proposal is and whether any steps have been taken in that direction?

Shri Hathi: Yes, the land census is to be taken in 1953, and arrangements are being made to collect the statistics.

श्री गजपति राजः क्या सरकार के पास इस तरह के कुछ मैमोरेंटम आए हैं या एक्रेजेंटेशन्स मिले हैं कि जितनी ऊसर और पड़ती जमीनें हैं, वह सैंडलेस लेबरर्स को दी जायें ?

Shri Hathi: There are no such representations received, but the Planning Commission has mentioned this that it would be desirable that there should be something like this Bhupdan Yagna, because that will help the landless labourers to have the land and that will also facilitate the State Governments to have the land from the owners of big lands.

Shri Punnoose: May I know whether it is the policy of the Government of India to advise every State to adopt some land reforms in order to make the Five Year Plan a success?

Shri Hathi: That is one of the recommendations of the Planning Commission.

Shri Punnoose: I want to know whether it is the policy of the Government of India.

Mr. Deputy-Speaker: The policy of the Government of India is laid down in the Plan.

Shri G. P. Sinha: May I know whether any ceiling has been fixed in Kashmir and whether other States are going to follow the same example?

Shri Hathi: As regards the ceiling to be fixed, that will depend upon the States.

FAMILY OF SHRI SUBHASH CHANDRA BOSE

*1961. **Shri L. J. Singh:** Will the Prime Minister be pleased to state:

(a) whether the Government of India are aware that Shri Subhash Chandra Bose left behind a wife named Frau Schenke and a daughter named Anita Bose in Vienna;

(b) if so, what steps Government propose to take for extension of State Aid for the maintenance of the family;

(c) whether Government made a proposal to bring back to India Shri Subhash Chandra Bose's wife and daughter; and

(d) if so, the results of such proposal?

The Prime Minister (Shri Jawaharlal Nehru): (a) Yes. The lady's name is Frau Schenkl.

(b) to (d). Government are informed that the lady was invited to come to India, but she preferred to stay on in Vienna. Proposals were also made to give her financial help. Some help was occasionally given from private sources, but the lady was not willing to receive any such financial assistance regularly.

Shri L. J. Singh: May I know whether the Government of India were in contact with the other members of Netaji Subhash Chandra Bose's family in Calcutta with regard to the extension of State aid to and also with regard to the bringing back to India of his wife and daughter and, if so, what are their reactions?

Shri Jawaharlal Nehru: The Government of India's reactions or the family's reactions? Whose reactions?

Shri L. J. Singh: The reactions of the family members.

Shri Jawaharlal Nehru: I find some difficulty in answering these questions because there are certain delicacies about them. So far as the

Government of India are concerned we have known about this for the last three or four years and we have been anxious to do everything in our power to help, to invite and do everything, but not to do anything which might perhaps not be welcomed on the other side. And we drew the attention of the members of the family at the earliest moment; and they have dealt with the matter separately and directly, in so far as I know, since then.

ENGINEERS IN CENTRAL SERVICE

*1962. **Shri R. C. Sharma:** Will the Minister of Works, Housing and Supply be pleased to state:

(a) the number of engineers in the Central Engineering Service who are going to reach their retiring age-limit by the end of December, 1953;

(b) whether there has been any proposal before Government to raise the retiring age-limit in case of engineers; and

(c) if so, what decision, if any, has been taken?

The Minister of Works, Housing and Supply (Sardar Swaran Singh):

(a) Five.

(b) Yes, Sir.

(c) The proposal is under the consideration of Government.

CASTOR OIL (EXPORT)

*1963. **Kumari Annie Mascarene:** Will the Minister of Commerce and Industry be pleased to state the reasons for relaxing the control now on the export of Castor oil from India?

The Minister of Commerce (Shri Karmarkar): Castor oil was brought under Export control early in 1951 on account of panicky conditions created by the Korean war. With the easing of international situation the need for a rigid control has ceased to exist.

Kumari Annie Mascarene: Was there a demand for castor oil about two years back?

Shri Karmarkar: It was under control.

Shri Punnoose: Do I understand that export of castor oil has diminished because home consumption has increased?

Shri Karmarkar: We have kept castor oil free from control.

Kumari Annie Mascarene: What are the reasons for relaxing the control now?

Shri Karmarkar: Because there is no anxiety that any internal supply will be affected.

Shri Muniswamy: May I know how many varieties of castor oil are there?

Shri Karmarkar: Government are aware of only one variety of castor oil.

—
Mr. Deputy-Speaker: Next question. Hon. Members must get up in their seats if they are anxious to put the question. Otherwise, I will pass on to the next question.

Shri Rishang Keishing: No. 1964.

FOREST RESERVATION IN N.E.F. AGENCY

*1964. **Shri Rishang Keishing:** Will the Prime Minister be pleased to state:

(a) whether Government have any forest reservation in the North East Frontier Agency;

(b) if the reply to part (a) above be in the affirmative, whether any compensation is paid to the owners of such land now under the Forest Department; and

(c) whether any benefit or income derived from the Forest reserved by Government is in any way shared with the villagers in the forest areas?

The Parliamentary Secretary to the Prime Minister (Shri J. N. Hazarika):

(a) Preliminary notifications have been issued in respect of 13 forests proposed to be constituted as reserves. Final notification awaits disposal of settlement proceedings.

(b) and (c). Two forests belonging to the Chiefs of Namsang and Borduria in the Tirap Frontier Tract, are being administered by the North-East Frontier Agency Forest Department according to the terms of an agreement under which the net proceeds are snared between Government and the respective Chiefs. The Chiefs are required, under the terms of the agreement, to spend a portion of their share of revenue for the welfare of the tribal people.

Shri Rishang Keishing: May I know how many tribal villages are there nearabout and within the forest reservation area and may I know also whether any special facilities for cultivation, house sites, collection of building materials and safeguards against forced labour are provided to these people?

Shri J. N. Hazarika: I should like to have notice.

Shri Rishang Keishing: Under what conditions are the services of the tribal people nearabout or within the forest reservation areas generally acquired?

Mr. Deputy-Speaker: The question does not relate to that. The question is about Forest reservation in N.E.F. Agency. Are we to go into the conditions of service, employment, etc.? No. I shall proceed to the next question if the hon. Member has no more questions.

Shri Rishang Keishing: In the forest reservation area and the nearabout neighbouring villages, services of the tribal people are required and under the British rule, they used to be forcibly acquired.....

Mr. Deputy-Speaker: Why should the hon. Member presume that it is forced labour?

Shri Rishang Keishing: I want to know whether any such system prevails.

Mr. Deputy-Speaker: That does not arise out of the question.

The Prime Minister (Shri Jawaharlal Nehru): We have made every effort to put an end to that system. I cannot say absolutely that in any corner of these forest areas, it does occasionally occur. But, it is Government's policy to discourage it by all means.

PRIORITIES FOR ITEMS OF IMPORT

*1966. **Shri S. N. Das:** (a) Will the Minister of Commerce and Industry be pleased to state the order of priorities drawn up for import of various categories of goods from foreign countries for the year 1953?

(b) What was the order of priorities followed during the year 1952?

(c) Did the order of priorities drawn up, apply equally to Government purchases as well as to imports on private account?

The Minister of Commerce (Shri Karmarkar): (a) The order of priority generally observed in determining the import policy is as follows:—

- (i) (i) Raw materials for essential industries.
- (ii) Spare parts and accessories and Capital goods for replacement and maintenance of essential industries.
- (iii) Consumer goods essential for the life and health of the community.

- (2) Other raw materials and other Capital goods.
- (3) Other essential goods.
- (4) Non-essential and luxury goods.
- (b) The same policy was followed during 1952.
- (c) The priority referred to in reply to part (a) above applies only to commercial imports for which the policy is framed every half year. The priority for Government purchases is determined by the urgency of the demand.

Shri S. N. Das: May I know whether it is a fact that this year a reduction has been made in the import of luxury goods?

Shri Karmarkar: No relaxation has been made. My hon. friend obviously refers to the fact that a few items have been put in the schedule for a higher import duty. That does not mean any relaxation.

Shri Dabhi: May I know whether items that are categories of goods whose import is prohibited.

Shri Karmarkar: There are a few items that are prohibited. I should like to have notice.

Shri Radha Raman: Under the different categories, what amount of goods were imported?

Shri Karmarkar: I should like to have notice.

ANTI-INDIAN PROPAGANDA BY RADIO PAKISTAN

*1967. **Prof. D. C. Sharma:** Will the Prime Minister be pleased to state:

(a) whether any anti-Indian propaganda is being carried on by the Radio Pakistan or any other Radio Station controlled or assisted by the Pakistan Government; and

(b) if so, the steps that are being taken to counter-act the same?

The Prime Minister (Shri Jawaharlal Nehru): (a) Yes, from time to time.

(b) Whenever any serious examples of anti-Indian propaganda come to notice, we protest to the Government of Pakistan; and when necessary contradictions are also issued either by the Government of India or the State Governments concerned.

Prof. D. C. Sharma: May I know if there has been any change in the tone of this propaganda for the better since the recent political developments in Pakistan?

Shri Jawaharlal Nehru: I have not followed it very closely myself. But, I imagine that there has been a change for the better.

Prof. D. C. Sharma: May I draw the attention of the hon. Prime Minister to a news item which appeared in the Press that the Minister of Health in the N.W.F.P., Mr. Kiyani, was still talking about *jehad* and all that kind of things?

Shri Jawaharlal Nehru: Yes, Sir. There are many people who still talk in that way.

Shri Jaipal Singh: When we make contradictions, do we use the All India Radio also?

Shri Jawaharlal Nehru: Occasionally, yes; when considered necessary.

Shri N. M. Lingam: May I know if the Pakistan-inspired Azad Kashmir Radio is heaping abuses on the Prime Minister while the Pakistan Government is trying to show to the world that it is extending its hand of friendship to India?

Shri Jawaharlal Nehru: I am afraid I do not listen to the Pakistan-inspired Azad Kashmir Radio. It is quite a possibility. That Radio has acquired a certain notoriety in the extreme violence and unreliability of its utterances.

U.N. HIGH COMMISSIONER FOR REFUGEES

*1968. **Sardar A. S. Salgal:** (a) Will the Prime Minister be pleased to state whether a High Commissioner for refugees has been appointed by the U.N. to take over some of the functions of the International Refugees Organization?

(b) If so, where will the office be set up?

(c) Have Government expressed any views on this appointment?

(d) What are those countries which have agreed to participate in this?

The Prime Minister (Shri Jawaharlal Nehru): (a) Yes; the United Nations General Assembly, at its 5th Session held in 1950, elected a High Commissioner for Refugees for a term of 3 years from 1st January 1951. The International Refugees Organization has been wound up and its functions have been taken over by the U.N. High Commissioner for Refugees from that date.

(b) At Geneva.

(c) Yes; the Government of India have made it clear that, having regard to their own problem of refugees and their rehabilitation, they cannot accept any additional responsibility either financially or for the rehabilitation of any more refugees and Stateless persons.

(d) The High Commissioner for Refugees is functioning through his Representatives in countries and regions having refugees in their territories. These Representatives have been established, with the consent of the Governments concerned, in Austria, in Belgium for Benelux countries, in Colombia for Latin America, in the Federal Republic of Germany, in Athens for Greece and the Near East, in Italy, in the United Kingdom, in the United States of America, and in Hong Kong. The Government of France has also indicated its willingness to receive a Representative. A Representative of the High Commissioner has also recently been appointed in the Far East with an office in Bangkok.

The functions of the Representatives in the U.K. and U.S.A. are primarily of a liaison character.

PRE-WAR CLAIMS ON JAPAN

*1969. Dr. Ram Subhag Singh: Will the Prime Minister be pleased to state whether Government intend to revive under Article 8 (a) of the Peace Treaty between India and Japan, all pre-war claims due to Indian Nationals for loss or damage to property or personal injury or death which arose before the outbreak of War with Japan on the 8th December, 1941?

The Prime Minister (Shri Jawaharlal Nehru): Yes.

Dr. Ram Subhag Singh: Have the Government invited the Indian Nationals who have suffered loss or damage to property in Japan, to send in their claims to the Government?

Shri Jawaharlal Nehru: Normally people possessed of property are very anxious to put forward claims without any invitation.

Dr. Ram Subhag Singh: Not very anxious; of course, they are anxious to put in their claims. I want to know whether Government have notified that they should send in their claims.

Shri Jawaharlal Nehru: I could not say so definitely. But, I imagine that in the course of the last few years, Government must have taken some steps. I do not know that anything has been done recently.

EXPORT OF SALT TO WEST BENGAL

*1971. Shri Jhulan Sinha: Will the Minister of Production be pleased to state:

(a) whether it is a fact that for some time past the concession to export salt by sea without duty to the State of West Bengal has been withdrawn;

(b) if so, the reason therefor;

(c) whether it is a fact that the salt produced in Government factories has to pay higher cess than that produced in private factories;

(d) if so, the reason therefor; and

(e) the effect this higher rate ultimately has on the price that the consumer has to pay?

The Parliamentary Secretary to the Minister of Production (Shri R. G. Dubey): (a) The concession exempting cess on imports of salt by sea to Calcutta was withdrawn with effect from 1st February 1952.

(b) The reason was that the price of salt in the Calcutta market which was previously very high had decreased considerably and compared favourably with the prices obtaining in the other markets in the country.

(c) Yes.

(d) The higher cess on salt from Government factories is levied to meet part of the administrative expenditure of the Salt Commissioner's Headquarters Office and to recover in full the various forms of payment made to former Indian States under Treaty obligations as compensation for surrendering the right to manufacture salt. It is therefore part of the cost of production.

(e) Its effect on the retail price is negligible. It works out to about 45 pie per seer; and even after its addition the issue price of Government salt is less than the sale price at private factories.

Shri Jhulan Sinha: In view of the importance of supplying salt uniformly to all centres, specially to the poorer sections of the people, is there any proposal before the Government for making uniform provision regarding transport and the price of salt?

Shri R. G. Dubey: For the present, there is no such proposal. I may just inform the hon. Member that so far as this higher cess on salt manufactured in the Government factory is

concerned, that only concerns consumers in the northern part of India.

CONTROL OF MOVEMENTS OF NAGAS BETWEEN INDIA AND BURMA

*1972. **Shri Rishang Keishing:** Will the Prime Minister be pleased to state:

(a) whether the Governments of Burma and India have framed any border rules and regulations in order to control the movement of Nagas from one country to the other where they have relatives;

(b) if so, whether these rules and regulations will be laid on the Table of the House;

(c) whether the two Governments in any of their recent conferences have decided to tighten the border rules and regulations or to introduce passport system;

(d) if so, the reasons therefor; and

(e) whether the feelings and opinions of the Nagas of both the countries were taken into consideration before any such measure was decided upon?

The Parliamentary Secretary to the Prime Minister (Shri J. N. Hazarika): (a) and (b). Members of the hill tribes (including Nagas)—both Indian and Burmese—living in the territories adjacent to the Indo-Burmese land frontier who habitually travel between India and Burma and do not proceed beyond 25 miles of the land frontier are exempt from the provisions of the passport rules.

(c) to (e). The introduction of a passport system within the 25 miles' limit of the border does not arise. However, to prevent the entry of known undesirable elements like opium smugglers etc. a pass system has been introduced by the Political Officer, Tirap Frontier Tract. In the case of genuine traders and others who go to see their goods across the border it has been represented that the rules should be relaxed further. This matter is under consideration.

Shri Rishang Keishing: Is it not a fact, Sir, that the Governments of Burma and India have appointed a Commission to deal with the problems of controlling the movement of tribal people in the frontier areas and of the demarcation of the boundaries in the said area and if so, when it was appointed and how many members are there in the Commission?

Shri J. N. Hazarika: No Commission so far has been appointed.

Shri Rishang Keishing: In view of the existing close family relationships

among the tribal people in the Indo-Burma frontier areas, may I know whether Government will continue to pursue this liberal policy of controlling movement of the tribals in the Indo-Burma frontiers?

The Prime Minister (Shri Jawaharlal Nehru): Certainly I may repeat what I said a little while ago that the Indo-Burma frontier is one of the frontiers in the world where on either side there is complete friendship. There is no apprehension about each other and they live in complete friendship with each other.

Shri Rishang Keishing: May I know whether it is a fact that Burmese currency brought into India by Indian tribals which they got as remuneration of their relatives who are serving in Burma was often seized and never returned to them and if so, whether Government will make enquiries in this matter?

Shri Jawaharlal Nehru: There have been some difficulties over this currency problem. In fact, we raised it ourselves in our talks with the Burma Government. The difficulties, as far as I can remember, were largely on the other side, i.e., on the Burma side. Anyhow we are prepared to consider this matter most favourably.

Shri G. P. Sinha: May I know whether proper demarcation of the India-Burma border has been made and if not, is there any chance of getting it done shortly?

Shri Jawaharlal Nehru: Certain parts are not precisely defined nor does it appear that there is any urgency in the matter.

Shri Rishang Keishing: Will Government take necessary steps to see that those currencies already seized are returned to those people?

Shri Jawaharlal Nehru: I am not aware of currencies being seized. Perhaps they have been deposited. Obviously they have to be returned. The difficulty is not that of returning them but about the use of currencies on either side of the border. In that matter our Government were completely agreeable to a certain flexibility and we had made that proposal to the Burma Government. If am not at the present moment aware of what the final response of the Burma Government was except that they were also agreeable within limits.

INDIAN CIVILIAN OFFICERS IN NEPAL

*1973. **Shri L. J. Singh:** (a) Will the Prime Minister be pleased to state whether any Indian civilian officers were taken on loan by the Nepalese Government?

(b) If so, how long have they been in Nepal and what are their contributions towards the administration of Nepal?

(c) Were there any terms and conditions in respect of the loan of their services?

(d) Has the Nepalese Congress made any suggestion for the termination of the loan of services of the Indian civilian officers?

(e) If so, do Government consider the desirability of ending the services of the Indian civilian officers there?

The Prime Minister (Shri Jawaharlal Nehru): (a) The services of five officers have been lent so far to the Nepal Government.

(b) They have served in Nepal for varying periods and have done valuable work in the fields of administrative and financial re-organization.

(c) Yes. The terms and conditions varied with individual officers.

(d) Government have seen press reports to the effect that a section of the Nepal Congress has said something to this effect.

(e) No Sir. That is a matter for the Nepal Government to decide.

Shri L. J. Singh: May I know what are those terms and conditions?

Shri Jawaharlal Nehru: Is the hon. Member referring to the salaries, etc.?

Shri L. J. Singh: I want to know the terms and conditions of the agreement between the Government of Nepal and the Government of India.

Shri Jawaharlal Nehru: I do not know about which agreement the hon. Member is talking about. If he refers to the salaries, etc., of officers, I can state that they are getting their normal salaries which they used to get here. There may be also some allowance or other. There are no terms and conditions laid down apart from the fact that the salaries are paid by that party or may be partly from here and partly from there.

Shri L. J. Singh: Is it a fact that a section of the Nepalese public opinion has taken this extension of the loan

services by India as a direct interference in the internal administration of Nepal?

Shri Jawaharlal Nehru: Yes, a section: a much larger section holds a contrary opinion.

PERIYAR AND VAIGAI SCHEMES

*1974. **Shri K. S. Gounder:** (a) Will the Minister of Planning be pleased to state whether the Planning Commission considered the inclusion of the Periyar Hydro-Electric Scheme and the Vaigai (Lower Periyar) Reservoir Irrigation Scheme in the Madras State in the Five Year Plan?

(b) If so, with what results?

(c) How do these two schemes stand at present?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) No, Sir

(b) Does not arise.

(c) Investigation connected with the Periyar Hydro-electric scheme are still in progress. As regards the Vaigai irrigation scheme its priority has yet to be determined after an examination of the technical, economical and financial aspects.

Shri Kakkann: May I know whether the Madras Government have recommended this scheme to be taken in the supplementary scheme of the Five Year Plan?

Shri Hathi: As I mentioned, the question of taking it could only be determined after the investigations are completed and the technical, economical and financial aspects are scrutinised. Before that, nothing could be done.

Shri Natesan: I cannot understand why the hon. Minister says "No" to the question whether the Planning Commission considered the inclusion of the Periyar Hydro-Electric Scheme in the Five Year Plan when the whole thing has been 'okayed' by the Central Water and Power Commission.

Shri Hathi: It has been vetted by the Power Commission but not considered by the Planning Commission.

Shri Natesan: Does the hon. Minister realise that there is so much shortage of electricity in Madras that this scheme has got to be given the highest priority and a deputation of the Madras Members of Parliament waited on the Deputy Chairman of the Planning Commission?

Shri Hathi: The whole question of taking up the scheme could only be

decided after the investigations are over. Till then it could not be said whether it will be taken up or not taken up.

Shri Natesan: May I request the hon. Minister to say clearly whether it has been scrutinised by the Power Commission or not? If it has not passed through the Planning Commission, would he make arrangements to see that it goes to it as quickly as possible in view of the shortage of electricity in Madras?

The Prime Minister (Shri Jawaharlal Nehru): May I point out that when a scheme is passed by the Power Commission, it means that that scheme is a good one and an important one but its inclusion in the Plan depends on a number of priorities. It is always open to the State concerned to give a certain scheme a higher priority instead of any scheme which had been accepted, but to add a new scheme means an addition to the plan, to the resources of the plan, and that requires very careful consideration and often leads to some difficulties. So my coleague's answer was that though this has been accepted by the Power Commission—I think it is important—what priority should be given to it is a matter for careful consideration by the Commission. If the State Government tells us that instead of this scheme included in the plan, the other scheme may be taken up, there will be no difficulties because that is an internal thing, but if there is an external addition to it, then the whole plan is affected.

Shri Natesan: While I appreciate the Prime Minister's statement, may I observe that it is not possible for the Madras State Government to include it in the present plan, and they certainly require money which can be wrangled by the Planning Commission, because there ought to be.....

Mr. Deputy-Speaker: The Question hour is over

Shri Namblar: This a very important question, Sir.

WRITTEN ANSWERS TO QUESTIONS

TRAVANCORE RAYONS FACTORY

*1946. **Shri P. T. Chacko:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether Travancore Rayons factory has actually gone into production;

(b) what are the products manufactured there; and

(c) whether there is any other Rayons factory in India?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):
(a) Yes, Sir.

(b) Rayon yarn, carbon-di-sulphide and Transparent paper

(c) Yes, Sir; Messrs. National Rayon Corporation Ltd., Bombay, are also producing rayon yarn.

ORGANISATION OF CENTRES FOR DISABLED PERSONS

*1947. **Shri V. P. Nayar:** Will the Prime Minister be pleased to state:

(a) whether the news published in various daily newspapers including *The Times of India*, Delhi Edition dated the 23rd January, 1953, that Mrs. Durgabai Deshmukh "has been entrusted by the Prime Minister with the responsibility of organising centres for disabled persons" in Maharashtra and Hyderabad, is correct;

(b) if the answer to part (a) above be in the affirmative, whether Mrs. Durgabai's mission referred to above is part of her work as a member of the Planning Commission, or it is independent of it; and

(c) whether any allowance or honorarium will be paid to Mrs. Durgabai Deshmukh for such work from the Prime Minister's Famine Relief Fund, or from the Ministry of Planning?

The Prime Minister (Shri Jawaharlal Nehru): (a) to (c). I have placed Rs. 25,000/- from the Prime Minister's National Relief Fund at the disposal of Mrs. Durgabai Deshmukh for organising work centres in the famine affected areas of Maharashtra on the lines of the work centres she organised in Rayalseema. Her work in organising relief in Rayalseema was successful. When she undertook to do similar work in the famine affected areas of Maharashtra, we were glad to be able to get her to take interest in this area also. Her work in organising these relief centres is not connected with her work as a Member of the Planning Commission and she gets no allowance or honorarium for it.

SALE OF BADGES FOR USE OF U.S. FORCES

*1951. **Shri K. K. Basu:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether the attention of Government has been drawn to a despatch date-lined Lucknow the 25th January, 1953, from the Special Representative of *Amrit Bazaar Patrika* that appeared in its issue of the 27th January 1953:

(b) whether the U.P. Government Handicrafts Emporium had negotiated a deal for sale of two million badges for use of U.S. Army and Navy personnel;

(c) through what agency in America was the deal negotiated; and

(d) whether the deal has fallen through or is being pursued?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):

(a) Yes, Sir.

(b) Yes, Sir.

(c) The deal was negotiated through a private firm in U.S.A.

(d) It is understood that negotiations are still in progress.

FERRO-MANGANESE PLANT IN ORISSA

*1970. **Shri Rajagopala Rao:** (a) Will the Minister of Commerce and Industry be pleased to state whether it is a fact that an Indian firm has invited private American capital formation for financing a proposed ferromanganese plant in Orissa?

(b) If so, what is the name of the firm and what are the fields in which it is operating?

(c) What is the extent of U.S. capital participation invited and what are the terms on which it is sought?

(d) Has the Ministry of Commerce and Industry been informed earlier of the invitation to U.S. investors and has its prior consent been obtained before the actual invitation was made?

(e) Who are the directors of the Indian concern?

(f) Did any one of them recently visit the United States for this purpose or for any other purpose?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):

(a) Government have no information.

(b) to (f). Do not arise.

PROPAGANDA ON BORDERS OF PONDICHERRY

*1975. **Shri Muniswamy:** Will the Prime Minister be pleased to state whether there is any organisation which carries on propaganda on the

borders of Pondicherry for the merger of French territories in the Indian Union?

The Prime Minister (Shri Jawaharlal Nehru): The Government of India are not aware of any such organisation in Indian territory. Propaganda on the borders has been carried on usually by refugees from the French Settlements.

LOAN FOR TUNGABHADRA PROJECT

*1976. **Shri H. G. Vaishnav:** Will the Minister of Irrigation and Power be pleased to state:

(a) the total amount of loan asked for by Hyderabad State Government for the completion of Tungabhadra Project;

(b) the amount of loan sanctioned by the Centre and paid till this date;

(c) whether any further amount of loan is going to be paid and if so, when; and

(d) what are the conditions laid down for granting the loan?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) Loan applications are received every year. The application for 1953-54 has not yet been received.

(b) Rs. 6.897 crores.

(c) Yes, Sir; after the State Government's request is received and examined.

(d) The loan advanced to the Government of Hyderabad is subject to the following conditions:—

(i) The Hyderabad Government will send six monthly progress reports on the project to the Government of India indicating the amount of work done under each head, the balance left to be done and the balance expected to be executed in the following year.

(ii) The Hyderabad Government will repay the loan in instalments generally commencing from a period after 3 years from the date of the grant of the loan. The interest on the loan will be paid yearly.

(iii) The loan is intended for the actual expenditure on the project each year and any excess payment made in a particular year will be set off against the loan to be given for the next year.

FRONTIER SERVICE CORPS

*1977. **Shri Gohain:** (a) Will the Prime Minister be pleased to state what is the strength of Frontier Service Corps district-wise?

(b) What amount is ordinarily spent annually on the Service Corps?

The Parliamentary Secretary to the Prime Minister (Shri J. N. Hazarika): (a) 68 Sections as detailed below:—

| | |
|-------------------|--------------------|
| Abor Hills | 11 Sections. |
| Mishmi Hills. | 17 Sections. |
| Se-La Sub-agency. | 12 Sections. |
| Subansiri Area. | 8 Sections. |
| Tirap Frontier | 7 Sections. |
| Tract. | |
| Tuensang | 13 Sections. |
| TOTAL | 68 Sections |

Each section consists of 25 porters and 1 head-porter. They are used purely for transport of goods as there are few motorable roads or even mule tracks.

(b) Average expenditure per section is Rs. 30,000/- (approximately) per annum, making a total of Rs. 20,40,000/- for six Districts according to the present strength of the Corps.

It may be added that this Corps is providing gainful employment to about 1,700 people of the Tribal Areas.

VILLAGE FEUDS IN N.E.F. AGENCY

*1978. **Shri Gohain:** Will the Prime Minister be pleased to state:

(a) whether Government are aware that inter-village feuds often take place in certain areas of the North East Frontier Agency;

(b) if so, how many such incidents took place in the Agency during the year of 1951-52 and 1952-53;

(c) what steps are being taken to prevent such inter-village feuds in those areas; and

(d) what are the causes, potential or otherwise, of such practice followed by the people of those areas?

The Parliamentary Secretary to the Prime Minister (Shri J. N. Hazarika): (a) Inter-village incidents have taken place only occasionally in certain areas of the North East Frontier Agency.

(b) 1951-52

13 cases.

1952-53

11 cases.

(c) and (d). The causes are generally disputes relating to rights over lands and fisheries, stealing of cattle and paddy, and failure to pay dues based on the tribal customary law.

The setting up of new Administrative Centres in regions which had been neglected during British rule and the improvement of communications with a view to make the interior regions easy of access have already reduced to a great extent the possibility of inter-village incidents.

REPRESENTATIONS FROM POLITICAL PARTIES OF NAGA AND LUSHAI HILLS

*1979. **Shri Rishang Keishing:** Will the Prime Minister be pleased to state:

(a) whether he during his visit to Aijal of the Lushai Hills, received any memorandum or representation from the political parties and the people;

(b) if so, the nature and contents of the memoranda or representations;

(c) whether he has made any commitment to any of the demands of the memorialists and if so, what they are; and

(d) whether he received any representation or heard any demand from the Nagas of Burma or the undemarcated areas, for affecting the merger of their areas into the Nagas areas of India?

The Prime Minister (Shri Jawaharlal Nehru): (a) and (b). The Prime Minister received a considerable number of memoranda from various parties and groups at Aijal. The principal requests made were for the development of communications, schools, dispensaries and hospitals. Also for additional Post Offices. Suggestions were also made for a change of the name of the District from the Lushai Hills District to the Mizo District.

(c) The Prime Minister assured the memorialists that Government was anxious to help the District Council in developing communications, schools, dispensaries, etc. No commitments were made.

(d) No.

HUDIARA NULLAH IN DAOKE VILLAGE

*1980. **Dr. Ram Subhag Singh:** Will the Prime Minister be pleased to state:

(a) whether the Pakistan Police is putting obstacles in the digging operations of the Hudiara Nullah in village Daoke of Amritsar District?

(b) if so, whether the digging operations of that Nullah have been stopped because of those obstacles; and

(c) what action Government propose to take with regard to completing the digging operations?

The Prime Minister (Shri Jawaharlal Nehru): (a) to (c). The Pakistan Border Police are reported to have put obstacles in the way of the survey work for the Hudiara Nullah, but under Police protection, the work has been progressing satisfactorily.

लान्स-नायक आत्मा सिंह की हत्या

* 1981. श्री रघुनाथ सिंह: क्या

प्रधान मंत्री यह बतलाने की कृपा करेंगे कि क्या यह तथ्य है कि २३ मार्च, १९५३ को लान्स-नायक आत्मा सिंह, बांदर

स्काउट की हत्या पाकिस्तानी सिपाहियों द्वारा भिसीवेंद्र और खेमकरण के नजदीक की गई, और यदि हां, तो हत्या का क्या उद्देश्य था?

The Prime Minister (Shri Jawaharlal Nehru): Lance-Naik Atma Ram of the Border Scouts lost his way while proceeding to the Khem Karan Border Picket on the night of the 21st March 1953 and strayed into Pakistani territory. He was shot dead by a patrol party of the Pakistan Border Police.

MR. JOSEPH MORAMBI'S TOUR OF INDIA

* 1982. Shri Buchhikotahal: (a) Will the Prime Minister be pleased to state whether it is a fact that Mr. Joseph Morambi, African leader, recently toured our country?

(b) What are the main purposes of his tour?

(c) Did he submit any memorandum to our Government stating the atrocities committed by Europeans in Kenya?

The Prime Minister (Shri Jawaharlal Nehru): (a) Mr. Joseph Murumbi, Secretary General of the Kenya African Union, has been in India for some weeks and is still here.

(b) The Government are not aware of the main purposes of his tour. Mr. Murumbi is on a private visit to India, not connected with the Government. He has expressed a desire to study the organisation of cooperatives and community projects in India from the point

of view of dealing with the land problem in Kenya. He has also spoken about the present conditions in Kenya.

(c) No.

PASSPORTS TO PAKISTAN

* 1983. Prof. D. C. Sharma: Will the Prime Minister be pleased to state:

(a) how many persons from Punjab (I) have applied for the grant of passport, to visit Western Pakistan since the introduction of passport system;

(b) how many of them were refused passport and why; and

(c) how much time it generally takes to secure passport for Pakistan in Punjab (I)?

The Prime Minister (Shri Jawaharlal Nehru): (a) 900.

(b) 15.

As has been repeatedly explained, applications for passports are considered on their individual merits. If it is considered that the grant of a passport to any individual is not in the public interest it is refused.

(c) Normally one month; in urgency, about 3 days.

POWER ALCOHOL FROM SUGAR-CANE BAGASSE

* 1984. Sardar A. S. Saigal: (a) Will the Minister of Commerce and Industry be pleased to state whether power alcohol is produced from sugar-cane bagasse?

(b) Is it a fact that the experiment carried out by National Physical Laboratory has shown that power alcohol can be produced by sugar-cane?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) and (b). Power Alcohol can be produced from sugar-cane bagasse. No experiment has, however, been carried out in this regard at the National Physical Laboratory.

VISAS FOR BUSINESSMEN

* 1985. Shrimati Tarkeshwari Sinha: Will the Prime Minister be pleased to state:

(a) whether Government are aware that the businessmen who go to Pakistan have to stay at one place for three months because Category 'C' visas are granted to them; and

(b) if so, whether Government propose to take any steps to remove this difficulty?

The Prime Minister (Shri Jawaharlal Nehru): (a) Under the existing rules, only specified Categories of businessmen are entitled to Category 'E' visas valid for one year. Others get Category C visas for a single journey, and a stay of three months. The rules allow a C visa to be valid for more than one place, but the Government understand that Pakistan Visa Officers in India seldom grant 'C' visas for visits to more than one place.

(b) The Governments of India and Pakistan are considering the extension of the definition of business men eligible for Category E visas, and of the permission to visit more than one place on a 'C' visa.

MINOR IRRIGATION PROJECTS

*1986. **Shri S. V. Ramaswamy:** (a) Will the Minister of Planning be pleased to state whether the Planning Commission have a list of minor irrigation projects eligible for help from the Centre?

(b) Have the respective States been requested to furnish a list?

(c) Do Government propose to accept the list or prepare a priority list of their own after independent investigation?

(d) Is it a fact that Government propose to appoint a Commission to investigate all proposals of minor irrigation projects?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) and (b). The following types of minor irrigation schemes are eligible for financial assistance from the Centre:

- (i) construction and repair of percolation wells,
- (ii) installation of Pumping sets,
- (iii) construction of tubewells for irrigation, and
- (iv) construction and repair of tanks and channels.

The State Government submit schemes under these heads to the Ministry of Food and Agriculture and a copy thereof is received in the Commission.

(c) The list of schemes received is examined in the Ministry of Food and Agriculture and the Commission, and later the list as a whole and the individual items are discussed with the

State representatives and changes or modifications are introduced wherever called for. The Irrigation Adviser of the Ministry of Food and Agriculture is also deputed to scrutinise schemes on the spot when this is considered necessary.

(d) No, Sir.

JAPANESE TECHNICIANS

*1987. **Shri S. V. Ramaswamy:** (a) Will the Minister of Commerce and Industry be pleased to state whether there are any Japanese technicians in the employment of the Union Government or of any State Government?

(b) Did the delegation to Japan report in 1949 that many Japanese technicians were willing to come to India to start cottage and small scale industries in India on Japanese lines?

The Minister of Commerce and Industry (Sarl T. T. Krishnamachari): (a) The information is being collected and will be laid on the Table of the House in due course.

(b) Yes, Sir.

DISCRIMINATION AGAINST INDIANS IN PORTUGUESE SETTLEMENTS IN INDIA

*1988. **Shri K. C. Sodhia:** Will the Prime Minister be pleased to state the various legislative measures adopted by the Portuguese Government in their possessions in India which discriminate against Indians?

The Prime Minister (Shri Jawaharlal Nehru): These measures affect the rights of Indians in regard to (1) entry into the Portuguese Possessions, (2) renting of accommodation, (3) residence, (4) trade licences, and (5) ownership of properties. These measures are discriminatory in the sense that they do not apply to Goans.

PAYMENT TO BE MADE TO NEPAL GOVERNMENT

*1989. **Shri K. C. Sodhia:** (a) Will the Prime Minister be pleased to state on what principles the annual payments to be made to the Government of Nepal were assessed?

(b) When were they modified last time and why?

The Prime Minister (Shri Jawaharlal Nehru): (a) and (b). In recognition of Nepal's services during the first World War of 1914-18, the Government of India decided to pay an annual subsidy of Rs. 10 lakhs to the Nepal Government with effect from 1st July

1919. This subsidy was increased to Rs. 20 lakhs after the second World War and 50 per cent. of this enhanced subsidy was capitalised for a sum of Rs. 2½ crores to finance hydro-electric projects and also to provide capital goods for Nepal's industrialisation programme. The capitalised sum was paid to the Government of Nepal in July 1946.

SILK BOARD

*1990. **Shri K. C. Sodha:** (a) Will the Minister of Commerce and Industry be pleased to state whether the Government obtain any periodical reports from the Silk Board?

(b) When was the last report of the Board issued?

(c) What is the programme of the Board for the current year?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) Yes, Sir; half yearly reports are received from the Board.

(b) On 23rd April, 1953.

(c) A statement is laid on the Table of the House. [See Appendix XI, annexure No. 42.]

PRICES OF PETROLEUM PRODUCTS

*1991. **Dr. Amin:** Will the Minister of Works, Housing and Supply be pleased to state the present wholesale prices of petroleum products in U.S.A., U.K. and Japan?

The Deputy Minister of Works, Housing and Supply (Shri Buragohain): A statement showing such wholesale selling prices of Petroleum Products in U.S.A. and U.K. as are available is laid on the Table of the House. [See Appendix XI, annexure No. 43.] The wholesale prices of petroleum products in Japan are not available.

HINDUSTAN HOUSING FACTORY

*1992. **Shri Telikar:** Will the Minister of Production be pleased to state:

(a) the present activities of the Hindustan Housing Factory Limited;

(b) the work turned out by the factory after its incorporation on the 27th January, 1953; and

(c) whether the additional machinery required by the company has been received?

The Minister of Production (Shri K. C. Reddy): (a) to (c). The Hindustan Housing Factory Limited will as

far as practicable give preference to the production and manufacture of the following in the order mentioned:-

- (i) Foam concrete slabs;
- (ii) Pre-stressed concrete components;
- (iii) wooden doors, windows, etc.;
- (iv) Steel fabrication.

The new company took over the requisite assets and staff of the Government Housing Factory on 1st April 1953 and is now installing a machine for cutting wood. Repairs to the existing plant for production of foam concrete slabs are under progress and arrangements are being made for shipping from Europe, during May 1953 machinery for the manufacture of pre-stressed concrete products and for the manufacture of wood work on a large scale. Although the Hindustan Housing Factory has not started production, it is in a position to undertake immediately orders for wood work. It has already been enrolled as a first class contractor for wood work with the Central Public Works Department.

MAHATMA GANDHI'S BUST AT PEACE PALACE AT THE HAGUE

*1993. **Shri Telikar:** Will the Prime Minister be pleased to state:

(a) the Government which took the initiative in and bore the expenses of, installing a bronze bust of Mahatma Gandhi at the Peace Palace at The Hague on the 13th November, 1952; and

(b) in what other places in the world busts and statues of Mahatma Gandhi are installed?

The Parliamentary Secretary to the Prime Minister (Shri J. N. Hazarika): (a) The initiative was taken by Dr. Mohan Sinha Mehta, the then Indian Ambassador at The Hague. The expenses were met by the Govindaram Seksaria Charity Trust, Indore.

(b) As far as Government are aware, busts or statues have been installed at two other places; in Trinidad in British West Indies and in Sitiawan, a small District town in Perak (Malaya).

VICE-PRESIDENT'S VISIT TO U.S.A.

*1994. **Shri Raghuramiah:** Will the Prime Minister be pleased to state:

(a) whether there is any truth in the newspaper reports that the Vice-President of India will be visiting the United States of America in the near future; and

(b) whether any invitation has been received from the American Government in this respect?

The Prime Minister (Shri Jawaharlal Nehru): (a) and (b). Yes. The Vice-President will be visiting a number of foreign countries in May, June and July. He will preside over the extraordinary session of the UNESCO General Conference in Paris. He will visit the United States of America, Canada, Holland, Belgium, England, Austria and Yugoslavia. He will be a State guest in Washington and in some of the other places which he will be visiting.

INDIANS IN BURMA

*1995. **Shri Buchhikotaiah:** Will the Prime Minister be pleased to state:

(a) how many Indians there are in Burma at present;

(b) whether it is a fact that the Burma Government are sending away Indians on a large scale; and

(c) if so, why this step has been taken by the Burma Government?

The Prime Minister (Shri Jawaharlal Nehru): (a) Between six to seven lakhs.

(b) and (c). No. This is not correct. Only about 11 Indians have been recently deported mainly because of their undesirable activities.

FOOD PRODUCTION ON COMPLETION OF FIVE YEAR PLAN

*1996. **Shri Buchhikotaiah:** Will the Minister of Planning be pleased to state:

(a) what percentage of our natural water resources would be utilised for the production of food crops after the successful completion of the Five Year Plan; and

(b) what percentage of our total cultivable lands would be cultivated?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) About 12 per cent.

(b) About 79 per cent.

PENNAR DAM

*1997. **Shri Nanadas:** Will the Minister of Planning be pleased to state:

(a) whether the Madras Government have renewed after further investigation the proposals with regard to the

Pennar Dam as was decided by the Conference of the Planning Commission and the representatives of the Governments of Madras and Hyderabad States on the 8th December, 1952;

(b) if so, whether the proposals will be placed on the Table of the House; and

(c) what further decisions have been taken in the matter?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) No.

(b) and (c). Do not arise.

RECLAMATION OF LAND

*1998. **Shri B. N. Kureel:** Will the Minister of Planning be pleased to state:

(a) whether Government have proposed to reclaim 5,000 acres of land in Rangkhang, Nambar, Deger area, Lumling area, Hatikhala, Salikhantapur, Kalimbong and Rungkhola, under the Five Year Plan;

(b) whether the expenditure is to be met out of the amount already sanctioned for the welfare of the Backward Classes; and

(c) whether the reclaimed land will be given to Backward Classes only?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) to (c). The information is being collected and will be laid on the Table of the House as soon as it is received.

SUPERPHOSPHATE

1387. **Dr. Amin:** Will the Minister of Commerce and Industry be pleased to state:

(a) the quantity of Superphosphate produced in India in the years 1950, 1951 and 1952;

(b) the consumption of Superphosphate in India during each of the above years; and

(c) the quantity and value of Superphosphate imported into India from each country during each of the above years?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a)—

| Year | Production. (in tons) |
|------|--------------------------|
| 1950 | 52,432 |
| 1951 | 61,018 |
| 1952 | 46,650 |

(b) Precise information is not available.

(c) A statement is laid on the Table of the House. [See Appendix XI, annexure No. 44.]

MATERIALS FOR DAMODAR VALLEY PROJECT

1388. Dr. Amin: (a) Will the Minister of Irrigation and Power be pleased to state the total amount spent so far on the purchase of materials required for the Damodar Valley Project?

(b) What is the total amount spent so far on purchase of materials of indigenous manufacture?

(b) What is the total amount spent so far on the imported materials?

(d) What are the names and cost of each of the imported materials?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) to (d). The information is being collected and will be laid on the Table of the House.

NANDIKONDA DAM

1389. Shri Nanadas: (a) Will the Minister of Planning be pleased to state whether the investigations made by the Hyderabad Government on the canal from the Nandikonda Dam on the Hyderabad side, have been brought up-to-date as was decided by the conference of Planning Commission and the representatives of the Governments of Hyderabad and Madras States on the 8th December, 1952?

(b) If so, what further decisions have been taken in the matter?

(c) When will the work of the canal be commenced?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) The Hyderabad Government have intimated that the investigations already made are complete and no further work needs to be done.

(b) No further decision has been taken as investigations regarding other connected works proposed by the Technical Committee are still under way.

(c) After final decisions have been taken with regard to the Krishna project,

DEVELOPMENT OF KRISHNA RIVER VALLEY

1390. Shri Nanadas: Will the Minister of Planning be pleased to lay on the Table of the House a statement showing the progress made so far in regard to the various decisions taken by the conference of the Planning Commission, the Khosla Technical Committee and the representatives of the Governments of Madras and Hyderabad for the development of the Krishna river valley, on the 8th December, 1952?

The Deputy Minister of Irrigation and Power (Shri Hathi): A statement showing the progress so far made on the programme of investigations decided upon in the conference of the Planning Commission, the Khosla Technical Committee and the representatives of the Governments of Madras and Hyderabad Governments for the development of the Krishna river valley on the 8th December, 1952 is laid on the Table of the House. [See Appendix XI, annexure No. 45.]

SLUDGE GAS PRODUCTION IN WEST BENGAL

1391. Shri B. K. Das: Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that a scheme is under consideration for the production of Sludge Gas in West Bengal;

(b) if so, what is the estimated cost and what would be the total capacity of the plant to be set up; and

(c) what assistance will be given by the Central Government for the implementation of the scheme?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) A scheme is under consideration of the Government of West Bengal.

(b) The cost of the scheme has not yet been finally worked out. The capacity has been estimated as follows:—

In the beginning—883 to 1197 million cft/year.

In future—1238 to 1712 million cft/year.

(c) State Government have not approached the Central Government for any assistance.

EXPORT OF SPICES

1392. **Shri P. T. Chacko:** Will the Minister of Commerce and Industry be pleased to state:

(a) the total quantity of pepper, lemongrass-oil, ginger, cardamom and cashew-nut exported from India in 1952;

(b) the total amount of dollar earned in exchange by these exports;

(c) the amount received by Government as export duty from these exports; and

(d) what percentage of the exports in these commodities were from Travancore-Cochin?

The Minister of Commerce (Shri Karmarkar): (a) and (d). A statement is placed on the Table of the House. [See Appendix XI, annexure No. 46.]

(b) Equivalent of Rs. 21.2 crores.

(c) Rs. 3.7 crores from black pepper. There is no export duty on lemongrass-oil, ginger, cashew kernels and cardamom.

PAKISTANI RAID ON VILLAGE IN JAMMU

1393. **Shri Ganpati Ram:** Will the Prime Minister be pleased to state:

(a) whether there was a raid by the Pakistan armed nationals on the 16th February, 1953 in Nandpur village in Ramgarh area of Jammu district;

(b) the casualties reported so far and the loss of property if any; and

(c) the number of raiders who opened fire on villagers?

The Prime Minister (Shri Jawaharlal Nehru): (a) to (c). On the 16th February 1953 about 60 members of the Pakistan Border Police trespassed into Indian territory in the Nandpur area 14 miles South of Jammu and fired on two armed guards and a mate employed by the Central Tractor Organisation in the Nandpur Mechanised Farm while they were sitting on a culvert 300 yards from the border. One guard was killed instantly, while the mate succumbed to injuries later. The second guard, though wounded, managed to escape.

The raiders took away the body of the dead guard and three rifles with 58 rounds. The body was later returned through the U.N. Observers.

The Chief Military Observer has declared the incident a violation of the border by the Pakistan Border Police.

FOREIGN CORRESPONDENTS IN INDIA

1394. **Shri S. N. Das:** Will the Minister of Information and Broadcasting be pleased to state:

(a) the number of correspondents the foreign Press have in India giving separate figures for each of them; and

(b) the number of Indian correspondents representing the foreign Press in India?

The Minister of Information and Broadcasting (Dr. Keskar): (a) and (b). Information is available only in respect of the Press Correspondents accredited at the headquarters of the Government of India on behalf of the Foreign Press. The total number of such correspondents is 52, of whom 24 are Indians. Separate country-wise figures are given below:—

| Name of country | Number of Press accredited correspondents |
|----------------------------|---|
| U.K. | 13 |
| U.S.A. | 11 |
| U.K. & U.S.A. (Jointly) | 3 |
| Japan | 5 |
| Pakistan | 3 |
| France | 3 |
| U.S.S.R. | 2 |
| Germany | 2 |
| South Africa | 1 |
| British East Africa | 1 |
| China | 1 |
| Yugoslavia | 1 |
| Indonesia | 1 |
| Canada | 1 |
| Norway & Finland (Jointly) | 1 |
| Ceylon | 1 |
| Switzerland | 1 |
| Hongkong | 1 |
| TOTAL | 52 |

INDIAN NATIONALS ARRESTED IN MALAYA

1395. Shri Rishang Keishing: Will the Prime Minister be pleased to state:

(a) how many Indian nationals have since the beginning of guerilla war in Malaya been arrested, detained and convicted by the Malayan Government;

(b) the offences (each case in a tabular form) for which they were proceeded against; and

(c) whether the Government of India have taken up any case of the said Indian nationals through their representative in Malaya?

The Prime Minister (Shri Jawaharlal Nehru): (a) and (b). Since the beginning of the emergency in June 1948 upto the 31st January 1953, about 1390 Indians in the Federation of Malaya and about 109 in the Colony of Singapore were arrested and detained under the Emergency Regulations. No separate figures are at present available in regard to the number of Indians convicted in Malaya under the Emergency Regulations. It is difficult to have reliable figures as it is not easy to establish the Indian domicile of these persons. Nine Indians were, however, awarded capital punishment, of whom only five were hanged, one acquitted on appeal and repatriated to India, two had their sentences commuted on appeal and in the remaining one the appeal is pending before the court. A statement about these nine cases is laid on the Table of the House. [See Appendix XI, annexure No. 47.]

(c) As a result of our Representative taking up the matter repeatedly with high Government officials, including the British High Commissioner in Malaya, the cases of all Indian detainees were recently reviewed by a special Committee and a large number of them were released locally. Early this year, it was reported that there were only 278 Indians under detention in Malaya and only one in Singapore. Further releases were continuing. Our Representative also gave suitable assistance and support, wherever considered desirable, to Indians awarded capital punishment to file appeals and mercy petitions.

CLASSIFIED LISTS OF STAFF OF CENTRAL WATER AND POWER COMMISSION

1396. Shri M. S. Gurupadaswamy: Will the Minister of Irrigation and Power be pleased to refer to the

answer given to Unstarred Question No. 704 asked on the 25th March, 1953 regarding classified lists of the Central Water and Power Commission and state:

(a) whether classified lists of the Gazetted and Non-gazetted staff of the Central Water and Power Commission corrected up to 1st January, 1953 have been prepared and printed;

(b) if so, whether the Minister will be pleased to lay on the Table of the House a copy of such lists; and

(c) if not, whether Government will get these prepared and lay the same on the Table of the House?

The Deputy Minister of Irrigation and Power (Shri Hathi): (a) No, Sir.

(b) Does not arise.

(c) Yes, Sir.

PURCHASE OF CABLES

1397. Dr. Amin: (a) Will the Minister of Works, Housing and Supply be pleased to state the names of local agents of foreign manufacturers through whom the telegraph cables were purchased by Government during the years 1948 to 1952?

(b) What are the value and length of cables purchased through each of these agents during each of the above years?

(c) Was any advance given to these agents for the purchase of cables and if so, the amount advanced and interest charged to each of these agents?

The Deputy Minister of Works, Housing and Supply (Shri Buragohain):

(a) and (b). A statement giving the required information is laid on the Table of the House. [See Appendix XI, annexure No. 48.]

(c) No advance was given in any case.

INDIAN AND NON-INDIAN EMPLOYEES IN FOREIGN FIRMS

1398. Dr. Amin: Will the Minister of Commerce and Industry be pleased to state the proportion of non-Indians to Indians employed in the salary group of Rs. 2,000 and above per month in the year 1952 in jute mills and presses, in plantation companies, in chemical and drugs firms and other firms, which are controlled by foreigners?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): Government have no information.

RADIO RECEIVING SETS

1399. Shri Telikkar: Will the Minister of Commerce and Industry be pleased to state:

(a) the firms in Delhi which manufacture suitable receivers indigenously and have evolved prototypes on the basis of specifications of community receivers drawn up in consultation

with the State Government Community Broadcasting Engineers; and

(b) the percentage of reduction in the cost of receivers, as a result of increase in the production of receivers?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):

(a) There is only one such firm viz. the Radiola Corporation.

(b) About 30 per cent.

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PARLIAMENTARY DEBATES

(Part II—Proceedings other than Questions and Answers)

OFFICIAL REPORT

6049

6050

HOUSE OF THE PEOPLE

Friday, 8th May, 1953

The House met at a Quarter Past
Eight of the Clock

[MR. DEPUTY-SPEAKER in the Chair]

QUESTIONS AND ANSWERS

(See Part I)

9-15 A.M.

Kumari Annie Mascarene: (Trivandrum): I wish to raise a point of order, Sir.

Mr. Deputy-Speaker: On what?

Kumari Annie Mascarene: On a subject on which I wish to engage your attention.

Mr. Deputy-Speaker: Arising out of questions?

Kumari Annie Mascarene: Not on a question.

Mr. Deputy-Speaker: Then, hon. Member will give me notice about the point of order. Points of order cannot be raised on an abstract issue. When a question is put if a point of order arises, it may be asked, or when I come to some other matter. If it is on any of the clauses, I am willing to hear.

PAPERS LAID ON THE TABLE

TARIFF COMMISSION'S REPORT ON THE CONVERSION CHARGES FOR BARS AND RODS ETC.

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): I beg to lay on the Table, a copy of each of the following papers, under sub-section (2) of Section 16 of the Tariff Commission Act, 1951:

- (i) Report of the Tariff Commission on the conversion charges for Bars and Rods and the fair retention price of electric

furnace billets produced by the Registered Re-Rollers;

(ii) Ministry of Commerce and Industry Resolution No. 3-T(2)/51 dated the 22nd April, 1953; and

(iii) Statement explaining the reasons why a copy each of the documents referred to at (i) and (ii) above could not be laid on the Table within the prescribed period. [Placed in Library. See No. IV R. 38(a).]

EVIDENCE TENDERED BEFORE THE SELECT COMMITTEE ON THE ESTATE DUTY BILL

Shri H. N. Shastri (Kanpur Distt.—Central): Sir, in the absence of Mr. Gadgil, I beg to lay on the Table with your permission, a copy of the evidence tendered before the Select Committee on the Estate Duty Bill on the 5th February, 1953. [Placed in Library. See No. S-47/53.]

TARIFF COMMISSIONS' REPORT ON FLAX GOODS INDUSTRY

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): I beg to lay on the Table a copy of each of the following papers, under sub-section (2) of Section 16 of the Tariff Commission Act, 1951:

(i) Report of the Tariff Commission on the Flax Goods Industry (1953); and

(ii) Ministry of Commerce and Industry Resolution No. 36(1)-T.B./53, dated the 7th May, 1953. [Placed in Library. See No. IV R. 103(33).]

AIR CORPORATIONS BILL—concl.

Clause 3.—(Incorporation of the Corporations.)

Shri Nambiar (Mayuram): I have got an amendment to clause 3. It is more or less like the one we disposed of under clause 2. It is about two Corporations. Instead of two, I want only one. That is my amendment.

Mr. Deputy-Speaker: That is barred.

Shri Nambiar: It is almost barred, but the hon. Minister did not reply to the points which we raised yesterday.

Mr. Deputy-Speaker: That cannot be helped. The House has accepted it, with or without argument. There has been enough argument.

Shri Punnoose (Alleppey): But you said, Sir, yesterday in this particular case it will not be barred.

Mr. Deputy-Speaker: No, no. Absolutely not. I am sorry hon. Members do not hear the whole thing. All that I said was that all amendments as to whether there should be one or two Corporations are barred, and if in addition to that there is anything else in an amendment which is not covered by this question as to whether there should be one or two Corporations, then I will allow that portion. This is pure and simple "two Corporations".

Shri Nambiar: My submission is only that the hon. Minister.....

Mr. Deputy-Speaker: No question of going back.

Shri Nambiar: He has not given his reply to certain points raised by us.

Mr. Deputy-Speaker: No, no. I cannot allow discussion on a matter which is closed. All amendments to clause 3 are barred.

The question is:

"That clause 3 stand part of the Bill."

The motion was adopted.

Clause 3 was added to the Bill.

Clause 4.—(Constitution of the Corporations)

Mr. Deputy-Speaker: Hon. Members who want to move their amendments may kindly do so.

Shri Nambiar: I beg to move:

In sub-clause (1) of clause 4, for "not less than five but not more than nine Members" substitute "one representing the Ministry of Communications, one representing organised labour, one expert to be recruited, the remaining two representing the Ministry of Defence and Finance".

Shri S. V. L. Narasimham (Guntur): I beg to move:

In sub-clause (1) of clause 4, after "Central Government" where it occurs for the first time, insert

"of whom one member at least shall be a representative of organised labour".

Shri Damodara Menon (Kozhikode): I beg to move:

(i) In sub-clause (1) of clause 4, for "not less than five but not more than nine members" substitute "not less than three but not more than five members".

(ii) In clause 4, after sub-clause (1) add: "Explanation:—The members of the Corporation shall be full-time and one of them shall be an employee enjoying the confidence of the workers".

(iii) In sub-clause (2) of clause 4 after "that person" insert "or relatives of that person".

Mr. Deputy-Speaker: Does Mr. Damodara Menon want to say anything?

Shri Damodara Menon: My first amendment refers to sub-clause (1) of clause 4. This point has been discussed here during the general debate. My view is that if we have a compact body, it would be better for the Corporation to work in a proper manner and more efficiently. It will also certainly reduce the cost. I have already pointed out that my idea in suggesting that the number must not be more than five is that all the members can be whole-time if the number is not very large. I have already pointed out the advantages of having whole-time members. I do not want to elaborate that point further. I hope the hon. Minister will find his way to accept this suggestion.

Shri Nambiar: Sir, I have also moved an amendment and I want to say something.

Shri Damodara Menon: I want to know whether I may speak on the other amendments also.

Mr. Deputy-Speaker: He may speak on all his amendments, on Mr. Nambiar's amendment and others moved on the clause. No hon. Member will be given a second opportunity to speak on the same clause.

Shri Damodara Menon: In regard to my second amendment I have already stated the advantages of having whole-time members on the Corporation. The hon. Minister when he was replying to the debate yesterday said that he was very anxious to see that labour was given proper representation. He said he was second to none in his anxiety to see that labour's interests

were properly safeguarded. Of course, then he will find no difficulty in accepting this suggestion that at least one of the members in the Corporation must be a person, an employee, who enjoys the confidence of the workers. The hon. Minister asked the question: "Why should you limit the number to one?" In his opinion, it appeared when he was speaking, he would go to the extent of saying that all the members of the Corporation must be persons who enjoy the confidence of the workers. That is a good idea. If he goes to that extent, I can see no reason why he cannot at least accept this amendment that one of them may be a person who enjoys the confidence of the workers. If he has only stated that by way of argument, then I am sorry that he has not understood this suggestion in its proper spirit. I doubt whether he was not really advancing his argument in his anxiety to pay a kind of lip homage to the idea of labour having proper representation. He stated yesterday in support of his contention that even the General Manager may be a person who will be very anxious to have the interests of labour in mind. If that is the manner in which he construes this suggestion, I am sorry, he has not understood the spirit of it.

[PANDIT THAKUR DAS BHARGAVA in the Chair.]

There may be many representatives of vested interests and also many capitalists who may sympathise with labourers. But that is not the spirit in which this suggestion is offered. If the hon. Minister thinks that by appointing a person who is a capitalist who apparently seems to have some sympathy for labour, he would be satisfied that the interests of labour will be safeguarded, he is really mistaken. That should not be the spirit in which he must take this suggestion. Therefore, I am afraid the hon. Minister has really misunderstood the suggestion, or rather he is countering the argument with a proposal which probably is meant only as an argument. Therefore, I suggest if the hon. Minister is really serious and really earnest about and anxious to serve the cause of labour, he must even now make a provision in this Bill whereby a representative of labour is made a member of the Corporation. Yesterday he said he had an idea to have some member, some respected public man who is associated with labour organisations, to be made a member of this Corporation. I do not know who is the person he has in view. But even that may not serve the purpose. What we want

here is not an outsider enjoying some kind of confidence of labour, an outsider who has done some kind of labour work, but an employee of the Corporation who enjoys the confidence of the workers who are serving in the Corporation. That would be the only way in which we can create a spirit of democracy in this nationalised industry and also take labour into the confidence of the Government. Therefore, I hope the hon. Minister will find his way to accept this amendment also.

The third amendment I wish to place relates to sub-clause (2) of clause 4, i.e. "Before appointing a person to be a member of either of the Corporations, the Central Government shall satisfy itself that that person"—here I want to add the words "or relatives of that person"—"have no such financial or other interest as is likely to affect prejudicially the exercise or performance by him.....". This is an elaboration of the idea that the hon. Minister himself has accepted. If we want to see that the public entertain no doubt about the integrity and impartiality of the members of the Corporations in their work, it is not only necessary that the persons who are appointed in the Corporations have no personal or financial interest in the undertaking of the Corporations or other matters, but their relatives also must be above suspicion. Therefore, this is only an elaboration of the idea contained in that section and I trust the hon. Minister will have no difficulty in accepting that.

Shri Nambiar: Here my arguments for my amendment are these. We must have a compact body, all the members of which must be responsible to the Government and thereby to Parliament direct. We do not want persons who have no direct interest in the Corporations, but who may be taken as members of the Corporations for obvious reasons, who do not sit in the Corporations whole time and do the work daily but occasionally come and sit in the Corporations, give their advice and go away as part-timers, in which case their paramount interest will be to see that their own private interest is safeguarded, whether it be outside or inside the Corporations, but not the interest of the Corporations as such. Yesterday, the hon. Minister stated that he would be all the more pleased if Mr. Tata would accept the Chairmanship of one of the Corporations. He said that he was stating what he felt and there was nothing like keeping things from the public eye. I appreciate his idea on that point. But the thing is in his mind

[Shri Mambiar]

that he wants to bring in a person like Tata. I have no grouse against Mr. Tata directly nor against Mr. Birla nor against Mr. Dalmia or anybody. The question is how could Tata, Birla or Dalmia directly contribute to the welfare of the Corporations because, after all, for Tata, Birla or Dalmia these Corporations are not the only concern; they are Managing Directors or Directors or proprietors of umpteen industries and concerns in this country. I cannot understand how their attention can be devoted to this. They may lend their agents—I am sure the hon. Minister may have some persons in view—they may lend their agents and through them Tata, Birla and other people may influence the Corporations. That is my fear. Therefore, we do not want persons other than those who are directly answerable to the people through the Government and Parliament. Otherwise, our interest will not be safeguarded. That is the reason why we say we should not have others.

Secondly, I want a representative of organised labour to be there. If he is on the Corporation, with the confidence that he commands among the workers he can straightforwardly advise the Corporation in labour matters so that the Corporation can work in the best interest of the staff as well as of the whole nation. Yesterday the Minister brought forth an argument that there was no organised labour and that there were several Unions and these Unions only formed an *ad hoc* Committee. It may be one Union or two Unions or any number of Unions. He extended an insinuation to these benches saying that there would be as many Unions as there were parties in the Opposition. That is not fair on his part. We only want to serve the interests of labour in the interests of labour, and not with a party feeling. If he wants to mislead the people, if he wants to mislead the country as such and the staff, that the Opposition parties here are working with that party feeling in mind, then he is absolutely wrong, and not only wrong, he is deliberately disrupting the unity of the staff, which is bad. It may give him an advantage today if he disrupts the unity of staff, because in that case he can play one against the other. But our own aim is not gained by disrupting the staff. It is only with the help and co-operation of the staff that you can run the show better. Therefore, that is a wrong conception and a wrong approach. If the hon. Minister has got any such view in his mind, he must cast it away here and

now. He must think afresh and consider the reasons the Opposition wants to place before him. If the Congress party, to which he belongs, is interested in labour, let them take up the cause of labour. We are not standing in the way; we are not at all concerned, if he will take up an attitude which will be conducive to the best interest of the staff as well as the people. We are here to extend our co-operation and give him all possible assistance. He must approach it in that way.

What exactly is his reason for not having a labour representative on the Corporation? Let us have it. If his reason is that there are several Unions, then let him take the opinion of the staff concerned. Let him take a ballot or any such thing and find out who is the person who has got the maximum confidence of the workers and then take him. Let him have a qualified man—I do not say that any Tom, Dick or Harry or anybody must be taken. What I say is, let him find out the person having the minimum qualifications but having the maximum confidence of the staff. You must begin in that way. The way in which you now proceed does not help. This is our genuine fear. We are not just talking in the abstract; we are giving you a concrete suggestion. There must be five members, a representative of labour, a representative of the Communications Ministry, a representative of the Defence Ministry, one expert and a representative of Finance. All these together must form a compact body as a Corporation which will look to the interests of all concerned and they can go ahead. This is the idea. This is the concrete suggestion which we are placing before you. This is not to obstruct you but it is only to give you help and assistance. It is not by disrupting labour, which he wants to do today, but it is only by taking them into your confidence and having their co-operation that the whole nation can be benefited.

Mr. Chairman: All these amendments are now before the House for discussion.

Dr. Laka Sundaram (Visakhapatnam): I would like very briefly to speak on clause 4 and also the amendments moved. My reason for intervening is to congratulate the Select Committee which has in clause 29 made a recommendation for the appointment of a labour representative on the Air Transport Council. Having made that recommendation I had hoped the Select Committee would make a similar recommendation with respect to

clause 4 also. My hon. friends have already argued the necessity for the appointment of a representative of organised labour on the Corporation. This demand is nothing strange or new. My hon. friend, the Communications Minister would remember that when the Hindustan Shipyard Limited was organised and incorporated by the Government, a representative of labour was appointed a Director. I can mention his name, Michael John of Jamshedpur, a well-known labour leader. He is the Director today of the Hindustan Shipyard Ltd. The precedent is there and, as I said, I do sincerely hope and trust that the Communications Minister would not fight shy of some of these amendments. In particular, I commend to him the amendment moved by Shri S. V. L. Narasimham which runs as follows:

"of whom one member at least shall be a representative of organised labour".

I do sincerely trust that the hon. Minister, who had been Labour Minister of the Government in the previous years, would not fight shy of accepting an amendment of that character. Here there are two small difficulties. My hon. friend Mr. Nambiar made a reference to the representation of the employees themselves on the Corporation. But, I have given you the example of an alternative, of a well-known labour leader, the choice being that of Government, being appointed as Director of the Hindustan Shipyard Ltd. I personally would prefer one of the employees to be on these two Corporations. If for reasons, at any rate, in the initial period, such an employee is not available or is not found suitable for that matter. I do trust the Minister would consider the appointment of a labour leader on the analogy of the Hindustan Shipyard Ltd. Mr. Nambiar made a reference to the policy of the Government, in regard to organised labour. I have said on a number of occasion in this House both in the last session and in the current session that I am not satisfied as yet with the policy of the Government in regard to the recognition of organised Labour Unions. I would not be wild in my approach to this problem, but I am convinced that as yet there has been no attempt made to secure the recognition of only one Union for any industry or industrial undertaking which is now being managed by the Government of India. I do hope and sincerely make an appeal to the hon. Minister of Communications to ensure this. When there was news about this Bill, those people working in the air lines made some attempt to bring

about an organisation. I am convinced that they are going to register it, this *ad hoc* Committee organisation. It is in the process of making. I am sure the hon. Communications Minister would welcome an organisation which is completely representative of the employees of various companies which are being clubbed together into these two Corporations. As such, I do hope he will use the enormous experience he has got as Labour Minister of the Government to encourage one labour Union, and not two or three. If you take the structure of labour activity in the various departments, whether Railways or Posts and Telegraphs, you will find that because of the lack of policy on the part of Government to assist in the formation of only one Labour Union, all these troubles are taking place. I think, it is ultimately to the efficiency and advantage of the Corporations themselves to have only one labour Union. I do hope that the hon. Communications Minister would have a sympathetic attitude towards these people, namely, that since you are already having a precedent in an undertaking in which you have 66-2/3 of financial participation by Government,—as also in the administration—the same precedent may be followed here. I would sincerely suggest to have an outside labour leader of respect and standing in the country as one of the members of each of the Corporations, in default of finding a suitable person or persons from the employees of the Corporations themselves. I do hope my hon. friend, the Communications Minister would accept this plea.

Mr. Chairman: Before I call any other hon. Member, may I respectfully submit for the consideration of the House that we have a programme for this Bill. At 12-15 guillotine will be applied so far as the consideration of the clauses is concerned. At 12-15 we shall begin the third stage. At this rate, I am afraid, we may not have full time to consider the important provisions regarding compensation etc. I would therefore suggest that the hon. Members should see that this does not happen and they get full time to consider other important clauses also. But, if they spend too much time on these clauses they will have no time left for other clauses. Clause 4 is important, and it may be fully argued out. But, at the same time we should not spend more than necessary time over it: I would respectfully ask the Members to be brief and to see that this clause is not allowed to swallow all the time and some time is left for the consideration of clause 25 and the Schedule etc.

Shri Joachim Alva (Kanara): I shall be very brief. I raised this matter of a Director from the workers' ranks during the first reading stage of this Bill. I again say that somebody from the ranks of the workers should be associated with the Directors. I do not understand how a very competent and sympathetic Minister for Communications, who had also been a Labour Minister has aversion to have a member from the ranks of the workers in the ranks of the Directors. He is out to fetch Mr. J. R. D. Tata at any cost. The Air Lines are run by the ordinary men, men in the ground forces, ground personnel, the engineers, the pilots, the crew, the radio men and the hostesses. They are the people in the Air Line from A to Z and it is strange that the Government of India in the year 1953 does not find time enough to pull out men from the ranks of these workers to be members of these Corporations.

In 1949, there was the first Air India strike in Bombay. It cost the Tatas about two lakhs of rupees daily. When the workers came into clash with the management, they found themselves very, very helpless because they had no one to speak on their behalf. It so happened that they had to resort to men who were neither in the Air services nor amongst the workers to fight their cause. It so happened that I as the then Sheriff of Bombay had a hand in the calling off of the strike which was called off unconditionally. Workers often find that there is no one to champion their cause in the higher ranks, from amongst top business men and top capitalists, who take a share in the running of the Air Lines. After all is said and done money is paid out by a few thousands of shareholders; that money is being paid out by Government today. That money will be controlled by Government. After all is said and done, when you bring a man of managerial rank in the Board of Directors, you should also have one from the ranks of the workers. I appeal on behalf of the House to the hon. Minister, who is very generous-hearted, and who can really understand the cause of labour, to bring in even at this stage, one member of the proposed corporation from the ranks of workers and thus yield to our demand. On the Air Transport Council he has yielded in the matter of bringing in a representative of the workers and their view point has to be heard at some stage or the other. Let them feel that in the matter of their salaries, their working hours and other service conditions, they have a man to champion

their cause. After all in the course of the next five or ten years, this Board would be fully composed only of the workers and let us take a long-range view of matters at this moment.

Shri Punnoose: Permit me to persuade the hon. Minister to make a change, I hope where others have failed I will succeed. (*Interruption*) I would bring to his attention the extreme necessity of having a representative of organised labour. Yesterday he was pleased to give us a definition of nationalisation; what is nationalisation, he asked. He gave the reply himself that it is the eschewing of private profit or the motive of private profit. If that is so, and in nationalisation profit motive should be eschewed, why on earth should you deny representation of organised labour? Labour has no axe to grind. It has no motive for private profit. If the industry is in charge of the nation, then it can very well believe, absolutely believe labour being placed in a position of power.

Secondly, the hon. Minister was pleased to say yesterday, in a moment of excitement perhaps, that Tata is a greater benefactor of labour than some Members on this side of the House. We may differ in our ideologies. But the very fact that we have been elected to this House by lakhs of people, shows that we command popular confidence. Therefore the statement of the hon. Minister comparing some Members to Tata was a shock to me. That makes us very suspicious. If this is the Minister's conception of labour and benefactors of labour, then we have to take his declarations of love with a grain of salt.

He should have representatives of labour for another reason as well. The hon. Minister in the course of his speech, in a round about manner of course, said that some retrenchment has to be made and some dislocation there will be. If it is your intention, if it is your desire to carry through without a hitch, you should have a representative of organised labour. It will strengthen the hands of the Corporation and the public will have the confidence that the affairs of the Corporation are in the hands of men that can be trusted working not merely for earning profits.

Shri N. Somana (Coorg): I regret I have to oppose this amendment. As the amendment stands it is said that a representative of organised labour must be put on the Directorate. Now

I think it is very dangerous to put such a clause in this Bill. I think it would be much more advisable to put the provision in a general way so that when the employees organise themselves into one Union and Government is satisfied that the Union represents the actual labour, one of its representatives may be appointed on the Directorate. On the other hand if we put this provision in a specific way and if later on there are two or three organisations, I do not know what Government could do at that time. There is bound to be conflict. It would be much better in the initial stage to leave it in a general way and when the employees actually organise themselves into one Union, as Dr. Lanka Sundaram put it, to have one of their representatives on the Directorate. It would be very dangerous to put this clause in a specific way as is sought to be done in this amendment. So I oppose this amendment.

Shri B. S. Murthy (Eluru): I am unable to appreciate the stand taken by the hon. Minister. While he was in charge of the Labour portfolio, he had won a name for himself for having put the Indian Trade Union movement on a sound footing. All the legislation that he has been able to get through in the Provisional Parliament stands to his credit.

While advancing his argument as to why he was not able to take a representative of labour on the Corporation he said that theirs is an *ad hoc* Committee. I think this is begging the question. How could you have an All-India Trade Union for a number of air companies as they are existing to-day. Once the air corporation comes into existence, there will certainly be an All-India Trade Union for the workers who are employed in the Air Corporation. Now the workers are not slow. They have realised the necessity and therefore have formed themselves into an *ad hoc* Committee. They have also approached the hon. Minister and have put forward schemes before the Members of the Select Committee. It is no argument to say that we cannot give representation, because there is only an *ad hoc* Committee. It is the bounden duty of the Government to see that in India the Trade Union movement is given all facilities to progress from strength to strength. If a right like this is denied, I am sure it will go against the interests of the Corporation.

Another apprehension which the hon. Minister expressed was that there may be some dislocation—this is the word that he used in his speech. If such

dislocation is expected, it is all the more necessary why he must take labour into confidence. Otherwise the Corporation will become 'namo Birlaya', 'namo Tataya', 'namo Kuberaya'.

Dr. Lanka Sundaram: What about 'namo Dalmiaya'?

Shri B. S. Murthy: I leave it to Dr. Lanka Sundaram.

Shankara has given us:

गजम् भित्ता पलायनम् भित्ता

After all these two Corporations will become a *mythia* and *maya* if there is no representation of labour. Sankara has told us that there will be only *adwaita*; but these people are for *dwaita*. *Dwaita* and *adwaita* are very interesting things. Now it is better we have *adwaita*. Therefore I request the hon. Minister to see that a representative of labour is given a place in this organisation. If not there will be a hiatus which can never be filled.

Shri K. K. Basu (Diamond Harbour) rose—

Mr. Chairman: Clause 4 has been sufficiently discussed. If the hon. Member has any new point to make, I would request him to be brief.

Shri K. K. Basu: I would like to emphasise one aspect of this clause.

Government says that there is a possibility of one person presiding over the two Corporations. So, they visualise a dearth of personnel to guide the affairs of the Corporation. But it is nowhere stated whether the Chairman would be an official or a non-official. We feel very apprehensive because of the softness shown by the hon. Minister about one of the great captains of industry, that there may be a possibility of his presiding over both the Corporations. I would like to impress upon the Government, that whatever might be the reasons which have prompted them to have two Corporations, there should never be a non-official to be the head of both the Corporations, though I may not be particular of applying that to an official.

I would also like to emphasise that the Chairman should, as far as possible, be a Government official. After all who are the shareholders of the Corporation? It is the nation. It is the nation that is paying the money. In spite of the Corporation being an autonomous body we would like to have an official as head of it, because Parliament can ask Government to

[**Shri K. K. Basu.**]

give a directive to that person to behave in a particular manner. If it is a non-official it is difficult for us to have any control over him.

Again sub-clause (2) of clause 4 says:

"Before appointing a person to be a member of either of the Corporations, the Central Government shall satisfy itself that that person will have no such financial or other interest as is likely to affect prejudicially the exercise or performance by him of his functions, etc."

We may have a freight service and different interests may be involved. If Mr. Tata is brought in as Chairman, or even as a member of the Corporation, then what happens? He, as captain of the industry is vitally interested in having a certain standard of freight rates, or he would like the Corporation to work in a manner which is conducive to the interest he represents. The point is whether the financial interests he holds will be construed as acting prejudicially to the interests of the Corporation. I go further. There is the Tata house of business. Mr. J. R. D. Tata may not be connected.

The Deputy Minister of Communications (Shri Raj Bahadur): Sir, may I know whether we are discussing the amendment or the clause?

Shri K. K. Basu: That was the direction given by the Deputy-Speaker, that the whole thing can be discussed.

Mr. Chairman: When the amendments are there, the amendments as well as the clause are before the House.

Shri K. K. Basu: I am discussing the whole thing. We know very well that under the provisions of this particular legislation there is no directive that these concerns or companies should be liquidated. They might continue in non-schedule services. Suppose Mr. J. R. D. Tata is brought in. Unfortunately his name has been discussed so long. But here he has been brought in as a member of this concern. Another member of the family or the institution, other directors—there is always a group of men connected with a particular set of industries they may be interested in running this particular concern who only work in non-schedule services. In that event it has to be considered whether their interests are prejudicial to the Corporation.

Similarly, unless Government completely monopolises the entire air routes and all the air services in the country and Government brings in person who have no interest either indirectly or directly—either industrialists or in any other way—I am very apprehensive that this clause might act against the interests of the Corporation. To be frank, there may be one or two individuals who may behave well, so far as the captains of industry are concerned, but if we look to the history of these institutions I think many of us will confess to the feeling, which has also been corroborated by several enquiries including the Income-tax Investigation Committee, as to how this industry behaved much to the detriment of the interests of the nation and actuated by the greed for profit-making. I feel that this clause should be more specific and Government must give a guarantee in the House that they shall not bring in such persons who may be construed or thought to have some interests even indirectly so far as the running of air services is concerned.

I am dealing with sub-clause (3) of clause 4. It is unfortunate that even in this nationalised Corporation Government has tried to copy the provisions of the Indian Companies Act. In the Indian Companies Act the provision is that when there is a matter relating to a contract in which the directors are indirectly benefited, they shall stand out from the meeting and do not vote. We have had the report of the Company Law Enquiry Committee and here is their history for the last several years, particularly after World War II, we know in what manner the directors have tried to utilise their position much to the detriment of the shareholders and have their own nominees and persons to give them sub-contract or some other benefit adversely affecting the interests of the companies which in no time might go into liquidation. The entire history of the liquidation of banks is a standing monument in what way the directors have behaved. Unfortunately groups of directors have behaved in a particular manner and taken advantage of whatever loophole there is in the Companies Act. According to the report of the Company Law Enquiry Committee we are going to amend that Act, so that all these loopholes which give room to misbehaviours and misdeeds on the part of these recalcitrant and dishonest directors—if I may be permitted to use that expression—may be removed and rectified. But how in a nationalised Corporation they can incorporate the

same thing I fail to understand, where the entire money and the entire risk is of the nation. It is the nation that is paying the money. It is the nation that will have to shoulder the burden and bear whatever loss the Corporation might suffer. And we are bringing them in, for what reason? Because they have the experience in running the industry. The whole theory of the role of the entrepreneur so far as industry is concerned is gone. In the economics of today nobody feels that the entrepreneur is such an important factor. And he is the man who advances the money? Except for Mr. Tata I do not know whether any other champions of the airways, Birlas and Dalmias, have ever touched the wheels of the aeroplane. But we might bring them in as champions of the industry, because they had come forward to develop this industry. And why? Because during the war they took advantage of the situation and amassed enormous fortune, white or black, and they could go in for a new industry getting the planes at low prices, at the cost of the nation, from Disposals. This provision must be altered and Government must give a guarantee that they are not going to appoint persons who might even indirectly be construed as having some interest in the concern—not only himself, but his group, in his own house of business, whether as relations or friends who are connected with the concern, in the same group of managing system, the same group of directors. You know very well, Sir, and if you go through the list you will find a particular set of individuals who are connected and who are usually appointed as directors of the Tata concern, and similarly in the Birla concern or Dalmia concern or any other concern. Unless that point is taken into consideration I am very apprehensive that Government will be taking a dangerous step which would go adversely against the interests of our country and this Corporation.

10 A.M.

The last point is about the amendment moved. I do not want to repeat the same point, but I would like to say this. Who are the shareholders of this Corporation? It is the nation. It is the taxpayers' money that is going to finance the Corporation. Therefore it is necessary, even if you take the principle of the Companies Act, that we must have the largest number of representatives of the taxpayer in this Corporation. And although they may be paying less it is the productive force, namely labour which constitutes the largest percentage of the taxpayer which goes to run and man this indus-

try. Their representation is absolutely necessary, whether it is four Unions or one Union. And I fully appreciate that in all these concerns there should be one Union. Even if it is not, it is easy for the Government to find out their opinion. If in the modern democratic set-up you could have an experiment of vast general elections in the whole country with such a low illiteracy, it should not be difficult to have the opinion of labour in this industry. And in this particular industry fortunately it is, technician and technically skilled men that are wanted, unlike in many other industries. It is not as if a man works for ten days and goes away. The person needs a certain amount of education, technical education and technical training before he joins this industry. Government can judge the persons who may have knowledge, who will have to man the new industry, who have served during the last war and who fortunately belong to a class above the normal level of education in the other strata of labour. Therefore I feel that when the taxpayer is paying the money, when the nation has to foot the bill and the nation has to be responsible whether we gain by this industry or lose, it is absolutely necessary that the most important and the vital part of the productive force must be represented. It is easy for Government to have their opinion. Government can make up their own mind. I do not understand why it cannot be done. It is very easy if they want to make this concern a real, bona fide national concern. For instilling the support and sympathy of the people that man it is absolutely necessary that they should consider the possibility and the dire necessity of taking representatives of labour into this Corporation.

Shri Raj Bahadur: To start with I would like to make it clear that the clause that we have under discussion essentially relates to the constitution of the Corporation. It does not purport to specify, define or lay down the categories or classes of people from whom selections will be made for the membership of this Corporation. As I submitted earlier, we have purposely made the provisions to this clause flexible and wide so that a wide scope of selection is afforded. If it is purported that we should define or specify here and now, as proposed in one of the amendments, the persons who should go to compose this Corporation, we shall be striking a completely un-beaten track. I would like my hon. friends to point out the constitution of a single Corporation or any other industrial undertaking of this type where they have defined or specified the

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persons to be nominated on a particular Board or Corporation. I do not think in the U.K. Act, they have got anything like that. It lays down that there will be so many members. The same is the case with Australian airlines and other bodies. Therefore, it would be better if we keep this clause sufficiently wide and flexible, because we cannot visualise all the exigencies a situation that may develop at any particular moment to meet which we may have to appoint people with sufficient calibre, sufficient experience, etc. On the other hand if we specify that we should have this particular class of people or that particular class of people, it will essentially limit and restrict the field of choice. I would add that any restriction about classes or restriction of categories of persons to be appointed will not be advisable in the present situation.

Now, much has been said about the representation of labour on the Corporation. I need hardly repeat that the Minister has already said that he would definitely consider the appointment of a man experienced in labour like Michael John whose name was mentioned by the hon. member Dr. Lanka Sundaram. So there it is hardly necessary for me to repeat that a man experienced in labour may be appointed. This point has already been met.

Shri Nambiar: Is he for the Corporation?

Shri Raj Bahadur: The Minister said about that also. We will consider the appointment of a man with labour experience.

Dr. Lanka Sundaram: May I interrupt the hon. Minister? Under section 28, the Select Committee reported and recommended that a man who is an employee of either of the Corporations..... Why we cannot have a similar arrangement under clause 4?

Shri Raj Bahadur: Surely even Dr. Lanka Sundaram himself, when he was speaking mentioned about Mr. Michael John and I feel that people of that type can be considered for appointment and represented on the Corporation. I do not at all say that this cannot be done but to lay down and specify this in the body of the clause will be too much.

श्री कौ० कौ० बसूः गलत बात है ।

श्री राज बहादुरः मर्ही बात है ।

Now I will come to the amendment tabled by my hon. friend, Mr.

Damodara Menon and his colleagues saying that the members should enjoy the confidence of the workers. Does he visualise a plebiscite or an election to find out the workers' confidence? I do not know whether it is physically possible at all in the beginning. The same thing can be said about organised labour. It has been admitted on all hands that so far as the employees in the various airlines are concerned, they are not organised. If you take the wider meaning of the phrase 'organised labour', it will mean various labour organisations and we have got more than one in India and one organisation hardly agrees with the other. I would submit that so far as this question of organised labour or the appointment on the Corporation of a person enjoying the confidence of workers is concerned, it is impracticable. And then as I said earlier, we do not want to limit the scope of this clause.

Some points have been made by my hon. friends Mr. Nambiar and Mr. Basu about the capitalists and that if they are appointed, they will exploit the whole thing. They have taken it for granted that we are going to appoint sun-dried capitalists on this Corporation. It is not that. As a matter of fact, we require persons who have got knowledge in this field. I think nobody can quarrel with us and doubt our bona fides if we take advantage of the business acumen, the experience and knowledge of any Indian citizen to come and help us in the running of Corporation and making it a success and that too on our own conditions. They say they will be able to exploit it to their own advantage and to the advantage of other industries in which at present they may be engaged. They also say that perhaps they might enter upon non-scheduled flights also. It was made absolutely clear that the new provision that the Select Committee has incorporated in the Bill is wide enough to furnish a safeguard for that. Just a cursory glance must convince even the biggest sceptic about it, because clause 4 says:

"Before appointing a person to be a member of either of the Corporations, the Central Government shall satisfy itself that that person will have no such financial or other interest as may prejudicially affect the due discharge of functions entrusted to him."

That means the remotest possibility of his.....(Interruptions). If there is any legitimate question, I will answer.

Shri K. K. Basu: I tried to put it this way. Supposing you appoint Mr. Birla as a Director. He has got

his brothers in his other concerns. He is interested in all his concerns. So this will have an adverse effect.

Shri Raj Bahadur: Both the sub-clauses, 2 and 3, should be read together. As I said earlier sub-clause (2) says:

".....a person will have no such financial or other interest....." and sub-clause (3) says:

"A member of either of the Corporations who is in any way directly or indirectly interested..... disclose the nature of his interest"

So far as this officer is concerned...

Shri Damodara Menon: I think the Minister has no objection to accept that amendment.

Shri Raj Bahadur: That amendment is not before me. That has not been moved.

Mr. Chairman: Which amendment?

Shri Damodara Menon: My third amendment.

Mr. Chairman: It has been moved.

Shri Raj Bahadur: Even so, Sir, the words in the clause "Directly or indirectly" cover everything. Therefore there should be no apprehension on that score. He says that perhaps they will serve other interests. Mr. Nambiar has thought it proper to say that the Minister or the Government is trying to mislead the labour and they have doubted our motives and challenged them. I will only remind him of what is happening and what is being done in those parts of the world from which he draws his inspiration. I will simply refer to what obtains at the moment in Soviet Russia about the representation of the Trade Unionists on Corporations or on industrial undertakings. I would read out what has been defined and laid down specifically as a result of resolutions adopted in the 11th Congress. I will read *verbatim* from that.

"The main task of the proletariat after it has conquered power is to increase the volume of output and to raise the productive forces of society. This demands that the managements of the factories should concentrate full power in their hands. Any direct interference of the Trade Unions which the management of enterprises must in such circumstances be regarded as absolutely harmful and inadmissible."

This is the principle which is being followed in places from which some of my friends draw their inspiration. (Interruptions.)

Shri Namdhari (Fazilka-Sirsa): On a point of order, Sir.

Mr. Chairman: There is no point of order.

Shri Namdhari: The hon. beautiful Member has already spoken. Why is he again disturbing the Minister every now and then?

Mr. Chairman: There is no point of order.

Dr. Lanka Sundaram: Who wrote that book?

Shri Raj Bahadur: In the 12th Congress held on April 23, the first in which Lenin did not participate, the following policy was laid down. Continuing it says:

"Aiming by all means at an improvement in the condition of the working class, the State authorities and Trade Unions ought to remember that a prolonged and all round improvement is possible only on the basis of an expanding, i.e. profit bearing industry...."

But Sir, the profit bearing motive is challenged here by our friends opposite.

"To keep in operation businesses with low employment or to keep employed in any factory a number of workers which does not correspond with the actual productivity of that factory is a wasteful and irrational form of social security and is therefore detrimental to the working class interests of tomorrow. The saddling of industrial enterprises with all sorts of overhead costs...etc."

It concludes like this:

"It goes without saying that the manager of a Soviet factory ought to show the greatest attentiveness to the material and spiritual needs of the workers, to their feelings and moods. But, at the same time, he must not lose sight of his supreme duty towards the working class, as a whole a duty which consists in raising productivity of labour, lowering costs of production and increasing the volume of material goods available to the proletarian state. Trade Unionists and party members ought to co-operate in every way with the Soviet manager for this purpose. Attentiveness, determination and

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discrimination are the indispensable qualities of the Soviet manager. But, his best testimonial is the favourable balance sheet of the business."

I wish to point out to the House...

Shri Raghavaiah (Ongole): Is there any Air Corporation in Soviet Russia? (Interruption).

Shri Raj Bahadur: ...that in places and countries from which some of the hon. Members opposite draw their inspiration, those things which the hon. Members suggest here are absolutely unheard of. I can quote verbatim the same conditions of things from the Chinese literature also. But let me assure the House, Sir, that we are not going to slavishly copy the ways either of this or that bloc. (Interruption.)

Mr. Chairman: Order, order. This is not the way to interfere.

An Hon. Member: The Minister must be allowed to speak.

Shri Raj Bahadur: We should utilise all the best possible men available in the country and see in what manner we can serve the interests of labour and society and make this first great venture of the nation a complete success.

Shri Raghavaiah: Is there any Air Corporation in Soviet Russia?

Mr. Chairman: Order, order. I have already said that the hon. Member should not interfere in this manner. It does not add to the decorum of the House. As soon as the hon. Minister finishes, he rises up and makes some remarks. Supposing also the hon. Minister retorts, what happens? There is nothing but pandemonium in the House. I do not want that. He should not interrupt in this manner. Decorum should be maintained.

Shri Raghavaiah: I only wanted to put a question.

Mr. Chairman: The question need not be put; I do not allow questions at this stage.

The question is:

In sub-clause (1) of clause 4, for "not less than five but not more than nine Members" substitute "five members namely, one representing the Ministry of Communications, one representing organised labour, one expert to be recruited, the remaining two representing Ministry of Defence and Finance".

The motion was negatived.

Mr. Chairman: The question is:

In sub-clause (1) of clause 4, after "Central Government" where it occurs for the first time, insert "of whom one member at least shall be a representative of organised labour".

The motion was negatived.

Mr. Chairman: The question is:

In sub-clause (1) of clause 4, for "not less than five but not more than nine members" substitute "not less than three but not more than five members".

The motion was negatived.

Mr. Chairman: The question is:

In clause 4, after sub-clause (1) add:

"Explanation.—The members of the Corporation shall be full-time and one of them shall be an employee enjoying the confidence of the workers."

The motion was negatived.

Mr. Chairman: The question is:

In sub-clause (2) of clause 4, after "that person" insert "or relatives of that person".

The motion was negatived.

Mr. Chairman: The question is:

"That clause 4 stand part of the Bill"

Dr. Lanka Sundaram: May I be permitted just to seek a clarification, Sir?

Mr. Chairman: I am not going to allow any question at this stage.

Dr. Lanka Sundaram: The clause is...

Mr. Chairman: It was already announced by the Deputy-Speaker that the clause as well as the amendments are before the House. Full discussion has already taken place.

Dr. Lanka Sundaram: I am not asking for a discussion.

Mr. Chairman: I am not allowing any question at this stage. I will put the clause to the House.

The question is:

"That clause 4 stand part of the Bill."

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

Clauses 5 and 6 were added to the Bill.

Clause 7.—(Functions of Corporations)

Mr. Chairman: Mr. Sinhasan Singh: not in the House. None of the amendments are moved. I will put the clause to the House.

The question is:

- "That clause 7 stand part of the Bill."

The motion was adopted

Clause 7 was added to the Bill.

Clause 8 was added to the Bill.

Clause 9.—(Corporations to act on business principles)

Shri Damodara Menon: I beg to move:

In clause 9, for "business principles" substitute "public utility principles".

Clause 9 gives a direction that in carrying out any of the duties vested in it by this Act, each of the Corporations shall act so far as may be on business principles. I want to add this also to it that public utility principles must also govern the activities of the Corporation. The hon. Minister himself stated that when we nationalise a concern, the main principle underlying such nationalisation is that we do away with the profit motive. When we enjoin on the Corporation the necessity of following business principles alone, we are really placing more emphasis upon the profit motive. Therefore, it goes against the very principle enunciated by the Minister here. I hope therefore that the activities of the Corporation will be guided mainly by public utility principles. We should not work the Corporation with a view to earn profit. I do not mean to say that we should not earn a profit. But, the main motive should not be one of profit. Therefore, we should take good care to see that a positive direction to the effect that only business principles must govern the activities of the corporation should not be given to the corporation when it launches upon its activities. Air service is a public utility service and its main purpose is to make air travel cheap and also safe. In carrying out this principle of service to the public in a cheap and safe manner, the guiding factor must be that we do not work merely to make money. If the corporation works only with that motive, it may be that principles of safety to the public and also cheap travel may be forgotten. I do not mean to say that it will always be affected. But, in all cases where public utility services are worked by the Government they must keep

before the public and before themselves principles of public utility services. Therefore, I am moving this amendment which is perfectly in keeping with the idea expressed by the Minister himself. I cannot see any reason why the Minister should not accept this suggestion.

Mr. Chairman: Amendment moved:

In clause 9, for "business principles" substitute "public utility principles"

Shri Nambiar: I beg to move.

In clause 9, add at the end "keeping public utility of cheap travel with more safety as the main objective."

Mr. Damodara Menon has advanced arguments. I want to add this to them. Today we know that air travel is a very costly business. If it is cheaper, then, we can accommodate more passengers and there will be no vacant seats. Today there is loss. The main consideration must be cheap travel and maximum safety. When I used to travel by air, on many an occasion I have seen vacant seats: not because people do not want to use air services, but they are unable to use it because it is so costly. Air travel is very costly today, and our aim is to make it cheaper. By seeing that all the seats are filled up, you can get more money. So, economy can be achieved not by making air travel costly but by making it cheaper and seeing that no aircraft goes half-filled up. All the while, you have to remember that this service should be within the reach of the public at large. It is not merely a question of following business principles. If by business principles you mean cost accounting, maintenance of proper accounts, etc., I can understand it and even agree with you. But the main objective should be to benefit the public at large. This point was emphasized in the Select Committee but neither the hon. Minister nor the majority accepted this principle. You accept that you want to run it as a service for the benefit of the nation. You also say that you look upon it as a second line of defence. If that is so, then you cannot run it only on business principles.

Today, in spite of the petrol rebate and the subsidy, these companies have been losing. The Exchequer is not gaining anything. But you are not scrapping the air services. You do not say that there is no necessity to nationalise them. You would have scrapped them if you took only business principles into account. But you are taking them over, not because of principles of business, but because you

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are keeping the national interests in view. You look upon them as a second line of defence. When that is so, we suggest that you should not hesitate to declare them as a public utility service. Now, a letter can reach Madras in a day. That is a good thing for the people. It benefits the public at large. Railways are a nationalised concern. There is bound to be competition between the railways and the airways, and if there is some loss in the airways and you follow business principles, you cannot begin to run the airways on any other basis than as a public utility service. That would go against the public good. That is why we suggest that you should declare these Corporations as public utilities. After all, there can be no objection to the amendment we have proposed, unless it be that you want to oppose it because it comes from the Communist benches. We are not arguing for labour or Communism. Do not be frightened of Stalin, Lenin or Communism.

An Hon. Member: But we are afraid of Ananda Nambiar.

Shri Nambiar: Communism need not be brought in here. The hon. Minister referred to the 19th Party Congress in the Soviet Union. We never know what relevance it has.

Shri Raj Bahadur: I said 11th and 12th Congress.

Mr. Chairman: The hon. Member's remarks also are not relevant. If he goes on making these remarks, the hon. Minister also will have to reply, and this process will go on endlessly.

Shri Nambiar: I have finished, Sir. I only say: let him accept this amendment, and let him not refuse to accept it because it comes from a Communist Member.

Mr. Chairman: Amendment moved:

In clause 9, add at the end "keeping public utility of cheap travel with more safety as the main objective."

Shri Jhunjhunwala (Bhagalpur Central): Sir, I had spoken on this clause during the consideration stage.

Mr. Chairman: That is exactly the reason why he should not speak now! (Laughter.)

Shri Jhunjhunwala: It is not a matter for laughter, Sir. As was pointed out by me during the consideration stage, I accept totally the principle contained in the amendment of my hon. friend. But the moment

one says that it is a public utility concern, then the whole background changes. People begin to think that there is no need for any economy; there is no need for any efficiency; and the money can be spent in any manner we like. Instead of such an organisation becoming a public utility concern, it will become a public fund waste concern. That has been my experience when similar things have been done.

In running these Corporations, safety should be the first consideration. I agree. But that does not mean that, when we keep safety in the forefront, we cannot run the service economically or on business principles. It does not mean that we should say, "Well, it is a public utility concern. So public utility is the only thing. Economy does not matter." Take these air companies which have been in existence hitherto. Some of them ran economically with provision for full safety and made a profit. Others did not manage affairs properly and lost money. Therefore, what I mean is that this suggestion should not be embodied in the Bill, but it should be kept in view that this is a public utility service and everybody in the country should get the advantage of it.

When we talk of air travel, we should remember the teeming millions who are under-fed and under-clothed. So, before we can think of the luxury of air travel and reducing the fares therefor, we should bear in mind that the public money cannot be wasted on this luxury item. Safety should, no doubt, be the first consideration, but at the same time, there should be economy. When I say 'economy', I do not suggest that economy should be effected at the sacrifice of safety, but we should run the service with safety and economy.

Shri Punnoose rose—

Mr. Chairman: This point has been discussed sufficiently. The hon. Minister himself, during his speech on the initial motion for consideration, suggested that this is a public utility service and that is why he wanted this clause to be brought in. So, there is no difference of opinion. Both sides agreed. The only question is whether the proposed words ought to be added in the Bill or not, and on that, there has been enough discussion. I would therefore request the hon. Member to keep his powder dry for another occasion.

Shri Raj Bahadur: You have already explained the position correctly Sir. As a matter of fact, it is agreed on all

hands that the air transport industry is not a manufacturing industry or an industry of the productive type. It is necessarily a public utility service, and as such we have got to see that the considerations of safety and cheapness are borne in mind by those who run it. This clause has a history behind it. As has been pointed out by Mr. Jhunjhunwala, we do not want to leave any loopholes or scope for wastage or leakage. Therefore, we have incorporated this clause, so that we may ensure that those who run the industry and are in charge of it do try to harmonise and reconcile the two principles of safety and economy. That is the basis on which this clause has been brought in.

Shri K. K. Basu: Do you mean to say that in the railways, which are nationalised, there is waste?

Shri Raj Bahadur: No. It never means that.

Shri Nambiar: May I seek a clarification? Supposing there is a strike or something, then, will not the hon. Minister say, "It is a public utility concern" and take recourse to the relevant law?

Shri Raj Bahadur: Strikes have become an obsession with him. I wonder how he can import that aspect of the question into the question of economy in the present context.

Mr. Chairman: The question is:

In clause 9, for "business principles" substitute "public utility principles".

The motion was negatived.

Mr. Chairman: The question is:

In clause 9, add at the end "keeping public utility of cheap travel with more safety as the main objective."

The motion was negatived.

Mr. Chairman: The question is:

"That clause 9 stand part of the Bill."

The motion was adopted.

Clause 9 was added to the Bill.

Clauses 10 to 16 were added to the Bill.

New Clause 16-A

Shri Jaipal Singh (Ranchi West—Reserved—Sch. Tribes): The hon. Minister has taken away the Mover of this particular amendment, and they have gone out to consult over this particular

amendment. If you defer it. Sir he may be able to come back to the House.

Mr. Chairman: Hon. Member in charge of the amendment should have been in the House.

Shri Jaipal Singh: He was in the House, but he was taken away by the hon. Minister.

Mr. Chairman: If the Government agrees, I have no objection to postponing it. Otherwise, I shall have to take it up.

Shri Raj Bahadur: Let it be postponed, Sir.

Mr. Chairman: Clause 16-A, amendment No. 117 is postponed for the time being.

Amendment No. 135. Is this also to be postponed?

Shri Heda (Nizamabad): It should also be postponed, because it relates to the same thing.

Mr. Chairman: May I take it that this should also be postponed?

Shri Raj Bahadur: It is a connected amendment.

Mr. Chairman: Connected with what? This is entirely different. Amendment No. 117 is not connected with amendment No. 135.

Shri Raj Bahadur: I think it is in a way connected.

Mr. Chairman: That also has to be postponed?

Shri Raj Bahadur: Yes, Sir.

Mr. Chairman: That means clause 16-A may be postponed for the time being—both the amendments Nos. 117 and 135.

Then Clause 17. Amendment No. 136. Does the hon. Member propose to move?

Shri Raj Bahadur: The hon. Member, Mr. N. C. Chatterjee has returned now.

Shri Mulchand Dube (Farrukhabad Distt.—North) rose—

Mr. Chairman: May I just interrupt the hon. Member? I understand Shri Chatterjee has arrived. Does he propose to move his Amendment No. 117?

Shri N. C. Chatterjee (Hooghly): I am sorry, Sir, I was not here when I was called. May I move amendment No. 117?

Mr. Chairman: Yes.

Shri N. C. Chatterjee: I beg to move:
"After clause 16, insert—...

The Minister of Communications (Shri Jagjivan Ram): May I intervene just now, Sir? We were discussing the constitutional aspect of this amendment. In the meantime we learnt that this clause had reached.

Mr. Chairman: If the hon. Minister wants a postponement, I am quite agreeable. It can be taken up subsequently.

Shri Jagjivan Ram: Yes, Sir.

Shri N. C. Chatterjee: It will be helpful if you can give us a little more time to consider it.

Clause 17.—(General effect of vesting of undertakings in the Corporations)

Shri Mulchand Dube: I beg to.....

Shri Jaipal Singh: May I just intervene before the hon. Minister leaves the House? There is another amendment, cognate, relating to New clause 25A. I take it that will also be postponed.

Mr. Chairman: Of course.

Shri Mulchand Dube: I beg to move:
In clause 17, to sub-clause (4) add the following Provisos:

"Provided that a claim for compensation or damages based on a cause of action on the basis of which no suit has been instituted in a court of law shall not be enforceable against the Corporation unless notice of such claim has been served on the Central Government within ninety days of the appointed date.

Provided further that if the claim or any part of it is not admitted by the Central Government it shall be referred to the tribunal constituted under section 26, and the tribunal shall thereupon, after impleading the claimant, the company concerned and the Central Government, adjudicate on the claim and the adjudication shall be final, and not liable to be questioned in any court or tribunal. This amount, if any, shall be treated as a liability of the company and taken into account in assessing compensation."

The Corporation takes into possession all the assets of the companies, and also takes upon itself all the liabilities of the companies. These liabilities may or may not be ascertained. These liabilities may not be contained in the books. Liabilities of the com-

panies are conceivable which may not be entered in the books, which may be disputed by the companies themselves or they may arise out of claims for future contracts or such other things. There is no provision in this Bill as to how those claims have to be decided. Clause 17, sub-clause (1) merely mentions those cases which are entered in the books because it refers to clause 22. Clause 22 deals with debts or liabilities which are entered in the books of such claims would be anything between one to three years. Therefore, the Corporations in taking upon themselves the payment of a liability would be in the dark as to the extent of the liabilities that they are taking upon themselves.

Clause 17 (4) reads as follows:

"Subject to the other provisions contained in this Act, any proceeding or cause of action pending or existing immediately before the appointed date by or against any of the existing air companies in relation to its undertaking may as from that date be continued and enforced by or against the Corporation in which it has vested by virtue of this Act as it might have been enforced by or against that company if this Act had not been passed, and shall cease to be enforceable by or against that Company, its surety or guarantor."

The liability of the Company is altogether taken away, and the clause refers to existing causes of action as well as those causes of action which are pending, i.e., in respect of which a suit has been brought. Then there is the existing cause of action in respect of which there may be no suit pending. The Corporation would be taking upon itself the liability of settling even such claims which are based on existing causes of action, and in respect of which no suit has been brought. The object of the amendment is that such claims may be notified to the Central Government within 90 days so that Government may be in a position to examine whether the claims are good or not, and if the Government do not accept the claims, the matter may be referred to the Tribunal for the purpose of a decision. In this way, the Corporation would be enabled at least to find out the extent of the liabilities which it has to undertake. My submission, therefore, is that this is an amendment which should be allowed, and is clearly clarificatory, and I expect the hon. Minister will accept it.

Shri K. K. Basu rose—

Mr. Chairman: There is another amendment also. Let that also be moved. Amendment No. 86. Mr. Rajagopala Rao. Absent.

Amendment moved:

In clause 17, to sub-clause (4) add the following Provisos:

"Provided that a claim for compensation or damages based on a cause of action on the basis of which no suit has been instituted in a court of law shall not be enforceable against the Corporation unless notice of such claim has been served on the Central Government within ninety days of the appointed date.

Provided further that if the claim or any part of it is not admitted by the Central Government it shall be referred to the tribunal constituted under section 26, and the tribunal shall thereupon, after impleading the claimant, the company concerned and the Central Government, adjudicate on the claim and the adjudication shall be final, and not liable to be questioned in any court or tribunal. This amount, if any, shall be treated as a liability of the company and taken into account in assessing compensation."

Shri K. K. Basu: I would not take long. I would only like to get a clarification as to the interpretation to sub-clause (4) of clause 17. It says that on the appointed date if there is any contract or any cause of proceeding or cause of action against a particular company, those shall immediately vest in the Corporation. We are only having the scheduled routes in this Corporation. What I want to know is this. An air line may have a contract so far as working on the non-scheduled routes is concerned or a contract for carrying freight, and they might not be in a position to fulfil that contract because we are immediately taking over all the aeroplanes, or air ships or whatever they have got. I want to know whether in the event those third parties may come up and say that because that particular airline is not in a position to fulfil the contract entered into with them and because of the taking over of the assets and liabilities of the airline on the appointed date, that claim will also arise against the Corporation. There may be certain other contractual liability as to non-scheduled routes. That position has not been made clear by sub-clause (4) of clause 17. I would like to know what is actually

in the mind of the Government and whether this sub-clause is explicit enough to debar those proceedings or action that may arise against the particular company which had been taken over by the Corporation. That is the only short point I want to get clarified.

Shri Raj Bahadur: I think clause 17 shall have to be read along with clauses 22 and 23. As a matter of fact, sub-clause (4) is a sort of corollary and a necessary provision in relation to clauses 22 and 23. In clause 22 it has been made incumbent upon the existing air companies to disclose within a given period their book debts and investments belonging to them and all liabilities and obligations of the companies subsisting immediately before the appointed date, and also all agreements entered into by the existing air companies and in force on the appointed date, including agreements whether express or implied...etc. Then, with regard to the right of the Corporations to disclaim certain agreements, it is provided:

"Where it appears to either of the Corporations that the making of any such agreements as is referred to in section 22 under which the Corporation has or will have or may have liabilities was not reasonably necessary for the purposes of the activities of the existing air company or has not been entered into in good faith, the Corporation may, within six months from the appointed date, apply to the Tribunal for relief from such agreement, and the Tribunal, if satisfied after making such inquiry into the matter as it thinks fit that the agreement was not reasonably necessary for the purposes of the activities of the existing air company or has not been entered into in good faith, may make an order.....etc."

So the discretion has been vested with the Corporation. Now, it will be a question whether it was reasonable or not, whether it was in good faith or not in good faith. If it was in good faith, the liability, of course, will be transferred....

Shri K. K. Basu: My point is this. Here you are restricting it by saying 'whether it is done in good faith or whether it was reasonable or not'. It may not have been an absolutely genuine agreement. But so far as the third party is concerned, he may come up and say: 'I am not concerned whether the Corporation has done it or not. I must have my claim'.

Shri Raj Bahadur: That is a pure question of interpretation of law. If it is a genuine agreement which was entered into in good faith for the good and benefit of the company, how can we resile from it? There is no morality or legality in resiling from that. So clauses 22 and 23 are perfectly clear and adequate.

So far as the amendment of my hon. friend, Mr. Mulchand Dube, is concerned, I may say that I do not visualise that any claims for compensation would be pending at the appointed date. Claims for compensation will, of course, come afterwards. So the proviso he wants to add 'Provided that a claim for compensation or damages based on a cause of action on the basis of which no suit has been instituted...' will all come after that. The eventuality hardly arises now. Apart from that, in case we were to have a proviso like that, it would mean an open invitation to all people concerned to go to the court immediately because all of them would be anxious to have their claims registered or brought to the notice of the court. As a matter of fact, it is obvious that we want to take upon ourselves the responsibility for meeting the obligations arising from genuine *bona fide* agreements which were entered into for the purpose of the undertaking we have taken over. All such cases shall be disclosed in good time. If they are not disclosed, we are not bound by that at all. We have got no responsibility.

Shri K. K. Basu: But the third party may come up.

Shri Raj Bahadur: If it is not disclosed in time, the suit would lie against the company and the company shall have to indemnify the third party, not the Corporation.

Shri Mulchand Dube: Sub-clause (4) of clause 17 says:

"Subject to the other provisions contained in this Act, any proceeding or cause of action pending or existing..."

That is, cause of action existing at the time immediately before the appointed date. Now that may be a disputed cause of action; the claim may be a disputed claim. What provision has been made in the Bill for meeting such claims? You say that you will be liable for all existing cause of action. That cause of action may be a good cause of action and that cause of action may still be disputed by the company. The company also will not give

you that information and you make yourself liable because it is an existing cause of action. Therefore, something has to be done to make the position clear.

Shri Raj Bahadur: I think the position is clear. At any rate, the amendment suggested...

Shri Mulchand Dube: Clause 22 does not help in the solution of this matter. Clause 22 reads as follows:

"Where the undertaking of an existing air company vests in either of the Corporations under this Act, the existing air company shall, within thirty days from the appointed date or within such further time as the Corporation concerned may allow in any case, supply to the Corporation particulars of book debts and investments belonging to and all liabilities and obligations of the company subsisting immediately before the appointed date, and also of all agreements entered into by the existing air company and in force on the appointed date....."

Mr. Chairman: Order, order. Clause 22 has nothing to do with clause 17(4). Clause 17(4) only deals with pending causes of action. Therefore, in regard to that the liability has been imposed upon the Corporation and not against the company. How that is to be decided, what is the procedure and other questions will be determined by the ordinary provisions of the Civil Procedure Code.

Shri Raj Bahadur: May I make the point clear, Sir? He says there may be a cause of action existing before the taking over. If there is a genuine dispute about that, the provisions of clause 23 will meet the case, particularly the amendment proposed by the Select Committee. The case will come before the Tribunal in case the Corporation deems that the particular agreement is not *bona fide* or not entered into for the purpose of the genuine business of the company. The third party will be there. Therefore, all such matters can be decided under clause 23. All the three parties will be there and the finding of the Tribunal would be final.

Mr. Chairman: I will now put it to the vote of the House.

Shri Mulchand Dube: There can be cases in which without there being an agreement, the company may be liable. Those cases are not covered, but I think there will be hardly any such case.

Shri Raj Bahadur: I do not know whether some may be barred. So far as the functions of the companies are concerned, they are going to be based mostly on agreements. The causes of action, if any, would arise from agreement. The majority of them will be covered by that. May be there is a case or two based on an action under "Law of Torts". And, moreover as you have rightly pointed out, Sir, the question will be decided under the Civil Procedure Code by the Courts.

Mr. Chairman: The question is:

In clause 17, to sub-clause (4) add the following Provisos:

"Provided that a claim for compensation or damages based on a cause of action on the basis of which no suit has been instituted in a court of law shall not be enforceable against the Corporation unless notice of such claim has been served on the Central Government within ninety days of the appointed date.

Provided further that if the claim or any part of it is not admitted by the Central Government it shall be referred to the tribunal constituted under section 26, and the tribunal shall thereupon, after impleading the claimant, the company concerned, and the Central Government, adjudicate on the claim and the adjudication shall be final, and not liable to be questioned in any court or tribunal. This amount, if any, shall be treated as a liability of the company and taken into account in assessing compensation."

The motion was negatived.

Mr. Chairman: The question is:

"That clause 17 stand part of the Bill."

The motion was adopted.

Clause 17 was added to the Bill.

Clause 18.—(Reservation of scheduled air transport services to the Corporations)

Shri Damodara Menon: I beg to move: For clause 18, substitute:

"18. *Reservation of scheduled air transport services to the Corporations.*—After the appointed date, it shall not be lawful for any person other than the Corporation to operate any scheduled or non-scheduled air transport service from, to, in or across India:

Provided that this section shall not apply to the activities of flying clubs."

This matter also has been sufficiently discussed. The idea that we should not have any sector in this industry, after the Government have taken it over which will be managed by private institutions, is generally in keeping with the principle of nationalisation. Therefore, it is necessary for us to see that non-scheduled lines are also taken over by the Government.

Now, the Minister in his reply to this suggestion stated that nothing prevents the Corporation from running the non-scheduled lines. That may be true; but the point is whether the Government should allow any kind of competition in respect of non-scheduled services also. When we nationalise this industry, we should not leave any outlet for private enterprise, for private persons to compete with Government in any particular sector. It has been pointed out by several Members quoting facts and figures, that non-scheduled lines are very often very profitable and therefore they are.....

Shri K. K. Basu: Growing.

Shri Damodara Menon:they are growing, as pointed out by my hon. friend. From the point of view of profit also we must nationalise non-scheduled lines. I hope that this suggestion will find acceptance from the Government. I know it is a lone hope and still I am trying to press on the hon. Minister to accept my amendment.

Mr. Chairman: Amendment moved: For clause 18, substitute:

"18. *Reservation of scheduled air transport services to the Corporations.*—After the appointed date, it shall not be lawful for any person other than the Corporation to operate any scheduled or non-scheduled air transport service from, to, in or across India:

Provided that this section shall not apply to the activities of flying clubs."

Shri Nambiar: My amendment is the same in principle, but I have made it short by saying take off the schedule.

I beg to move:

In clause 18.—

- (i) in the heading omit "scheduled"; and
- (ii) in sub-clause (1), omit "any scheduled".

I fully support the arguments of my hon. friend Mr. Menon. Apart from

[Shri Nambiar]

that. I have to remind the hon. Minister that as facts show that one third of the passenger traffic today is through non-scheduled lines and so far as internal freight that is carried is concerned, it is more than that of the scheduled line today. These facts are there and many of the non-scheduled operators are making profits. We have many instances to prove it. Apart from that we are giving a right to the non-scheduled operators. The argument of the hon. Minister is this: if it is so, we can take over those non-scheduled lines as well. In time we will. Why should we start the non-scheduled lines also? That is his argument. I say they can circumvent. Between Calcutta and Delhi there may be a scheduled line. But they can run a line between Calcutta and Agra and charge 60 per cent. or 75 per cent. People will try to travel up to Agra by that line at less cost and from Agra to Delhi they may go by train. So, the non-scheduled operators can circumvent it. Our doubt is more emphasised by the fact that the interest of the non-scheduled operators is also getting into the Corporation. That is the fear which we have expressed already. The same operator, through an agent who comes and sits in the Corporation can jeopardise the interest of the Corporation from within and help his own brothers in trade who are outside the scope of the Corporation. That is the danger. He says, if there is the slightest danger, we can take action. How can we take action? The non-scheduled operator may have some person who may be a share-holder or a Managing Director or a paid agent, or a person who has interest in him in the Corporation. We should not have any competitive conditions. That is why we say that once you nationalise the industry nationalise it thoroughly so that the Government will get a monopoly over the whole trade and the Government can, in the larger interests of the nation and for the benefit of the passengers find out and fix certain conditions and terms of travel etc. so that there will be no competitor at all in the field. That must be the principle. Otherwise, we will start with a corporation and in the long run we will find that it is not profitable and we may have to say that we should give concession to non-scheduled persons more and more and we may come to the conclusion that after all this nationalisation theory is wrong. We have got proof of it by our nationalisation business. Therefore, hereafter, the idea has to be given up. We will slowly drive the whole nation to a stage which will do harm to the

future idea of nationalisation. That is why we say that we should have true nationalisation here; apply it fully and work it out with all the efforts at our command; see that it succeeds so that we can bring in more and more nationalisation of industries. That is the idea with which I have moved my amendment.

11 A.M.

Mr. Chairman: Amendment moved:

In clause 18,—

(i) in the heading omit "scheduled"; and

(ii) in sub-clause (1), omit "any scheduled".

Shri Jaipal Singh: I oppose both the amendments and support the clause as it is. I regret I have to point out to my hon. friend Mr. Damodara Menon that he has completely forgotten that there are international airlines that fly through India, whereas his amendment, if it be accepted without any provisos, would mean that the Pan American would not be able to fly across India; so also the KLM and various other international air routes. Does he want that we should not have any international services? He cannot have it both ways. I think in his anxiety, as it were his thirst, for expanding his endeavour at nationalisation, he has completely forgotten our international obligations. We have international obligations; we have entered into agreements with other countries for our own benefit and in return we have reciprocated it. I think that amendment falls to the ground completely. I do not think there is any one in this House who desire the effect of this amendment, that is, we are debarred from having any external route.

Shri Nambiar: That is not at all.

Shri Jaipal Singh: Whatever the idea is, the word is very clear. He asks the House to substitute; it simply means no international routes would be able to fly across India. I do not think that is his intention.

Shri Nambiar: Accept my amendment.

Shri Jaipal Singh: Now, I oppose the amendment of Mr. Nambiar more vehemently. I am afraid people are not quite fully acquainted with what is known as non-scheduled operations. If they go further on in this Bill and read they will find that in regard to

internal Corporation or for the matter of that even with regard to external Corporation, there will be associates. There is always the problem of utilising aircraft that the new Corporations will be taking over. They will not be able to utilise everything. Obviously, they will have to go away from their usual scheduled operations also. At the present moment, there are only three non-scheduled operators. Now, I am very glad that Government have changed and has seen wisdom in retaining for the time being non-scheduled operators. The reason why I support non-scheduled operations is the fact that while Government can go off to sleep, the non-scheduled operators will always be alert; they will be developing. The actual history of the country is such that new routes have been developed by non-scheduled operators because they are not allowed to ply on scheduled routes and it is their job to extend—as it were to become feeder services—or look out for new business. Knowing Government endeavours as we do, I think that is a very very healthy pep for the nationalisation of Air Corporations and, on that basis, I oppose both these amendments.

Shri K. K. Basu rose—

Mr. Chairman: I think it has been sufficiently discussed. The time is running and we have got.....

Shri K. K. Basu: Only four or five minutes, Sir.

Mr. Chairman. I do not want to stand between the Member and the House.

Shri K. K. Basu: I would only like to emphasise the doubts that have been raised with regard to non-scheduled service operation as it is today. I quite see the reason why hon. Mr. Jaipal Singh tried to speak on behalf of the non-scheduled operators. I cannot agree with him so far as the operation of the non-scheduled lines India is concerned, because the basis of this Bill is that we see the existing Air Corporations are not in a position to run efficiently or keep in view the safety of travel. If you once concede the position that they are in a position to run it efficiently and safely then what is the point in nationalisation of these Air Corporations? If we accept the proposition that it should be run efficiently and economically with safety to the travelling public, it is necessary that the Government should take over all these companies and run them. We say that when the Corporation is going to be organised, we must look to the future possibility of

extension of the activities of these Corporations. Even today, if you look at the organisation of the Corporations, you will find there is enormous possibility of utilising the aircraft for carrying out other business. If you want to expand the Corporation, if you want the Corporation to run efficiently and in the larger interests of the country, it is necessary that you should have a programme of expansion and we feel that that programme of expansion is likely to be prejudicially affected if the non-scheduled operators are allowed to continue. In allowing the non-scheduled services to continue the very premise that these companies are not able to run the air services efficiently is given a complete go-by. So far as the internal services are concerned, there is no justification for allowing the non-scheduled services to continue and adversely compete with our Corporation.

Another apprehension that we have is that the international air services will be allowed to carry passengers, say from Calcutta to Delhi and compete with our nationalised Corporation. We cannot allow the foreign companies which have international air services to carry passengers within the country itself and deprive our Corporation of its legitimate revenues.

Therefore, keeping in view the objects which prompted this legislation, there is no justification for the non-scheduled services to continue. Government should, keeping in mind the tremendous possibility of expansion of the air routes, the safety of air travel and the wider interests of the country, decide that there should not be any further non-scheduled services other than those of the Corporation.

Shri Raj Bahadur: I think the reasons for which Members opposite have tried to include the non-scheduled services also in the ambit of nationalisation is that they are apprehensive of the fact that perhaps their continuance might prejudicially affect the whole scheme of nationalisation itself. I may assure them once and for all that such apprehensions are not well-founded. The permission for non-scheduled flights are given by the D.G.C.A. under prescribed rules, the Indian Aircraft Rules. As such wherever the question arises of the great national undertaking being prejudicially affected, good care can and will be taken. I am thankful to Mr. Jaipal Singh for the apt manner in which he has put the case of those international services which have got to fly across our country and also the necessity and desirability of.....

Shri Nambari: Why should he labour Mr. Damodara Menon's amendment?

Shri Damodara Menon: May I suggest to the hon. Minister that once he accepts the idea, the language may be left to the draftsmen to decide.

Shri Raj Bahadur: At the moment the scheduled services that are being run do not cover all parts of the country. My senior colleague explained yesterday that we want the air transport industry to be developed, more and more routes to be found and more and more important towns to be connected by air services. Therefore, it is necessary in the interest of development to allow the non-scheduled services to continue. As I said the interests of the Corporation and the scheme of nationalisation will be borne in mind and they will not be allowed to be prejudicially affected in any way.

Mr. Chairman: The question is:

In clause 18, —

- (i) in the heading omit "scheduled"; and
- (ii) in sub-clause (1), omit "any scheduled".

The motion was negative.

Mr. Chairman: The question is:

For clause 18, substitute:

"18. Reservation of scheduled air transport services to the Corporations.—After the appointed date, it shall not be lawful for any person other than the Corporation to operate any scheduled or non-scheduled air transport service, from, to, in or across India:

Provided that this section shall not apply to the activities of flying clubs."

The motion was negative.

Mr. Chairman: The question is:

That clause 18 stand part of the Bill."

The motion was adopted.

Clause 18 was added to the Bill.

Clause 19 was added to the Bill.

Clause 20.—(Provisions respecting Officers and employees of existing air companies).

Shri Nambiar: I beg to move:

In sub-clause (1) of clause 20, omit:

"unless and until his employment in the Corporation is terminated or until his remuneration, terms of conditions are duly altered by the Corporation".

Shri Damodara Menon: I beg to move:

In sub-clause (1) of clause 20, for "and still" substitute "or still".

Shri Jaipal Singh: I beg to move:

In sub-clause (1) of clause 20, for "and still" substitute "or".

Shri Tulsidas (Mehsana West): I beg to move:

(i) In sub-clause (1) of clause 20, after "terms and conditions" where it occurs for the first time, insert "of employment".

(ii) In sub-clause (1) of clause 20, after "rights and privileges as to" insert "leave, retirement".

(iii) In sub-clause (3) of clause 20, add at the end:

"The individual provident fund balance of employees, when so transferred to the Corporation concerned shall together be constituted by it into a provident fund and shall be credited to the individual accounts of each such employee in such provident fund and shall thereupon be treated wholly as that employee's contribution, no portion thereof being treated as the employer's contribution."

Shri Nambiar: The object of my amendment is this. Now there is an apprehension among the employees of the air companies that their terms and conditions of service may be revised. The hon. Minister has already said in the course of his speech yesterday that there will be standardisation, rationalisation: all sorts of 'tions' are coming now, which will affect the interest of labour. I may in this connection quote from a letter of notice of termination of service dated the 29th April, 1953, given by the Himalayan Aviation to its employees.

"We have been given to understand by the Ministry of Communications, Government of India, that the management of Himalayan Aviation, Ltd., will be taken over by a Corporation which is likely to come into being with effect from the 1st June, 1953, in accordance with the provisions of the Air Corporations Bill, 1953. The services of the employees of this Company will be taken over by the Corporation in accordance with the terms of such Bill. In view of this, we hereby give formal notice that your services in this Company will cease to continue after the 31st May, 1953."

This means that the services of all the employees in this Company will be treated as terminated after the 31st May, 1953. Government are bound to

take only such men as come under the provisions of this clause. Sub-clause (1) to this clause reads:

"(1) Every officer or other employee of an existing company (except a director, managing agent, etc.) employed by that company prior to the first day of July, 1952, and still in its employment immediately before the appointed date... shall be retained."

That means those persons who are appointed after 1st July, 1952 need not be taken back to duty by the Government. Therefore in the Himalayan Air Company those persons who have been appointed after 1st July, 1952, whose notice of termination of service has already been issued by the company, will not be or need not be taken back to duty by the Government. That means a large number of persons do stand retrenched already as per this notice. This is the sum and substance of this so-called nationalisation and it is put in paper now.

The hon. Minister may say, "I have given you a guarantee that all bona fide cases will be looked into". This is so ambiguous. He will look into all bona fide cases—bona fide within quotations, for which he has his own definition—and after looking into it he will say, "I regret, but 150 people have to go out". Then we will be powerless. I am putting the case straight to him.

The same sort of notice has been issued to 55 persons in Calcutta by the Airways. And the notice begins with the words "We regret to inform you that under the provisions of section 20" and so on. They are quoting the section of a Bill. It has not become an Act. But even before it becomes an Act notices are being served and things are going on. I cannot understand whether a company can take cognizance of a Bill which is under discussion in Parliament and issue executive orders under a section in the Bill. How can they know that section 20 will come into being at all and that there will be no amendment. This is the sort of operators serving. Of course the Minister has tried to give an assurance. But he will say "bona fide cases", the same thing is there. This notice has been served on 55 persons. What all we feared has actually come into being and here are the cases concrete. Now, the hon. Minister must clear out this ambiguity about "bona fide" etc. He must tell us that all those who are in service today will be retained—not on the appointed day, because by the time we reach the appointed day many hundreds will get out of employment and therefore on the appointed day

there may be a very small number of persons. It must be those who are in service prior to 1st July, 1952 or after 1st July, 1952. That is why we tried to move an amendment in the Select Committee. But the hon. Minister took another view of it and said, "you are aiming at those who are victimised or those who are retrenched due to some strikes or some other thing". Then he brought in the proviso saying that such persons' cases will be considered. But now a danger which was lying in the background has come to the foreground. That is the danger of retrenchment, more than the case of victimised persons. Here I want to get a clarification from him that he will guarantee that none of the present men who are in service in any of the companies which we are going to take over will be retrenched. He may say, "What am I to do? How to utilise them?" The economy question will come. My answer to him is immediately he must think of expansion of the airways. Thereby he can pool all the resources and employ all, and in the meanwhile he can help the staff also. Then he may say, "I have given an assurance that alternative employment will be found". What is this alternative employment? We have got 813 people retrenched in the shipyards. We have 1,316 persons or so—the number given by the Defence Minister—retrenched from the Ordnance Depot.

Shri Raj Bahadur: The hon. Member will excuse me if I interrupt him. I think the whole argument can be cut short if I simply point out and draw his attention to the provisions of sub-clause (2) of clause 20, the one added by the Select Committee. It clearly covers the cases of such persons as have been referred to by the hon. Member, namely the Himalayan Aircraft people who he says are given notice of retrenchment to take effect from 31st May. It has been stated here that "the Central Government may direct either of the Corporations in which the undertaking of any existing air company has vested to take into its employment any officer or other employee who was employed by the existing air company prior to the first day of July, 1952, and who has been discharged from service in that company on or after the said date for reasons which, in the opinion of the Central Government, appear to be inadequate for the purpose, and where the Central Government issues any such direction, the provisions of sub-section (1) shall apply" etc. So the case is clearly covered by this provision. Apart from that, the assurance is already there in the statement of objects and reasons. Both read together cover such bona fide cases.

Shri Nambiar: If it covers such cases, a positive assurance in so many words may be given.

Mr. Chairman: He says an assurance has been given. If the hon. Member wants a reiteration of that assurance, by reason of the argument of the hon. Minister has placed before the House, he has given that assurance again.

Shri Nambiar: Let him inform the companies not to undertake any retrenchment today.

Shri Raj Bahadur: Have we got the legal power to do so, Sir?

Shri Nambiar: The companies are taking the law into their own hands.

Mr. Chairman: The two things cannot be confused. At the present time those companies do exist and a Corporation has not come into being when all their rights and liabilities shall vest in the Corporation. Government is not in a position to order them to behave in a particular manner. All they can do is if they are retrenched Government has given the assurance that they will look into the reasons and if the reasons are inadequate (some words have been quoted) Government will do the right thing.

Shri Nambiar: The clause as it reads does not give that assurance.

The clause says:

"Notwithstanding anything contained in sub-section (1), the Central Government may direct either of the Corporations in which the undertaking of any existing air company has vested to take into its employment any officer or other employee who was employed by the existing air company prior to the first day of July, 1952, and who has been discharged from service in that company on or after the said date for reasons which, in the opinion of the Central Government, appear to be inadequate for the purpose..."

So that discharge only refers to certain acts of victimisation arising out of certain strikes or certain other discharge motivated by some other ulterior objective. But the question of persons retrenched, pure and simple, is not covered there. The companies are not going to hand over all the men to the new Corporation. Before it is handed over to the new Corporation they want to chop off some and give the remaining number.

The Himalayan Company man quotes, "We have been given to understand by the Ministry of Communications, Government of India .. etc." It is not by some imagination that these companies take advantage of the Bill and themselves issue orders. They say, "We have been informed by the Ministry of Communications". So the Ministry of Communications has told them : by such and such date we are going to take over the company and as per section 20 of the Bill we cannot take all the men who are in service, those who are there after 1st July, 1952, so you can dispense with those persons who come under that class straightaway. There must be some communication from the Ministry to that effect. Otherwise the Himalayan Company cannot quote the Ministry.

Mr. Chairman: This relates to a question of fact whether Government have written to them that they should take action under the section, that they are going to assume the management and therefore the surplus should be retrenched. If Government has written, then there is some foundation for this allegation. Otherwise it is all conjectural. The company must have known beforehand and Government might have written that they are going to take over the management. It may be true. But the latter portion that Government have written to the companies to retrench workers is only a conjecture.

Shri Nambiar: I am giving you a copy of the order.

Mr. Chairman: Let us be sure of the facts before we allege them.

Shri Nambiar: Sir, we have the hon. Minister of Communications here in flesh and blood and it is up to him to say.

Shri Jagjivan Ram: It is clear that unless the clause has been passed by this House Government cannot take any action according to the provision. It is clear that the Communications Ministry cannot write any letter to anybody to say, "Here is a provision in the Bill and so you work according to that provision". We cannot act according to a provision which has not been passed by the House as yet. So the allegation that the Communications Ministry has issued any instruction has no basis at all.

Shri Nambiar: I thank him for the information given. My point is the Government of India should not take into cognizance any such order issued by these companies. Suppose the companies give discharge notices to 55 people. The Government should not

treat them as discharged personnel when they take over these companies. They must take over these 55 also along with the companies. The notice issued by this Himalayan Co. is on the plea that the Communications Ministry had informed them to this effect. If he has not done this it is all the more reason that he should refuse to take cognizance of any such order issued by these companies. Let him give that assurance. He should not treat all of them as surplus on that particular date. If he does further reorganisation and if he finds that certain men are surplus, he can make use of them, but not retrench them. He can, by doing this, serve the interests of the nation as well as the interests of the staff. I want categorical, straightforward and a clear statement from the Minister without any ambiguity. Then only I will be satisfied.

Some Hon. Members rose—

Mr. Chairman: It is already 11.25 A.M. and the guillotine has to be applied at 12.15 P.M. and very important provisions yet remain to be discussed. I would ask hon. Members to be very brief and try to finish these clauses as soon as possible.

Shri Damodara Menon: The hon. Minister referred to sub-clause (2). That sub-clause refers to persons who have been employed in the company before July, 1952 or who have been victimised by these companies. I want the Minister to apply his mind and give me a clarification about those persons who have been employed after 1952. The Minister during his speech said that there may be a necessity for retrenchment. I can well appreciate that point. It may be possible that after July, 1952, many persons may have been employed in some companies which Government are going to take over. These people may get employment in Government Departments. In such cases it may be necessary for the Government to retrench some of them if they are not useful for the company or if they are not properly qualified. All these things will have to be considered by the Government. The cases of those who can normally remain in the companies or who are qualified to remain there will be sympathetically considered by the Government. When Government takes over the companies, their own people will be kept and others will be thrown out. Such a danger will have to be guarded against. I want to know what steps Government have taken

before giving effect to retrenchment. It is a hard case. To say now that sub clause (2) will apply to them is not quite right.

A provision is added in the Bill about persons who have been victimised but I want the Government even now to apply their minds to the Corporation and to see that these victimised people are re-employed even now. Probably these victimised persons have been without employment for a long time and the sooner they are employed, the better for all concerned. They will have some satisfaction. After the appointed date, the Government may have to appoint a Committee to go into the question of amalgamation. Are Government contemplating that the question of giving a direction to the Corporation to re-employ all these victimised persons can be taken up only after a Committee has gone into the question of amalgamation of the air services or will they direct that Committee to go into the question of these people and give direction for their re-employment at the time of amalgamation? This point may be clarified.

Shri Jaipal Singh: I would like to say a few words in regard to the amendment that I have moved. I think my friends on the Treasury Benches will agree that my amendment is an improved one.

Mr. Chairman: Identical to the amendment moved by Shri Damodara Menon, I think.

Shri Jaipal Singh: I think so.

Anyone who has any knowledge of civil aviation will appreciate the fact that employment in it is very fluid indeed. By fixing a definite date like this, we will be leaving out quite a large number of technical personnel. That is the only reason why I would like my amendment to be accepted because in no way it affects the sense of the clause as a whole.

I would also appeal to the Treasury Benches to make some suitable change because an assurance is not enough from the Minister. I would like to say something in regard to the people who come within the brackets "except a director, managing agent, manager or any other persons entitled to manage the whole or a substantial part of the business and affairs of the company under a special agreement" as the rest of them would be automatically carried over by the two Corporations. There are instances where

[Shri Jaipal Singh]

technical personnel are doing managerial work. I can give the name of one person in Deccan Airways, Mr. Manilal. He is one of our leading pilots. Just because he is a Deputy Manager, you are leaving him out.

There is another person by name Lalkaka, a very experienced engineer. Just because he happens to be on the managerial staff, you leave him out. I think something should be done in this respect. I myself have not tabled an amendment to cover such cases. Whereas other people's transfer is automatic, you are leaving out technically qualified people. I think the Minister should give an assurance on the floor of the House that no technical personnel will be left out or he should make a suitable amendment.

Shri Heda: He was not satisfied with an assurance then. Will an assurance do now?

Shri Jaipal Singh: I certainly am not satisfied with what people say from that side. At any rate then I will be able to quote their own words and when they go wrong, I will have that quotation to cite against them. I think my hon. friend will appreciate what I am saying. I hope you will permit my colleague who is the fellow-mover of this amendment to speak on the consequences of my amendment.

Shri G. S. Singh (Bharatpur-Sawai Madhopur): Sir, I crave your indulgence to speak a few words. One other point which was brought up by the Select Committee with regard to this amendment was raised by my friend, Mr. Rohini Kumar Chaudhuri. Suppose an individual is in the employ of a company before July, 1952 and after 1st July, 1952 he resigns from that company and joins another company. He is automatically barred from employment in the Corporation. If this amendment is accepted, the individual who has been in an air line continuously regardless of which company he is in, should, I think, be entitled to service under the Corporation. As it stands at the moment he is barred.

I would like to have one other clarification. The latter half of this clause says:

"... at the same remuneration and upon the same terms and conditions until his remuneration are duly altered by the Corporation".

Now, there are cases in most of the companies where increments have been withheld and people have accepted that, shall I say, voluntary cut in their salaries because they could not get jobs elsewhere. The increments were held up because the companies were not doing very well financially. Is the Corporation going to take them on the terms and conditions on which they signed up or is it going to take them on the pay which they happen to be getting? Take the case of a pilot who signed up at Rs. 500 a month and the term was that every year, he will get an increment of Rs. 100. Unfortunately that increment was withheld and he is still getting Rs. 500 whereas according to the terms, he has done three years, he will be entitled to those increments. I would like to have a clarification just on that point.

Shri Tulsidas: I have got some amendments.

Mr. Chairman: The amendments have already been moved and are before the House for discussion. They do not require any argument at all.

Shri Tulsidas: My amendments are entirely different.

Mr. Chairman: Are they not so expressive that they do not require any explanation?

Shri Tulsidas: I want to have a clarification.

Mr. Chairman: The hon. Member will understand that his amendments regarding compensation and schedule will all be barred. They will be guillotined. I have no objection if the hon. Member wants to take time.

Shri Tulsidas: I know that my amendments are quite clear. I would like to point out to the hon. Minister a few things. The first point is, I want the words "terms and conditions" to be made clear as "terms and conditions of employment". This addition makes the meaning clearer. So also 'rights and privileges' mean leave, retirement, etc. I want these words 'leave, retirement' to be included. With regard to provident fund, I feel that there is a lot of apprehension amongst the employees that there is no assurance that this will be so constituted, that the new Provident Fund Act and the rules may not be so liberal.

as the existing rules, moreover that the spirit in which these rules may be interpreted may be more rigid, and that a retrenched employee may under the new rules lose a portion or the whole of the present employer's contribution if a new Provident Fund Act were to be passed. He would like to have it in full. These are the points that I would like the hon. Minister to consider. I have moved these amendments and I hope the hon. Minister will accept these amendments because they are actually in the same spirit, in which he has made provision in the clause. I am only making it more clear.

Shri Sarmah (Goalghat-Jorhat):
May I have your leave, Sir, without
making a speech, to seek clarification
of two or three points?

Shri Jagjivan Ram: When I speak, the hon. Member may perhaps get the clarification.

Shri Sarmah: I am raising new points. I will take only a couple of minutes. Before I proceed further, I must say, that even by implication, I do not oppose this clause. The object of the Bill is to establish safe, efficient and economic service. As regards the employees, we heard from a senior Member that the sponsors of the companies appointed a lot of inefficient people their sons-in-law, nephews, etc. How is the Corporation going to effect efficiency and economy if they keep the whole lot of these employees? Secondly, every State was not lucky to sponsor an air line. Now the corporations will be operating in the States also which were unlucky and the people of those States will have an aspiration to get a share in the employment. The other point is, I support two Corporations in the circumstances. One of the reasons given for having two Corporations is that the Air India International is having a very good reputation and if we combine all into one, we will run the risk of not having the same reputation. That means, the service may deteriorate. That is a great risk. If they think in terms of deterioration of service, what do they say about that explanation that we do not want to run the risk of deterioration?

Shri Jagjivan Ram: The last point which the last speaker has raised is irrelevant to the discussion on this issue.

Shri Sarmah: It is irrelevant: but I did not get a chance then.

Shri Jagjivan Ram: He has not followed the debate on the question of two Corporations.

Two or three issues have been raised. One is about employees. I will take this amendment first. It says that 'and' may be substituted by 'or'.

Shri Jalpal Singh: 'And still'

Shri Jagjivan Ram: Perhaps the hon. Member has not realised the implication of his amendment. The implication of his amendment would be that a person who was in employment in an air company even four years ago, prior to July, 1952, and has not been in touch with any air company, will be covered. I do not think that that is his intention.

Shri Jalpal Singh: No

Shri Jagjivan Ram: But, his amendment will inevitably lead to that conclusion. It goes much beyond his own intention. Now, comes the question of those who are in employment. So far as those who have been in employment from before 1952 and are still in employment, are concerned, they are covered. The case of those who have been discharged or dismissed after that date is also covered. The only question is about those who have been employed after that date, and may be still in service or may have been discharged. It has been brought to my notice that in one or two companies, retrenchment is going on. If retrenchment affects the employees who have been in employment from before 1952, their case will be taken care of by the provision I have already made. Difficulty arises about those who were employed after that. As I have said in the Statement of objects and reasons, I again repeat that the cases of *bona fide* employees employed even after that date, whether still in employment or discharged, will be considered by the Government. There are obvious difficulties in making a provision in the Bill itself. You will have to say *bona fide* employees and it becomes very difficult sometimes to prove judicially whether an employment is *bona fide* or *mala fide*. I have information that recruitments have been made—which recruitments are not quite *bona fide*—after that date in the expectation

[Shri Jagjivan Ram]

that these employees will be passed on to the Government and that very extravagant salaries have been given to these persons. Their number may be a few; but all the same, their case is there. I say that we will examine these cases, the cases of persons employed after June, '52, on their merit and try to do justice to them also. It is very difficult to make any provision for cases where increments have been surrendered or have not been given. There also, every case will be examined on merits. No uniform or set formula can be laid down. I hope my hon. friend will agree that there is chance of misuse to a very great extent if we provide anything.

Shri G. S. Singh: I do not want you to provide; I only wanted this assurance.

Shri Jagjivan Ram: There may be collusive agreements as regards these salaries and increments. The salary may have been fixed at Rs. 1,000 and the agreement may have been that for the present, he will get Rs. 500 so that when the Corporation takes over, he will get Rs. 1,000. We have to deal with all these cases. I can only say that all these cases will be taken care of on individual merit. That is all I have to say.

Shri Jaipal Singh: In view of the explanation of the hon. Minister, I wish to withdraw my amendment.

The amendment was, by leave, withdrawn.

Shri Tulsidas: Is he accepting any of my amendments?

Shri Jagjivan Ram: I think the expression "terms and conditions of service" is wide enough to cover everything.

Shri Tulsidas: What about provident fund?

Shri Jagjivan Ram: As I explained in reply to a question by Shri Bansal, we will take care of that by rules and regulations.

Mr. Chairman: Then, I shall put the rest of the amendments to vote.

The question is:

In sub-clause (1) of clause 20 omit "unless and until his employment in the Corporation is terminated or until

his remuneration, terms of conditions are duly altered by the Corporation".

The motion was negatived.

Mr. Chairman: The question is:

In sub-clause (1) of clause 20, after "terms and conditions" where it occurs for the first time, insert "of employment".

The motion was negatived.

Mr. Chairman: The question is:

In sub-clause (1) of clause 20, after "rights and privileges as to" insert "leave, retirement".

The motion was negatived.

Mr. Chairman: The question is:

In sub-clause (3) of clause 20, add at the end:

"The individual provident fund balance of employees when so transferred to the Corporation concerned shall together be constituted by it into a provident fund and shall be credited to the individual accounts of each such employee in such provident fund and shall thereupon be treated wholly as that employee's contribution, no portion thereof being treated as the employer's contribution."

The motion was negatived.

Shri Damodara Menon: I would like to withdraw my amendment.

The amendment was, by leave, withdrawn.

Mr. Chairman: The question is:

"That clause 20 stand part of the Bill."

The motion was adopted.

Clause 20 was added to the Bill.

Clauses 21 to 23 were added to the Bill.

Clause 24.—(Transaction resulting in dissipation of assets)

Shri Tulsidas: I beg to move:

(1) In part (f) of sub-clause (1) of clause 24, add at the end "without

consideration or for inadequate consideration."

(ii) In sub-clause (1) of clause 24, add the following *Explanation* at the end:

"Explanation.—For purposes of clause (f) book value means original cost less depreciation provided upto the date of sale or transfer."

These are very simple amendments. If any assets are sold and no consideration is received or only inadequate consideration is received, they should be excluded, but if adequate consideration has been received, the assets should not be excluded. That is one amendment. The second one is that I want to add an explanation saying that the book value means the original cost less depreciation provided up to the date of sale or transfer.

Shri Jagjivan Ram: I have nothing to say. I cannot accept the amendments.

Mr. Chairman: The question is:

'In part (f) of sub-clause (1) of clause 24, add at the end "without consideration or for inadequate consideration."

The motion was negatived.

Mr. Chairman: The question is:

In sub-clause (1) of clause 24, add the following *Explanation* at the end:

"Explanation.—For purposes of clause (f) book value means original cost less depreciation provided upto the date of sale or transfer."

The motion was negatived.

Mr. Chairman: The question is:

"That clause 24 stand part of the Bill."

The motion was adopted.

Clause 24 was added to the Bill.

Shri Nambiar: Are we taking up the Schedule along with clause 25? If clause 25 is passed, can we propose amendments to the Schedule?

Mr. Chairman: The Schedule will be taken up in due course and amendments can be moved to it.

Shri V. B. Gandhi (Bombay City—North): I wish to speak on this clause. I thought that some amendments were going to be moved, but I now find that none is going to be moved.

Shri Jaipal Singh: At this stage, may I enquire from you, Sir, what the position is with regard to new clauses 16-A and 25-A? If this is clarified, then we would be in a better position to make our submissions on clause 25.

Mr. Chairman: Yes. It will facilitate matters if we take up new clauses 16-A and 25-A before we take up clause 25, because those two new clauses have a bearing on clause 25. Is that the sense of the House?

Several Hon. Members: Yes.

Mr. Chairman: In that case, I call upon Shri N. C. Chatterjee to move his amendment in respect of new clause 16-A.

Shri N. C. Chatterjee: I am not moving for new clause 16-A. I have had an opportunity to discuss the matter with the hon. Minister, and I have tabled two amendments, one in respect of clause 28 and one in respect of clause 28-A.

Shri Jagjivan Ram: Clause 16-A does not arise in view of this. It is not going to be moved. I am going to accept the two amendments proposed to be moved to clauses 28 and 28-A.

Mr. Chairman: There was another amendment in respect of clause 16-A by Mr. Heda.

Shri Heda: I do not propose to move it.

Mr. Chairman: So, the position is that before taking up clause 25, we shall consider the amendments to clauses 28 and 28-A. Shri Chatterjee can move his amendments.

Clauses 28 and 28-A

Shri N. C. Chatterjee: Sir, I beg to move:

In clause 28, in sub-clause (1), after the words,

"The Central Government may", insert "on the application of any existing air company or on the application of a majority in number representing three-fourths in value of the members holding ordinary shares".

[Shri N. C. Chatterjee]

I also beg to move:

After clause 28, insert:

"28-A. Authorisation under section 28 may contain certain directions.—Any authorisation granted under section 28 may include a direction requiring an existing air company the voluntary winding up of which has been authorised under that section to distribute its net assets among the various classes of members of the company in such proportion as the Central Government may, having regard to the amount subscribed by each class of such members or having regard to the circumstances relating to the issue of the shares to the various classes of members, specify in the direction, and any such direction shall have effect notwithstanding anything contained in the Indian Companies Act, 1913 (VII of 1913), or in the articles of association or resolution of the company or in any agreement, and every such company shall be bound to comply with any such direction."

Briefly, I may explain to the House that the reason for my seeking to amend clause 28 is that the Supreme Court has held that, in spite of article 14 of the Constitution, you can make a classification, and that classification is possible even in respect of one company and one person. They have laid down two tests. They say that it must not be left to the sweet will and pleasure of the Executive to discriminate. If that is done, it may be struck down as an unconstitutional assumption of power in violation of the fundamental right of equality guaranteed by article 14. In the case of Anwar Ali Sarkar, Mr. Justice S. R. Das has said that if there is no principle or criterion at all prescribed in the Act which bears some nexus or a reasonable relationship to the object of the statute, then it is open to attack. Therefore, I am submitting that it should not be left to the sweet will and pleasure of any member of the Central Government to direct the winding up of any undertaking he chooses. There must be some condition prescribed, and the condition that is being suggested here is fair and reasonable. If we remember section 153 of the Indian Companies Act. Section 153 of the Indian Companies Act also says that on the application of the Company itself or on the application of a majority representing three-fourths in value of the Members holding shares

Shri V. B. Gandhi: On a point of order. Sir. Is it fair to this House that at this last hour, just about 20 minutes before the time fixed for guillotine, we should be presented with an entirely brand new amendment of this kind? (An Hon. Member: Not brand new). This House has not had enough time to consider it. We have not even seen the thing, and it is dealing with such a very important question in the Bill, viz., that of compensation. We have not had an opportunity to say something on clause 25. Now, clause 25 is being bypassed, and with just 20 minutes before the time fixed for guillotine, here is a new amendment being sprung on us. Is it fair?

Shri Gadgil (Poona Central): There is nothing new.

Mr. Chairman: So far as the point of order is concerned ..

Shri Gadgil: The question is...

Mr. Chairman: I would request the hon. Member to resume his seat because I have made up my mind. The question is that of a new amendment being made. The rule is that if a new amendment is to be made, notice can be waived with the consent of the Member in charge of the Bill. The hon. Minister in charge of the Bill has already given his consent, and at the same time, this is not a very abstruse matter. We have been dealing with this matter for the last few days. It was also considered in the Select Committee. The real purport of this new amendment is one which has been agitating the minds of many Members. I, therefore, think that we should be well advised in waiving this rule about notice, and I rule that notice is waived. It can be moved.

Shri N. C. Chatterjee: All that I am trying to do by this amendment is to see that the uncontrolled power of the Central Government should be controlled by some definite conditions prescribed. Therefore, it is not a wide departure from the existing provisions of the Bill.

Secondly, by clause 28-A all that we are saying is that we are trying to solve the problem which has been agitating all the Members of this House for so many months, and we are thinking, in the case of a winding up, would it not be possible to do something equitable and fair, so that the different classes of shareholders may get equitable proportion of the amount that will be payable for distribution. We all know this problem. There are preference shareholders who

are entitled to certain higher rates, but we at the same time feel that there should be some machinery devised by the statute whereby the ordinary shareholders should not be completely at the mercy of the preference shareholders who may be few in number or who may be dominated by the persons who run the company for the time being. Therefore, only the power is given, and this power will be exercised under certain conditions—not at the sweet will of the Minister or at the uncontrolled arbitrary pleasure of one member of the Executive, but under certain prescribed conditions. And then we say that the Central Government shall pay due regard to the amounts subscribed by the preference shareholders and the amounts subscribed by the ordinary shareholders. They must also pay regard to the circumstances relating to the issue of the shares, and having regard to the relevant factors, they may determine in what proportion they should be paid. I think that is the only feasible scheme which will afford some kind of satisfactory solution. It is, to my mind, the best way to avoid any attack on the constitutionality of the statute. You cannot make a perfect statute, however well drafted it may be. But we have given some thought to it, and we have consulted the best men of experience who are running companies, and they are also advising us that this will be the best possible way of being just, equitable and fair to all the interests concerned, and at the same time, we make the statute the least vulnerable. If in the Supreme Court or any Court any one attacks it, the attack will be only on section 28-A. The rest of the Act will be immune from attack, and the whole Act cannot be held invalid and the doctrine of severability can be invoked. It can be worked consistently with the principles of the Bill. I submit that this suggestion is practicable and feasible and should be accepted.

Shri Bansal (Jhajjar-Rewari): May I request the hon. Member to read the amendment once again?

Mr. Chairman: I will read out the amendment.

I may submit for the consideration of the House that it is already 12. At 12.15 the guillotine will be applied. I want to forewarn hon. Members that they should take as little time as possible, so that the whole thing may be got through.

The amendment runs as follows:

In clause 28, in sub-clause (1), after "The Central Government may", insert "on the application of any existing air company or on the application of a majority in number representing three-fourths in value of the members holding ordinary shares".

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And then, there is another amendment which is related to this amendment.

After clause 28, insert:

"28-A. Authorisation under section 28 may contain certain directions.—Any authorisation granted under section 28 may include a direction requiring an existing air company the voluntary winding up of which has been authorised under that section to distribute its net assets among the various classes of members of the company in such proportion as the Central Government may, having regard to the amount subscribed by each class of such members or having regard to the circumstances relating to the issue of the shares to the various classes of members, specify in the direction, and any such direction shall have effect notwithstanding anything contained in the Indian Companies Act, 1913 (VII of 1913), or in the articles of association or resolution of the company or in any agreement, and every such company shall be bound to comply with any such direction."

Shri Gadgil: May I say that on this particular question which was discussed and for a right solution of which every Member of this House was anxious, after a good deal of discussion and with the help of legal luminaries, a satisfactory formula has been found out. Apart from the fact that it is going to do justice to the ordinary shareholders, what I was personally more anxious to see was that as a result of nationalisation, some unhappy political consequences should not follow. Now, everybody will feel that when nationalisation comes, every little interest that is being acquired is looked after in an equitable manner. It is from that point of view that I agreed to join Mr. Chatterjee to table these amendments. I entirely support them.

Shri Jagjivan Ram: I need not say anything more. As a matter of fact, I am thankful to my friend Shri Chatterjee whose help we have sought in this matter. Of course, the officers of the Law Ministry and others have examined it. As a matter of fact, these are our own amendments, but

[Shri Jagjivan Ram]
thought that it would be better if we got the help of Shri Chatterjee in moving these amendments. And I accept the amendments.

Mr. Chairman: The question is:

In clause 28, in sub-clause (1), after the words "The Central Government may", insert "on the application of any existing air company or on the application of a majority in number representing three-fourths in value of the members holding ordinary shares".

The motion was adopted.

Mr. Chairman: The question is:

"That clause 28, as amended, stand part of the Bill".

The motion was adopted.

Clause 28, as amended, was added to the Bill.

Mr. Chairman: The question is:

After clause 28, insert:

"28-A. Authorisation under section 28 may contain certain directions.—Any authorisation granted under section 28 may include a direction requiring an existing air company the voluntary winding up of which has been authorised under that section to distribute its net assets among the various classes of members of the company in such proportion as the Central Government may, having regard to the amount subscribed by each class of such members or having regard to the circumstances relating to the issue of the shares to the various classes of members, specify in the direction, and any such direction shall have effect notwithstanding anything contained in the Indian Companies Act, 1913 (VII of 1913), or in the articles of association or resolution of the company or in any agreement, and every such company shall be bound to comply with any such direction."

The motion was adopted.

Clause 28-A was added to the Bill.

Mr. Chairman: Clause 25. Is any amendment going to be moved?

Several Hon. Members: No amendment.

Mr. Chairman: The question is:

"That clause 25 stand part of the Bill".

The motion was adopted.

Clause 25 was added to the Bill.

Mr. Chairman: Clause 25-A. I take it Shri Chatterjee does not want to move his amendment now.

Shri N. C. Chatterjee: No, Sir. I do not want to move it.

Clauses 26 and 27 were added to the Bill.

Clause 29.—(Constitution of Air Transport Council)

Mr. Chairman: Any amendments?

Shri Nambari: I have no amendment, but I have a request to make. After considerable discussion in the Select Committee, the hon. Minister has accepted that one person who is an employee of either of the Corporations...

Shri Jagjivan Ram: The hon. Minister accepted, or it was at the suggestion of the hon. Minister himself? Why twist facts?

Shri Nambari: The hon. Minister has accepted it. We are thankful for that.

Shri Raj Bahadur: You want to take the credit even though the Government itself sponsored that.

Shri Nambari: But then it must be an employee who has the maximum confidence of the employees; then it will be of use; otherwise it will be any employee, and it will not serve the purpose. That is what I have to say.

Mr. Chairman: The question is:

"That clause 29 stand part of the Bill."

The motion was adopted.

Clause 29 was added to the Bill.

Clauses 30 to 39 were added to the Bill.

Clause 40.—(Advisory and Labour Relations Committee)

Shri Nambari: I have got an amendment, Sir. I beg to move:

In sub-clause (2) of clause 40—

(i) for "to advise the Corporation on matters which relate to the welfare of the employees or which are likely to promote and secure amity and good relations between the two."

Substitute—

"to seek consultation with the employees representing or-

ganised labour with a view to the conclusion of agreements between the Corporation and the employees' organisation for the establishment and maintenance of good relations and for—

(a) the settlement by negotiation of terms and conditions of employment of persons employed by the Corporation; and

(b) the discussion and settlement on methods affecting the safety, health, welfare, employment of persons employed by the Corporation and other matters of mutual interest to the Corporation and such persons, including efficiency in the operations of the Corporation's service"; and

(ii) add the following proviso—

"Provided that in default of any such settlement the dispute shall, if not otherwise disposed of, be referred to the Industrial Court for settlement."

I do not want to take much time because we may lose time for the compensation clause. My amendment is to the effect that the Labour Relations Committee must be expanded to such an extent that labour problems can be dealt with in that Committee and there may be methods evolved for solution and also that representatives of organised labour who have the confidence of labour must be on that Committee; otherwise it will be of no use; it will be something like a Works Committee with no powers. That is why I have suggested an amendment which is more or less similar to the relevant clause found in the United Kingdom Air Corporation Act, wherein it has been laid down that the employees will have an opportunity to discuss along with the Corporation members on equal terms the day to day needs of the workers and a settlement can be reached. Therefore, I think the hon. Minister can accept my amendment at least at this late hour.

Shri Jagjivan Ram: I have every sympathy with my friend and I may assure him that we will see that the maximum use is made of this Labour Relations Committee. We have to prescribe the constitution, the manner in which these Committees are to be constituted, and we will see that really useful purpose is served by this Labour Relations Committee

Mr. Chairman: The question is:

In sub-clause (2) of clause 40—

(i) for "to advise the Corporation on matters which relate to the welfare of the employees or which are likely to promote and secure amity and good relations between the two"

substitute—

"to seek consultation with the employees representing organised labour with a view to the conclusion of agreements between the Corporation and the employees' organisation for the establishment and maintenance of good relations and for—

(a) the settlement by negotiation of terms and conditions of employment of persons employed by the Corporation; and

(b) the discussion and settlement on methods affecting the safety, health, welfare, employment of persons employed by the Corporation and other matters of mutual interest to the Corporation and such persons, including efficiency in the operations of the Corporation's service"; and

(ii) add the following proviso—

"Provided that in default of any such settlement the dispute shall, if not otherwise disposed of, be referred to the Industrial Court for settlement."

The motion was negatived.

Mr. Chairman: The question is:

"That clause 40 stand part of the Bill."

The motion was adopted.

Clause 40 was added to the Bill.

Clauses 41 to 44 were added to the Bill.

Shri Jagjivan Ram: Have you adopted clause 16 as well?

Mr. Chairman: Clause 16 has already been adopted, so far as I remember.

Shri K. K. Basu: Yes.

The Schedule

Shri Nambiar: I beg to move:

In the Schedule, in Paragraph I, for "computed in accordance with the provisions of paragraph II, less the sum of the amounts computed in accordance with the provisions of paragraph III"

substitute—

"to buy up the shares at their market value as on the first day of July, 1952"

OR

In the Schedule, in Paragraph I, for "computed in accordance with the provisions of paragraph II, less the sum of the amounts computed in accordance with the provisions of paragraph III"

substitute—

"at the cost value minus depreciation and reserve funds already provided for by the Companies."

My amendment states that the shareholders may be paid at the market value of the shares as on the 1st day of July, 1952. Either he may accept this, or I have another alternative, namely, at the cost value minus depreciation and reserve funds already provided for by the Companies. This is a simple method of computing the correct compensation. I am not at all against the interest of the ex-operators, nor against the interest of the shareholders. I want the shareholders to be given an equitable share. They should not lose. That is why I say that the date on which the Government thought of nationalising it must be considered the date so that whatever may be the market value of the shares on that date may be considered and that may be the compensation. The compensation formula which we are adopting now is a very wrong formula. I have already spoken about it and I do not want to take much time. I also explained the position in the Select Committee. Therefore, I have moved my amendment. This will be the equitable thing in the interest of the shareholders as well as the companies as well as the nation at large.

Mr. Chairman: Any other amendments?

Shri Sarangadhar Das (Dhenkanal—West Cuttack): I beg to move:

In the Schedule, for Paragraph II, substitute:

"Paragraph II.—The market value of shares obtaining on the 30th June, 1952."

Shri Tulsidas: I beg to move:

(1) In part (a) of Paragraph II of the Schedule,—

(i) for "Rs. 12,000/-", wherever it occurs substitute "Rs. 24,000"; and

(ii) for "Rs. 24,000/-", wherever it occurs, substitute "Rs. 48,000".

(2) In part (a) of Paragraph II of the Schedule,—

for "ninety days" substitute "one hundred and eighty days"

(3) In the Schedule in part (b) (i) of Paragraph II,—

(a) for "Rs. 6,000", wherever it occurs; substitute "Rs. 12,000"; and

(b) for "Rs. 12,000", wherever it occurs, substitute "Rs. 24,000".

(4) In the Schedule, in part (b) (i) of Paragraph II,—

for "ninety days" substitute "one hundred and eighty days".

(5) In the Schedule, in part (b) (ii) of Paragraph II,—

(a) for "Rs. 2,000", wherever it occurs, substitute "Rs. 4,000"; and

(b) for "Rs. 4,000", wherever it occurs, substitute "Rs. 8,000".

(6) In the Schedule, in part (b) (ii) of Paragraph II,—

for "ninety days" substitute "one hundred and eighty days".

(7) In the Schedule, after part (k) of Paragraph II, insert—

"(kk) The amount of deposits, advances and prepaid expenses made or incurred by any existing Air Company to the extent that they or any benefits arising thereunder remain due and outstanding to such Company on the appointed date."

I feel that companies which had to incur development expenditure have not been really compensated in this Bill. With regard to the development expenditure, many companies had to suffer the pioneering losses and those losses would not be accounted for.

श्री जगदीश राम : हम भी कुछ कहने लगेंगे, अगर वह यह सवाल उठायेंगे।

Shri Tulsidas: With regard to the question of air-frames and other

things, the present market value outside the country is very high. I may quote here the report....

Mr. Chairman: I may just warn the hon. Member that if he goes for another two or three minutes, there is every likelihood of his amendment not being put to the vote. The hon. Minister has to reply; so I may not be able to put them to the vote of the House. Therefore, I would request him to be very brief, if he wants them to be put to vote.

Shri Tulsidas: I cannot explain it, Sir, in two or three minutes. Anyway, I leave it to the Minister to decide.

Mr. Chairman: Mr. Sarangadhar Das. He wants the same thing to be done as Mr. Nambiar.

Shri Sarangadhar Das: The position is the same as explained by my friend, Mr. Nambiar.

Mr. Chairman: Mr. Nambiar has already explained it.

Shri Sarangadhar Das: Yes, I support what Mr. Nambiar has said. And particularly, although the ordinary shareholders' share of the compensation is conceded, we should also see that the taxpayers' money is not squandered. And from that point of view the value of the shares that was quoted in the market on the 30th June, 1952 should be the basis of compensation. There is a precedent to this, when the Reserve Bank shares were acquired. So I strongly urge that this should be the basis and that is why I have moved an amendment.

Shri Jagjivan Ram: Sir, I have nothing to say. On two occasions this has been discussed more than necessary. I do not propose to add anything.

Mr. Chairman: The question is:

In the Schedule, for Paragraph II, substitute:

"Paragraph II.—The market value of shares obtaining on the 30th June, 1952."

The motion was adopted.

Mr. Chairman: The question is: In the Schedule, in Paragraph I,

for "computed in accordance with the provisions of paragraph II, less the sum of the amounts computed in accordance with the provisions of paragraph III"

substitute,—

"to buy up the shares at their market value as on the first day of July, 1952"

OR

In the Schedule, in Paragraph 1,

for "computed in accordance with the provisions of paragraph II, less the sum of the amounts computed in accordance with the provisions of paragraph III"

substitute—

"at the cost value minus depreciation and reserve funds already provided for by the Companies."

The motion was negatived.

Mr. Chairman: The question is:

In part (a) of Paragraph II of the Schedule,—

(i) for "Rs. 12,000/-", wherever it occurs, substitute "Rs. 24,000"; and

(ii) for "Rs. 24,000/-", wherever it occurs, substitute "Rs. 48,000".

The motion was negatived.

Mr. Chairman: The question is:

In part (a) of Paragraph II of the Schedule,—

for "ninety days" substitute "one hundred and eighty days".

The motion was negatived.

Mr. Chairman: The question is:

In the Schedule, in part (b) (i) of Paragraph II,—

(a) for "Rs. 6,000", wherever it occurs, substitute "Rs. 12,000"; and

(b) for "Rs. 12,000", wherever it occurs, substitute "Rs. 24,000".

The motion was negatived.

Mr. Chairman: The question is:

In the Schedule, in part (b) (i) of Paragraph II,—

for "ninety days" substitute "one hundred and eighty days".

The motion was negatived.

Mr. Chairman: The question is:

In the Schedule, in part (b) (ii) of Paragraph II.—

- (a) for "Rs. 2,000", wherever it occurs, substitute "Rs. 4,000"; and
- (b) for "Rs. 4,000", wherever it occurs, substitute "Rs. 8,000".

The motion was negatived.

Mr. Chairman: The question is:

In the Schedule, in part (b) (ii) of Paragraph II.

for "ninetey days" substitute "one hundred and eighty days"

The motion was negatived.

Mr. Chairman: The question is:

In the Schedule, after part (k) of Paragraph II.—

insert—

"(kk) The amount of deposits, advances and prepaid expenses made or incurred by any existing Air Company to the extent that they or any benefits arising thereunder remain due and outstanding to such Company on the appointed date."

The motion was negatived.

Mr. Chairman: The question is:

"That the Schedule stand part of the Bill."

The motion was adopted.

The Schedule was added to the Bill.

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

[**MR. DEPUTY-SPEAKER** in the Chair]

Shri Jagjivan Ram: I beg to move:

"That the Bill, as amended, be passed."

On this occasion, I wish only to express my heartfelt thanks to the hon. Members of this House. It is only due to the cooperation which I have received from all sections of the House that the passage of this Bill has been expedited. At present, I do not propose to say anything more except to reiterate what I said yesterday about the constitution of the Corporations. Much has been said about the representation of organised labour on these

Corporations. I made it clear yesterday, that I myself have been thinking to have on these Corporations at least one person, who may not necessarily be a representative in that sense of the word representative, of the organised labour, but who will necessarily be a person who is well-known for his work among the working classes of this country, who is well known for his sympathy for labour. And, I do not think after what I said yesterday on this matter, there was any occasion for any lengthy argument to urge the claim of the representation of labour on the Corporation

I again take this opportunity of expressing my thanks to all sections of the House and also to hope that the co-operation which has been extended in this House will continue to be extended outside so that we may make a success of the first big step towards nationalisation and pave the way for future economic revolutions in this country.

Mr. Deputy-Speaker: Motion moved:

"That the Bill, as amended, be passed."

Shri H. N. Mukerjee (Calcutta North-East): We have had a fairly exhaustive discussion of the Bill, but I intervene at this late stage in order to make clear our response to what the hon. Minister has just chosen to say. He has said very gracefully that he expects the co-operation of all in putting into effect the provisions of the Bill, the third reading of which we are going through now. I feel, however, that though we welcome the principles of this Bill as tending in a direction which is in conformity with the interests of the country, we are by no means satisfied with the ultimate shape of the Bill as it has emerged in this House so far and we feel there is room for very much improvement that could have been done if the hon. Minister was much more serious about the objectives which he had set in view.

I feel that in respect of certain assurances which the Minister has repeated today regarding steps he is going to take against the possibility of retrenchment and unemployment, we are not re-assured anything like completely on the point. As a matter of fact yesterday he made certain observations which were rather frightening. He said, for example, that the necessity of starting two Corporations was based on the fact that in the internal sector they had to rationalise a large number of employees and that there would consequently be a certain

amount of dislocation, not in air services, but in other respects, which might require tactful and separate handling. And, this is very tactful and diplomatic language and behind those words we sense something which is somewhat disturbing. He went on later to say, of course, that as far as possible he was anxious that the technical staff should not be thrown out of their jobs and that they should naturally be absorbed in the Corporation itself. But, he later added that he could not be so sure about the non-technical staff. Now, certain instances of retrenchment already taken recourse to by certain companies by reference to the measure which we are now discussing have been referred to in the speeches in the House this morning. The hon. Minister, of course, has given certain assurances but, I have to say that we are not so very happy about them. This is because—I am repeating what I said a few days ago—the Government's record in regard to implementing their assurances against retrenchment and that sort of thing has not been particularly satisfactory and particularly helpful. Besides, we find there has been for quite some time a substantial measure of unemployment among the civilian pilots and a number of them have been unemployed for quite some time. Now, for these commercial pilots, for their training Government spends a great deal of money by way of subsidies to the Flying Clubs and the students have also to spend a great deal of money for their training. But, there is a good number of Indian commercial pilots who are unemployed in this country.

In this connection I would like to refer to the attitude of Government as it was illustrated in a letter which was sent last year on the 4th June, by the Director-General of Civil Aviation to a person who wanted the assistance of Government in finding a job. He had been trained as a commercial pilot and he Director-General of Civil Aviation had told him in this letter that the Government could not assist him in that matter and he added—

"Normally, it is expected that before one selects a particular career, he weighs the pros and cons of it."

Coming from the Director-General of Civil Aviation, who should have welcomed the idea of our young men taking recourse to commercial pilot training, this letter is very significant. This shows how the Government seems to have thought that after all this is not a matter about which serious

attention ought to be given. That same attitude has persisted, and that is why in spite of the need for expansion of air services, we are not proceeding in the manner that we ought to. Because, if we realise the need for their expansion, then we could have found ways and means not only to give an assurance against retrenchment but also to give an assurance that there would be an extension of employment, there would be an extension of opportunities for training as commercial pilots in this country. But, we have got nothing of that sort. The hon. Minister has also tried to have a sort of condemnation of our attitude by pointing out that we have a horror of such names as the name of Tata for example. He paid a very handsome tribute to Mr. J. R. D. Tata. I do not know whether Mr. J. R. D. Tata deserved that tribute or not. I do not know him from Adam. But, as far as we are concerned we take an impersonal attitude, whether it is Tata or Birla or Scindia or Dalmia or whoever else it may be, because we happen to have an ideology that lends an impersonality to our approach to these problems. Fortunately for the hon. Minister he is blissfully ignorant of our ideology and so he says that whenever we refer to these people we refer to them personally. When we are presented with all sorts of encomiums to these captains of industry, I am afraid, we cannot quite accept them at their face value. We are told about their valuable experience as leaders of industry but we know the value of their experience. It seems as if this business of air operations is the ground on which these people could thrive by wage-cuts and retrenchment on one hand and Government subsidy on the other. So, the less said about the experience of these wonderful people, the better for everybody concerned. I would say, of course, there are among our employers a certain number of good people. They have the experience, they have experience of administration but when the industry is essentially a collective enterprise and you want a team of technical and non-technical people operating together, and if we get the real spirit functioning in that atmosphere, then and then alone shall we have a kind of air system in this country which we desire.

In regard to these companies, these bigwigs of industry who are going to get a fairer deal than perhaps they deserve, attention was drawn by an hon. Member yesterday to the Calcutta weekly published in Bengali which printed a photostat copy of a most disturbing document. I am told

[Shri H. N. Mukerjee]

the document has already been passed on to the Minister. This particular company which is one of the biggest private concerns in this country has produced two invoices in respect of goods purchased from an American company. One of the invoices was meant for payment to the American company and the other concocted invoice in which the amount shown was double the original was for submission to the Government, the idea being to get from the Government 200 dollars in place of 100 dollars. Now, we cannot vouch for the absolute accuracy of this, but this sort of photostatic copy of a document which on the face of it seems to be genuine is very disturbing.

These are the people who run our industries, who try to claim all credit for whatever industrial development has been achieved in this country and they are the people who are coming forward to have a lion's share of the compensation which is now going to be offered to the owners of the air operating systems.

Now, as far as our position is concerned, it has been made clear on so many occasions. We have said that the basis of compensation should have been changed. Only a few moments ago my hon. friend Mr. Nambiar referred to it and I need not repeat it. But this is a matter to which Government should give more of its attention. I do not think we have had the last of legislation in regard to air companies. Possibly, something more would have to be done in the not very distant future and I want Government to take note of these circumstances.

I want also to refer to certain matters which I consider to be of very great importance and in this regard we have got a lot of assistance from those workers who have technical qualifications for the job and who have offered the Government certain suggestions in regard to the manner in which we can run our industry much better, much more efficiently. For example, there is a heavy drain on our industry by reliance on foreign supplies of fuel, oil and spare parts at very high prices. Government should make courageous attempts to obtain supplies of these things at more reasonable rates. Now we are told that prices which prevail in Australia, the prices which are offered there, are lower than the prices which are offered here. Now, Government should go into this matter very carefully.

As far as fuel and oil is concerned, the calculation of the Air Transport Enquiry Committee was that of the total cost about 37 to 40 per cent. was covered by fuel and oil expenses—actually it is more. So, it means super profit for those foreign concerns like Burmah Shell, Standard Vacuum and Caltex. Now, in regard to this we get certain facts supplied publicly into which I am sure Government ought to make a proper investigation.

Now, as far as fabrication of spares is concerned, we have got our own Hindustan Aircraft where the possibility of manufacturing sufficient spares for our requirements can easily be investigated. Now, we find that during the last four years—this is the information we get—there have been five increases in the rates of aviation fuel, while fuel is being supplied to Australia at a price 35 to 37 per cent. lower than the prices charged to us. But we do not raise our voice against it. We are told also that the oil companies fix the rates in close consultation with the Ministry of Works, Mines and Power—that is the old Ministry. Anyhow, Government may be consulted before the prices are fixed, but we should see to it that in the fixation of prices, the Australians do not get a better deal.

We should see to it also that other sources of supply of oil and fuel are tapped. For example, it was reported in the *Free Press* Journal of the 11th of February this year that Western European countries like Italy for example were getting fuel and oil at cheaper rates from elsewhere, from the USSR, from Rumania. Now, I want Government to find out more about these things.

In regard to spare parts, possibly our own factories can be employed for the purpose of manufacturing some of these spares. In regard to new equipment also our dependence on foreign monopolists should not continue. There again, we see that from time to time, aircraft is offered in the market which is cheaper for us to buy and we should investigate possibilities in this direction.

In regard to insurance we find that this item, the high insurance premium, amounts to seven and a half per cent. to nine and a half per cent. of the total cost of airframes and aero engines. This insurance is handled by British interests through the intermediary of Indian insurance companies. If Government takes over this industry, Government can also consider the desirability of taking over the insurance aspect of the

matter. In regard to these matters there is a lot of room for economy.

I come now to expansion. By means of expansion we can reduce fares, we can open new branches, we can utilise air fields which were constructed during the last war and we can set up air travel facilities between places like Delhi and Agra, places more or less not very remote from each other, and as a result of it we shall be in a position to reduce fares. I say this because the Air Transport Enquiry Committee had reported that when the night Viking service on the Delhi-Bombay route was introduced in March, 1950 on a reduced fare, then the day services were not affected at all. That is to say, we get an expansion of the travel facilities in our country and at the same time we get a decrease in the cost of running our airways system.

Then again we have to fight against the inroad of foreign airlines to which reference was made by my hon. friend Mr. Basu. In regard to this also the Air Transport Enquiry Committee Report has made certain observations at page 60, paragraph 305. Before that Committee Mr. Tata, evidently the same Mr. Tata to whom the hon. Minister paid compliments yesterday, made certain observations against these foreign operators. He said that foreign operators were taking away a good proportion of the traffic which legitimately belonged to Air India International.

So, we require new equipment, we require new schemes of expansion, and there is scope for expansion. For example, we can try to economise by doing away with the system by which all sorts of agencies, intermediary business establishments who book seats, unnecessarily take away a lot of money from Government coffers.

Above all I would say in conclusion that we need to enlist the workers' co-operation. Actually this is a matter in which the hon. Minister himself gave a very unequivocal assurance which I hope will be implemented. I was rather disturbed to hear from the hon. Minister that as far as Civil Aviation employees are concerned the organisation setup is perhaps not representative of the real Trade Union interests of the workers concerned. I had occasion on an earlier day to point out a very remarkable fact, namely that the C.A.D. employees have come together in a Union which is almost a hundred per cent. Union;

it is a Union which has amongst its office-bearers not one person who is an outsider. I said also at that time that for some reason which we cannot fathom—because if we say something, we shall be accused of imputing motives to the Ministry—the hon. Minister does not like them, perhaps because he does not like the look of the people who are the office-bearers. So, here is an attempt by the working people to come together. They are not ordinary working people, without professional or technical qualifications. They are running our air services in a manner which is so efficient that everybody, the hon. Minister including, paid them rich compliments. They have got together in a Union which is hundred per cent: they are running it on their own. They are coming forward to supply facts. They look upon their labour as a matter of heroism, as a matter of dignity, as a matter of national service. Enlist their cooperation. If you do not succeed in enlisting the co-operation of these people, all this talk about nationalisation is moonshine and nonsense, it is so much abracadabra.

That is why if nationalisation is really and truly to be a success, if nationalisation of the air services which the hon. Minister is bringing about is to be in the common interest of the country, then he has to behave very differently from the way he has done as far as the passage of this legislation is concerned. I would say in conclusion that it is incumbent upon the Government, if it is at all serious about nationalisation, to enlist the cooperation of the workers and if that is done, then the hon. Minister will find that there is tremendous scope for the expansion of our air services and if we have that expansion then we can run our services cheaply and efficiently and we can stand up to the foreign competitors and can tell them that they have no business as far as our air services are concerned and they cannot butt in. We can also try to be as independent as we can of the stranglehold which is represented by the control of Burmah-Shell, Standard Vacuum and Caltex and their tribe about whose doings we have too much experience so far.

Mr. Deputy-Speaker: Mr. Lakshmayya, I will call those who have not taken part in the earlier stages.

Shri Sarangadhar Das: I have not taken any part at all.

Mr. Deputy-Speaker: Three minutes each.

Shri Lakshmayya (Anantapur): Sir, I thank you very much for the opportunity given to me at the fag end of the debate when the Bill is about to be passed in a few minutes. At the outset let me heartily congratulate the hon. the Communications Minister for the great venture undertaken in bringing forward a Bill of such vital and strategic importance and for seeing to its passage. This air transport is one of the youngest industries in our country and it has come to occupy a very prominent place in the political and economic life of our country. It also forms a second line of defence. Though the beginning of its history can be traced back to 1930-32 it has seen glorious days and the boom period just after the termination of the Second World War. Rise and fall would follow in succession in the natural course of events. After seeing this boom period, again this industry has come to reach a critical stage. Though the Government has actively aided with finance and subsidy and by several other ways, unfortunately it could not stand firmly and it came to a stage of crisis. Now the Government has rightly come to the rescue of this industry. The Planning Commission examined this question, they determined and decided that this should be taken over by Government.

The Bill seeks to establish two Corporations, one for internal and the other for international services. One is to be called Air-India International and the other Indian Airlines. These two Corporations should work side by side with probably one or two Chairmen as they like and with a certain number of members appointed by the Central Government. I hope these two Corporations now proposed to be established will march ahead and run this industry successfully, economically, cheaply and to the public interest.

Now, the question is whether it should be run as a business concern or as a public utility service. There was much controversy over that. Later on, it was decided that it should be run as a business concern. It does not mean that it should not be a public utility service. It is already there. All that the Government do and have been doing is for public utility. But if it is taken and run as a public utility service I fear the taxpayer's money will be squandered away and there would be no end for this. That is why in the Bill, it is provided that it should be run on a business principle. These air services should be run on an economic basis.

Our country is ideally suited for civil aviation by its vast expanse and

virgin resources, and on account of fair and good weather, throughout the year this business may flourish well. The planes can fly day and night except in a very few months when there is the monsoon. I am sure it will thrive very well and maintain a high level of standard. During the period of floods and also during evacuation time our air services have done very good and useful work. They have established a very high reputation. I hope this industry under this new enterprise will flourish well and maintain the same very high reputation as it has already proved in the case of international services.

The controversy was over two things: one was in regard to the scheme of compensation and the other was whether there should be one Corporation or two Corporations. The point made in favour of one Corporation was that the existence of two Corporations would duplicate overhead charges and would result in extravagant expenditure and inefficiency. Now it has been decided that there should be two Corporations. The hon. Minister of Communications was kind enough to assure us that it would begin with two Corporations but later on, after they are found to be working satisfactorily, they can be merged into one at any time in future. This is an appreciable thing. We have followed the example of U.K., Australia and other foreign countries where there are at present two or three Corporations, the number being reduced subsequently.

With regard to compensation also there was much controversy. Later on our hon. friend Mr. Chatterjee came to the rescue of the shareholders and really the whole House must be thankful to him, including the hon. Minister for his valuable suggestion. A new clause has been added now and I hope by the provisions of this clause all the ordinary shareholders will get fair compensation for the shares they have invested. Most of the ordinary shareholders come from the poor classes and they have invested the amounts by their hard earnings with the hope that they would get some profit from it. Whatever it may be, we are only anxious about the ordinary shareholders. I hope and trust that they will get their due share in the scheme of compensation newly proposed.

I again heartily congratulate the hon. the Communications Minister for bringing forward this important and useful Bill with courage and caution and for getting it passed without any

obstacle or hurdle as we find to-day. I wish the best of luck to this industry and also glorious success for these services. I hope that they will maintain a very good reputation and that the industry will prosper well as a business concern as well as a public utility service.

Shri Bansal: On a point of order, Sir. I have been noticing that speakers after speakers, after firing off their speeches, run away from the House without listening to the persons who speak immediately after them. I understand that the normal practice both in the House of Commons and in this House is that at least the Member who has spoken should listen to what the next Member says. This will be courteous to the House. I want your ruling on this point.

Mr. Deputy-Speaker: I have been repeatedly saying that hon. Members owe to themselves and to the House also that those who are anxious to speak must hear the reply at least. I even threatened to take some steps. I am at a loss to see how I can control this except by appealing to them.

Shri Venkataraman (Tanjore): Do not call them again.

Mr. Deputy-Speaker: If the House agrees, I will note down the names of all those who speak and go away and will not give them a chance for two or three occasions. If the House agrees I have no objection to do this. I shall consult the party leaders and when we meet again in the next session, I shall pursue this practice.

Shri Gadgil: I hope it will not be too rigorously followed.

Mr. Deputy-Speaker: It is wrong. I feel it is an insult to the House. If hon. Members in extraordinary circumstances have to be unavoidably absent they can leave a word with the Speaker. If hon. Members cannot catch hold of the Chair's eye, they can catch hold of the ear. It is not merely haranguing. They must hear what others say. Others cannot address empty benches.

I find some hon. Members are anxious to speak. I will call Mr. Thakur das Bhargava first. Hon. Members will restrict their speeches to three minutes.

पंडित ठाकुर दास भार्गव (गुडगांव) :
जनाब डिप्टी स्पीकर साहब, मैं आपका बहुत मराकूर हूं और मैं तीन मिनट से रुकावा

लूंगा भी नहीं। मैं गवर्नरमेंट को और आनरेबुल मिनिस्टर साहब को मुबारकबाद देता हूं कि उन्होंने एक ऐसी खूबसूरत आरगनाइजेशन पैदा की है जिससे कि हम को उम्मीद है कि न सिर्फ़ इस सारे हाउस के अन्दर बल्कि सारे देश में बड़ा इतनीनान होगा।

Mr. Deputy-Speaker: I am calling also Mr. Sarangadhar Das.

पंडित ठाकुर दास भार्गव : मैं साथ ही यह अर्जन करना चाहता हूं कि जो कीटीसित्रम अभी हमारे अरोजीशन के लीडर साहब ने की है, वह वाजिब और माकूल नहीं है : चन्द ही रोज़ हुए हमारे श्री बुरागोहिन ने फ़िरिंग से दी थीं कि आस्ट्रेलिया के मुकाबले में हमको तेल महंगा नहीं मिलता है। मैं यह अर्जन करना चाहता हूं कि यह हमारी बदकिस्मती है कि इतना खूबसूरत नक्शा इस देश में पैदा हुआ, लोगों को बड़ी खुशी हुई, लेकिन उस सुन्दर नक्शे में एक काला टीका अब भी रह गया और वह काला टीका शायद इसलिए रक्खा गया है कि इसको नज़र न लग जाय। मैं अब से अर्जन करना चाहता हूं कि मैंने उसको हटाने के लिए पूरी कोशिश की और मैं अब भी उन बेचारे छोटे शेयर होल्डर्स का केस आनरेबुल मिनिस्टर साहब की खिदमत में रखना चाहता हूं और उनके लिए हमारे एन० सी० चटर्जी और गाडगिल साहब ने ला मिनिस्ट्री से मिलकर इस बात की कोशिश की कि किसी तरह से उन आर्डिनरी शेयर होल्डर्स का भला हो सके और वह किसी हद तक शायद इसमें कामयाब भी हुए हैं, आज सारा देश इस आपके आरगनाइजेशन के नक्शे से खुश है, लेकिन यह बड़े दुःख और अफसोस की बात है कि जो आर्डिनरी शेयर होल्डर्स हैं उनको बड़ी तकलीफ़ है और चाहिए यह या कि आज जब क़ारीब दस करोड़ रुपये की लागत का माल आपको पांच करोड़ में मिलने जा

[पंडित ठाकुर दास भार्गव]

रहा है, तो हमें यह देखना चाहिये था कि वह छोटे शेयर होल्डर्स जिनकी तादाद कई हजार बतलायी जाती है—भारत एयरवेज में सारे कम्पनियों के शेयर होल्डरों को मिला कर उनसे दुगनी तादाद है,—उनको कुछ रिलीफ दिया जाता। इस उनकी अर्जी में दर्ज है कि उनके साथ इंसाफ नहीं हुआ, क्योंकि उनके दो स्काई मास्टर की क़ीमत आज पचास लाख रुपये बतलायी जाती है और उनको मिलेगा ७%, लाख। अगर उनको पांच लाख रुपये की और रिलीफ दी जाती, तो वह बेचारे भी इस खुशी में शामिल हो जाते। मैं अदब से अर्ज करूँगा कि अब भी वक्त नहीं गया है कि आनरेक्युल मिनिस्टर इस तरफ व्यापार दें और हर आडिनरी शेयर होल्डर को कम अच कम पचास परसेंट पेड अप कैपिटल दे दें। जहां तक प्रीफ़ेरेंस शेयर होल्डर्स का ताल्लुक है, मुझे उस सम्बन्ध में कुछ नहीं कहना है। लेकिन मैं आडिनरी शेयर होल्डर्स के बारे में जरूर आपकी तबज्जह दिलाऊंगा ताकि उनको भी इसमें कुछ इंसेटिव रहे, गरीब आदमी भी समझें कि हमने इस कंसर्न में कुछ दिया है और अगर वह उस कंसर्न के मालिक न रहें, तो कम से कम उनको नक्सान पचास परसेंट से ज्यादा तो न हो। इस वक्त जो वह लोग सैक्रीफ़ाइस करते हैं, वह दूसरे लोगों के मुकाबले में बहुत ज्यादा हैं और यह बहुत मुनासिब और माकूल चीज़ होगी अगर उन आडिनरी शेयर होल्डर्स के साथ जितना इंसाफ़ मुमकिन हो वह किया जाय। आखिर शेरज़ की पोटेनशल क़ीमत का ठीक अन्दाज़ा हो ही नहीं सकता।

Shri Tulsidas: I did not want to say much but at the time of introducing this Bill and even after the second reading, there have been certain remarks made by my friends to my right to the effect that the industry or the people who are managing this industry have not been able to play their part

properly. They must remember that this industry was started only six years ago and it had to undergo several handicaps and difficulties. I personally believe and everybody knows that this airline industry was continuously struggling against the adverse circumstances which was mostly created by the Air Licensing Transport Board. I am sorry to say that because they issued licences indiscriminately to different companies, those companies would not work economically. The Licensing Board when giving licences should have seen that the companies to which licences were given function economically.

With regard to the record of these air services, the Rajadhyaksha Committee have said as follows. With your permission I am quoting the relevant portion.

"Record of Private Air Companies.—The private air companies have, in our opinion, not done so badly as to require a drastic change of system. Their operational efficiency has been uniformly good. An outstanding example of operational and business efficiency, under a system of private management, is afforded by Air-India International which in the second year of its operation has, we understand, been able to break even and show a small profit."

I do not want to go further into this matter but the Rajadhyaksha Committee has gone into this and has shown that the industry as a whole was working efficiently.

Then there is the question of subsidy. I would like to point out that with regard to subsidy, Government have derived more income from the airlines. I would like to give the various items which have benefited the coffers of the Government. The Government have been receiving money by way of landing fees, parking and housing fees and petrol taxation alone has given Rs. 1,20,00,000 a year. Income from landing fees alone for the previous year amounted to about Rs. 57 lakhs. The subsidy is very insignificant compared to the revenues which Government get.

I would like to come to the question of these Air Corporations. I would like the hon. Minister to bear in mind that the Air Corporations which are

now coming into being should be run on a proper basis. The Rajadhya-ksha Report said:

"It is obviously essential that if the Air Transport Industry is to be efficient, there should be flexibility of management. Personal initiative and responsibility involving quick decisions in the administrative, operational and engineering organisations is called for to an extreme degree, as more operational and technical emergencies are encountered in air transport than in any other field of enterprise."

It goes on and says that with regard to state enterprise, it is difficult to run in the same manner as that of private enterprise. We have accepted the principle under clause 9 that these Corporations will be run on business lines but I do not know how this will be effected by the overriding control of the Government by way of different Committees which have been appointed. I do not know how far these Committees will be able to advise the Corporations. In my opinion, it is more or less a dictation than an advice. I would urge upon the Minister that if these Corporations are to succeed, they should see that these are run without much interference and they must have all the powers of deciding what to do with regard to the working of this industry. That is a point which I would very strongly urge upon the hon. Minister. Government should not create a body where day-to-day interference will come from Government.

Shri Sarangadhar Das: Sir, I thank you for the opportunity which you have given me to speak on this subject. Though I welcome this measure of nationalisation, I am afraid I cannot give any encomiums to the hon. Minister who has brought this Bill. My reasons are, first, whether there should be two Corporations or one Corporation. This has been discussed thoroughly in the Select Committee as well as here. I only want to point out one thing. It is claimed by the Minister and it is admitted by every one that the Air India International has been running very efficiently and giving a little profit, giving service to the passengers, mostly foreigners, and that outsiders also are full of praise for the Air India International. I would suggest to the Minister, although it has now been decided to have two Corporations, to see to this point that that efficiency and that standard of service for which we all praise the

Tatas, should be combined with the internal services so that the people running the internal services may have the advantage of the experience of the Tatas. That, I think, has been lost sight of.

As far as compensation is concerned, in his zeal to compensate the companies, although they have been running at a loss—most of them—and were able to run only with the subsidy, without which they would not have been able to run, though he is solicitous of their welfare, he should also look to the interests of the taxpayer. It is no use paying compensation which is out of all proportion to the value of the assets. Therefore, I again urge that compensation should have been on the basis of the value of the shares on a certain date before the announcement was made. In this case, I am not able to see eye to eye with the Minister for the reason that the taxpayers' interests are being absolutely thrown overboard.

Then, there is the question of associating the representatives of labour at all levels of the corporations. The Minister who was in charge of labour at one time was always saying that labour should be given a fair deal and he had been trying with all kinds of legislation to give that fair deal.

Shri B. S. Murthy: Including profit sharing.

Shri Sarangadhar Das: But, now when a new industry is being nationalised, I am afraid he is absolutely throwing overboard the ideas that he had as a Minister for Labour. From this I conclude that our Ministers, our Government, say a lot of fine things but when it comes to brass tacks, they get frightened that something is going to happen, that labour is going to destroy this Corporation and all that. I want to point out the way in which labour co-operated with the British Government at the time of the war, in changing the peace production to war production. Their full co-operation was obtained because the Government, since the second decade of this century, had trust in labour. They trusted labour and that is why labour fully co-operated in the war efforts and a good deal of the success and victory of the British in the war was due to the co-operation of labour. For the future guidance of the Minister, I would ask him to remember this: not to distrust labour, whether they are sponsored by this political party or that political party. As soon as possible, the representation of labour should be determined by a secret ballot. After

[Sarangadhar Das]

all, in these two Corporations, the people who work, the labour force, are highly skilled, educated people and they are not ignoramuses to be huddled together by one party or the other. Representatives of labour should be associated at all levels. The Minister told the House a little while ago that he is thinking of somebody to be a member of the Corporation, who has full sympathy with labour, that is to say, an outsider. We say, one who has the confidence of labour and is an employee. You have in the amendment that was adopted in the Select Committee, as it has already been passed, an employee who is acquainted with labour matters. The manager of the Corporation, whoever the manager is, is also an employee. He is handling labour and consequently he is acquainted. If you have an employee of the company who has the confidence of labour, then, there would be no objection. This point, I hope, the hon. Minister will bear in mind for his future guidance.

1 P.M.

Then, about the scales of pay, I have here a large sheet giving the scales of pay in the several companies, some on a higher scale, some on a lower scale. When they are all integrated, what will have to be their scales of pay? To my mind, the Air India have a uniform scale of pay and a liberal dearness allowance. Although, I understand, some of the increments have been stopped, for some reason or other, of some of their employees, lately. That should be considered as a scale which would be satisfactory to all the workers. Although in several companies, pilots and some grades get a little more than the Tatas, the Tatas scale is rather uniform all the way through. I wish that the Minister considers that question from that point of view. The salary should be standardised at a level which will be satisfactory to all. Not one of the workers should feel that he has lost anything by this integration.

Shri Pocker Saheb (Malappuram): Sir, I thank you very much for giving me this opportunity at this fag end of the discussion. Anyhow, I have only to confine my remarks mainly to one point.

The word nationalisation has been freely used in this House all through this discussion. But, when I look at the Bill, I do not find that word there. When I look into the facts, there is no nationalisation at all. The word

nationalisation to be used with reference to this Bill is a misnomer. I say that the Government ought to have taken up the responsibility of running this industry themselves instead of creating some Corporations which are of their own making and contributing everything that is required from the Government coffers. Why should they fight shy of that responsibility which they should have taken? Either they should have left it to private concerns which would have run it efficiently or if they felt that they were not able to run it efficiently, they should have taken the responsibility upon themselves. Why undergo this farce of creating two Corporations or one Corporation, whatever it may be, and throwing the responsibility on them? Are not Government running the Railways themselves? Are the Railways not being run efficiently? I should think that Government fight shy in this case, because, as I am told, some Committee has reported that the red-tapism of the Government may stand in the way of quick decisions being taken and so on. I think that it is a myth. I find that this question was raised in the Select Committee by some of my hon. friends with whom I do not see eye to eye on fundamental principles, but I cannot but agree with them on this question when I find that what they pleaded for is the right thing. I do say that there is a legal flaw and Government are shirking their responsibility. Suppose something untoward happens and some lives are lost and damages are claimed. I ask: who is responsible legally? Not the Government, but these Corporations. If they have no funds, and people who have suffered damage claim compensation, they can only get at the assets owned by these Corporations. They cannot get at the Government. So, I ask: why could not Government undertake the sole responsibility of contributing all the capital and maintaining the service at any cost? Even legally, why could not they have undertaken these concerns themselves? They ought not to have fought shy of it. They ought to have taken the responsibility upon themselves. *De facto*, it is Government that is running it, but *de jure*, it is the Corporations who are going to run it. This puts people at a disadvantage. I do not see why Government should not have gone the whole hog and taken the responsibility upon themselves.

Shri Joachim Alva (Kanara): The discussion on this Bill has given rise to a memorable debate in the Indian

Parliament. I would like to congratulate the Communications Minister and his redoubtable Deputy for piloting this Bill. This is only the beginning. We have achieved a great objective. Something has been accomplished. This debate excited so much interest in this House that irrespective of whether one belonged to the Communist Party, the Congress Party, or the Muslim League or any other party, everyone spoke freely and contributed his best to the debate.

Private enterprise has exhausted itself. It has lost its utility. It has become a stumbling block in the way of economic progress. When this Bill is enacted, it will give a pointer to our future progress. It will show how we shall run our future enterprises. The State will cast its glance on all fields of economic activity and snatch away more and more enterprises from private ownership. Private enterprise so far has not been content with ordinary profits, but it has hankered after more and more profits, and yet its thirst has not been quenched.

The present debate has witnessed a very extraordinary event. I would take the House back to the BOAC Comet tragedy that occurred near Calcutta. We owe a lot to the Britishers. This Bill itself incorporates many provisions taken from the British Act. We are obliged to the Britishers for the conquest of the air. Through this tragedy, they have had to make great sacrifices. Men, women and children, including two Fulbright scholars have crashed. We note this tragedy with great regret and on behalf of all of us, we convey our sincerest grief over those who have laid down their lives in this Comet disaster. Their bones are laid amongst us. We do not want bones to be laid amongst us in this fashion. But now that their bones are laid amongst us, we shall always remember them and remember their sacrifice. The British and others conquered the air, after all, and today we are benefiting by that spirit of enterprise and sacrifice.

During no part of the debate did the hon. Minister supply figures as to the total losses suffered by our companies. In England, they lost during the two years prior to the taking over of the airlines something like £ 40 million in the shape of the taxpayers' contribution and the losses suffered by the B.O.A.C. and the B.S.A.A. Had the House been enlightened as to the total

losses suffered by Indian companies, we would have proceeded more carefully with the matter. Today, we understand that some of the companies have indulged in manipulation of accounts. They made hay while the sun shone, and now, we are giving them refuge. Still they will reap some profit and the poor shareholders will suffer.

Another point is that it is not merely enough to take over the airlines. Only one aspect of the problem is covered by that. Government will have to do something positive. They must have better aerodromes. We all know the condition of the runways which were exposed to the gale when the KLM tragedy took place in Bombay in 1949 and some distinguished American journalists crashed therein. So our runways must be kept in proper order. Our radio communication has to be made perfect. Our line of signals must be well organised and there should be long-distance radio communication so that our aerodromes will be helped. We must have up-to-date radar equipment. Our lighting effects must also be perfect. During a gale, there should be proper warning. Only after the last disaster, after the KLM plane dashed across a hill-top they attended to this matter in the Bombay (Santa Cruz) aerodrome. Now you see red signals there everywhere. All these arrangements must be so perfect so that no foreign airline will have reason to complain that they get involved in accidents because our arrangements are not good. If disasters must take place, let them take place through an act of God; let not the blame be thrown on the Government of India or their organisation.

In regard to redundant personnel, I would quote to you the position in England, because I feel very keenly on this matter and Members on both sides are anxious that labour should get a fair deal. In England, this was the position when their Air Corporations Bill was discussed:

"The Parliamentary Secretary emphasized that economies which will be effected as a result of this proposed merger will take the form of expanding business, without engaging further staffs, rather than by large scale dismissals... Any staff redundancy resulting from the merger will be shared fairly between the Corporations."

I demand the sympathy of the hon. Minister in this respect. He must consider the fate of people who are

[**Shri Joachim Alva**]

going to be dismissed or who are going to lose their jobs. There are Managers who have previously done work on the technical side but who have gone over. Their services should not be terminated. Their records should be looked into.

Finally, I must refer to the gliding and flying clubs. They are completely neglected. Not enough money has been given. This is the positive side.

Shri Jagjivan Ram: Anyway, it is irrelevant here.

Mr. Deputy-Speaker: Yes. The hon. Member's time is over.

Shri Joachim Alva: Half a minute more, Sir. These flying and gliding clubs should be helped and more should be established, so that a large number of airmen can be trained, and our young men can become air-minded.

Mr. Deputy-Speaker: His time is over. I am calling the Minister.

Shri Joachim Alva: I am finishing, Sir. Today, there is a war of three dimensions. The third dimension is the air dimension. By this Bill, Government are going to take charge of the second half of the third dimension. Those who discountenance the part that civil aviation will play in our future defence organisation are entirely mistaken. Civil aviation is the left arm, and defence aviation is the right arm. By taking civil aviation over, Government have made our country stronger, and this way, we shall go ahead indeed.

Shri Jagjivan Ram: I do not propose to detain the House for very long. The important provision that we have made in the amendment is to take care of the interests of the shareholders—I mean ordinary shareholders. Pandit Thakur Das Bhargava has raised this question. I do not propose to go into that matter in any great detail, but let me inform him that in most of the companies, the ordinary shareholders will get out of the compensation amounts such amounts as will be more favourable to them than if they would have continued in the companies. I have no doubt in my mind that as the result of this nationalisation, the ordinary shareholders are going to get much more than what they would have got in the share market. Apart from that, in the case of most of these companies, there was no chance for the ordinary shareholders to get any return on their shares. Here we are

assuring them of at least three and a half percent. interest. Taking all these things into consideration, I am sure the ordinary shareholders and other shareholders will be better placed under this scheme of compensation than they would have been had they continued in the companies. The House was very much exercised yesterday and today about the ordinary shareholders of the Bharat Company. We have made certain provisions, but even before that, in the morning, I received a letter from the General Manager of the Bharat Airways Limited. I would not read the whole letter, but one or two sentences will not be out of place. It runs:

"I am to assure you in this behalf..... regarding the interests of the ordinary shareholders—

".....that Bharat Airways are equally anxious to safeguard the legitimate interests of the ordinary shareholders consistent with their obligation to the preference shareholders, who also have no desire to rough-shod the claims of the ordinary shareholders. I would be glad if you take an opportunity in the House, if you deem it proper, of removing the misapprehension from the minds of the Members that the interests of the ordinary shareholders of Bharat Airways will be in jeopardy."

But, apart from this, I wanted to bring it to the notice of the House because so very much exercised all of us were that we have taken precautions in the Bill itself. I think if the spirit which has been shown in this letter is followed by the management of the Bharat Airways company, there will be no occasion for the Government to take recourse to the provision that the House has been good enough to make in the Bill.

My friend Prof. H. N. Mukerjee has made certain suggestions for the manufacture of spare parts in this country. I will keep that suggestion in view. I will make every possible effort to see that we get—and I am told that we are getting—aviation spirit at the same rate as other countries are getting. I will see how far we can economise on this item. As I have said on previous occasions, it is my intention to increase the activities of our workshops to manufacture as much of the spare parts as we can easily do here, or to manufacture them in the Hindustan Aircraft factory.

My hon. friend has said and I agree, that I may be blissfully ignorant of the ideologies which he follows. But I may assure him that I am not unaware of the activities which are the result of those ideologies. It may be that the behaviour of this side may not be pleasing to him, but I may assure him that we have a code of conduct which may not be quite in conformity with the code which they follow. I do not want to say anything more.

In regard to labour, I may say I have never mistrusted labour. I have always felt pleasure when I had come in contact with the members of the working class. And I can claim some amount of first-hand knowledge of the working of the mind of the working class in this country. I can assure my friends opposite that there has never been any question of mistrust of labour. If I trust anybody in this country the most, I trust the working class.

Shri Nambiar: Must be in practice.

Shri Namdhari: Yes, we trust.

Shri Jagjivan Ram: I trust them because I have found that they are unsophisticated. I have found that if things are placed before them in their real perspective, they are in a position to take their own decisions. I trust them because I have found that, left to themselves, they will never engage themselves in any way in any activity which is prejudicial to the nation or its interests. I have always believed in them. I have always trusted them. I have found on many occasions that but for the valuable advice that they get from their friends, guides and philosophers, they would have saved themselves from the many difficulties and troubles in which they have been placed at times.

Shri Nambiar: You will give them the peace of the graveyard.

Mr. Deputy-Speaker: Other hon. Members have got some experience also, if not more experience. Therefore, each will have his say.

Shri Jagjivan Ram: Therefore, I say that I always take pleasure in dealing with workers and labour. But I do not take the same pleasure in dealing with them through their intermediaries.

Shri Gadgil: In dealing with their leaders?

Shri Namdhari: Through their professional intermediaries.

Shri Jagjivan Ram: I want—and I have never made it a secret—to eliminate the intermediaries from this field, and sooner the intermediaries, to whatever political party they may belong.....

Shri Gadgil: Neo-Brahmins!

Shri Jagjivan Ram:.....are eliminated, the better for the working classes.

Shri Raghunath Singh (Banaras Distt.—Central): For the country too!

Shri Jagjivan Ram: I will go a step further and say for the world peace too.

Shri Nambiar: Travelling in the air?

Shri Jagjivan Ram: As I have said. I do not propose to take any more of the time of the House. I once more express my sincere thankfulness to all sides of the House. I know we are going to take a big responsibility—a responsibility on the failure or success of which depends to a very great extent the future economic pattern of this country. And, therefore, it should be the endeavour of all who want that the present economic set-up of the country, which no doubt has to a very great extent outlived its utility, should improve, to co-operate sincerely to make this undertaking a success. We may have differences—and differences we will have, there is no doubt about that—but the ultimate objective of making this nationalised undertaking a success should be a common effort, and I will only hope that the co-operation which has been extended to me in expediting the passage of this Bill will be extended to the corporations for making their work and responsibility a success. I once again thank you.

Mr. Deputy-Speaker: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

Mr. Deputy-Speaker: The House will now adjourn and meet again at Four O'clock this evening.

The House then adjourned till Four of the Clock.

The House re-assembled 'at Four of the Clock.

[MR. DEPUTY-SPEAKER in the Chair]

MESSAGES FROM THE COUNCIL OF STATES

Secretary: Sir, I have to report the following two messages received from the Secretary of the Council of States:

(1) "In accordance with the provisions of rule 125 of the Rules of Procedure and Conduct of Business in the Council of States, I am directed to inform the House of the People that the Council of States, at its sitting held on the 7th May, 1953, agreed without any amendment to the Comptroller and Auditor-General (Conditions of Service) Bill, 1953, which was passed by the House of the People at its sitting held on the 29th April, 1953."

(2) "In accordance with the provisions of sub-rule (6) of rule 162 of the Rules of Procedure and Conduct of Business in the Council of States, I am directed to return herewith the Patiala and East Punjab States Union Appropriation (No. 2) Bill, 1953, which was passed by the House of the People at its sitting held on the 2nd May, 1953, and transmitted to the Council of States for its recommendations and to state that the Council has no recommendations to make to the House of the People in regard to the said Bill."

TEA BILL—Contd.

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): Before you begin, Sir, may I make a suggestion? The general discussion is now going on. Much of the general discussion excepting in regard to a few cases will be more on the working of the Act as it should be afterwards, and it will greatly facilitate the work if the general discussion could be cut short. We have already had two and a quarter hours. We might take up the clause by clause discussion and in the third reading stage speeches may be allowed for about two hours on the working of the Act. The third reading discussion might be taken up tomorrow. If necessary, If some such arrangement could be made, it would greatly facilitate business and we could finish the second reading today.

Dr. M. M. Das (Burdwan—Reserved—Sch. Castes): The number of Members who have already spoken on the Bill is very small, only two or three.

Shri K. K. Basu (Diamond Harbour): Two and a half. We shall decide it at the end.

Prof. Mathew (Kottayam): There are several Members who would like to participate.

Mr. Deputy-Speaker: As I said the other day, I do not think Government has got any objection. We have two days allotted for this. We have already spent two hours. We have got six hours more before us. Even if we sit till seven P.M.—we will assume—it will be three hours. Still, three more hours will be available. That will be on some other day. Now, I only ask the opinion of hon. Members of the House. There is no doubt about my sitting, but I would urge upon hon. Members also to satisfy themselves about not a minute less than eight hours. Even if we go on with this, possibly the last one hour will be for third reading. There may be so much of discussion as many hon. Members have taken a keen interest in this affair. Let us have an idea. Clause by clause discussion may take about three hours.

Shri T. T. Krishnamachari: Two hours.

Mr. Deputy-Speaker: I would urge upon hon. Members to consider this. I do not want to say, this ought not to be said in the consideration stage, this does not arise in the second reading stage, or in the third reading stage and so on. We can take up the clause by clause consideration now. Whatever hon. Members want to say upon those matters, let them say it in the third reading. Evidently, the hon. Minister is unable to be here tomorrow. Now, while the clauses are discussed, he would like to be here and settle the discussion. Let us have three hours now and each Member can speak on these clauses. Let us dispose of the clauses in three hours. After all, we are not settling procedure for all time. Occasionally some contingencies arise when in public interest the Minister has arranged already to go elsewhere. But he would like to see this through. So we can dispose of the clause by clause consideration and the discussion can go on later. I will allow as much latitude in the third reading stage as possible.

I give this assurance and I will also instruct whoever be in the Chair in my absence to see that in a matter of this kind they are not strict. After all, no hon. Member will speak irrelevantly. The only point is, whether it should be at this stage or that stage. I will ignore the stages; both the stages can be rolled into one and later on hon. Members can speak. Let us now get into the clauses.

Shri Punnoose (Alleppey): In the midst of a speech?

Mr. Deputy-Speaker: In the midst of the speech I am not going to close down. Immediately after that let us go into the clauses. Let us hear Mr. Mukerjee.

Shri H. N. Mukerjee (Calcutta North-East): We may have one hour for discussion now and the next two hours for clause by clause.

Mr. Deputy-Speaker: Very well.

Shri K. K. Basu: Three hours in the third reading.

Mr. Deputy-Speaker: The balance of hours in the third reading.

Shri K. K. Basu: As comprehensive as it can be.

Mr. Deputy-Speaker: Shri T. K. Chaudhuri was last on his legs.

Shri T. K. Chaudhuri (Berhampore): I was discussing the proposed legislation for the control of the tea industry and the policy that was being followed by our Government in the background of the fundamental problem of the near-monopolistic domination of our tea industry and tea trade, both internal and external, by British interests. Some Members sitting opposite seemed to give vent to a feeling of impatience as I was reading out from the list of British agency houses who control our tea estates. I was, however, only concerned to urge upon this House and the hon. Minister by reference to indisputable facts and data, not unknown to the hon. Minister himself I believe, that we must take a more serious view of the situation.....

Mr. Deputy-Speaker: He has taken 28 minutes already. I am not shutting out.

Shri T. K. Chaudhuri: I would be as brief as possible. Sir. I have to make one or two points. I am consulting my notes and hurrying through as fast as possible. We must take a more serious view of the situation and must not remain satisfied by merely saying,

as the hon. Minister said the other day, that we have to face the problem squarely and 'recognise the presence of the foreign element in the industry'. He even asked the House not to 'stress' the point because the mere elimination of the foreign element, in his view, did not produce something which was better instead. This, I am afraid, is not facing the problem squarely.

In dealing with tea, we have always to bear in mind that British interests in the Indian tea industry are an integral part of the far-flung economic empire of the great horizontal trusts known as 'agency houses' which still dominate not only tea, they hold a good deal of our jute, coal and engineering industry. They control the major part of our foreign trade and foreign trade finance. They are solidly entrenched in shipping, insurance, imports of tea machinery, tea lining and other accessories of the trade. I was just on the point of mentioning how our tea marketing, both internal and external were controlled by four British firms of Thomas, Carrit and Moran, Creswell and Figgis. Add to this the further fact that London and Mincing Lane, still remain the centre of the world's greatest home consumption and re-sale market, handling about 60 per cent. of the total exports, half of which is from India, and controlling the world tea prices as well as tea prices in India. London still remains the head office of many of the Tea Estate Companies and agency houses which I named the other day. Our policy with regard to tea thus assumes an aspect of what we might call a part of our national strategy against the entrenched power of British finance-capital in this country and outside. It is not merely the question, as the hon. Minister seemed to indicate the other day, of the President of a European Tea Association, one Mr. Hutchison being rather insolent or his successor being very realistic. The real question is whether we are going to formulate our national policy with regard to tea and deal with British vested interests accordingly. I ransacked the 600 and odd pages of the mighty tome which goes by the name of National Plan and I searched in vain for any mention of tea industry there. In that part of the Five Year Plan which is devoted to development plans for industry, tea industry is almost ignored. Yet, the fact remains that tea is our second biggest export industry. Tea provides employment to one million of our working population and tea is also the second biggest foreign exchange earner in our country, accounting for nearly 92 crores of pounds sterling and eleven crores

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of dollars. In view of all these facts it is pertinent to ask of the Government what they are going to do with over-all power of control with which we are going to vest them in terms of the provisions of the present Bill. Their record in the past with regard to tea, particularly in the background of the so-called crisis, through which the tea industry is said to have passed last year, does not inspire any confidence whatsoever.

Let me come back to the policy of the Government in the background of the crisis which is said to have overtaken the industry last year. The hon. Minister has made a reference to the Raja Ram Rao Committee Report in that connection. To my mind there may not be a more unsatisfactory enquiry with regard to any industry conducted so far as the enquiry conducted by the Raja Ram Rao Committee. The Members of the Committee themselves complained that they were not provided with any clearcut terms of reference about the enquiry. A reference to the crisis was made by one hon. Member in this House, our friend Mr. A. K. Basu and thereupon Government instituted this enquiry and I do not know what other directives were given to them. The Committee were only provided with a sort of a Press Note on the basis of which to direct and guide their enquiry. It is not very clear from that Press Note what the purpose of that enquiry was. The subsequent action of the Government, especially with regard to labour and particularly their policy with regard to minimum wages leads one to believe that the main purpose of this official enquiry was to slash down wages as far as possible, on the plea of crisis. But the Members of the Committee were, however, prevented from recommending a direct revision of the minimum wages by the clear terms of the specific assurances that were held out by the hon. Minister himself and his colleague the hon. Finance Minister in the Council of States in this regard. When this question was raised in this House by our friend Mr. Kamakhya Prasad Tripathi, who is unfortunately absent today, the hon. Minister categorically assured him—he has not denied either of ever having given that assurance of course—I would like to quote his own words. The hon. Minister gave a solemn assurance to him and this House and the working classes outside. He said, I am quoting his words:

"I could give him this assurance that neither will the Committee

make recommendations nor will the Government accept them if they are made, which would jeopardise the position of labour, even to the tiniest extent. I can assure Mr. Tripathi that we do not at all intend in any way to make the position of labour worse than what it is."

That was on the 15th July when he made this statement. The hon. Mr. C. D. Deshmukh went further than this in the other House. Not only did he deny any intention on the part of Government to slash down the minimum wages, he even went to the extent of misleading us into the belief that reduction of minimum wages was not a part of the remedy suggested by the industry to the Government. But, as the Report of the official team itself reveals, it was as a matter of fact precisely one of the main demands of the industry before the Government. They came almost with pistol in hand pointed to the Government and said, either reduce the export duty or reduce the minimum wages. The Government were not agreeable to reducing the export duty; they were not willing to subsidise minimum wages or to undergo any sacrifice with regard to their finances. So, it was ultimately labour which had to suffer, but the official team was handicapped in openly making that recommendation against the clear-cut categorical assurances which were held out by the hon. Ministers and they therefore only contented themselves by giving a sort of tip to the industry what to do in the matter. The industry was directed in effect not to bother the Central Government about this matter and go to the States and approach the State Governments under the provisions of the Minimum Wages Act and get the wages reduced. The hon. Minister was perhaps reading—I am not sure whether he was actually reading—but he referred to one of the reports, made by the Secretary about the so-called 'reasonableness' of the leadership of the INTUC in the matter of demands of labour in tea-estates. I cannot speak for that organisation. Our hon. friends, Mr. Harihar Nath Shastri and Mr. Khandubhai Desai will take care of that. But, I am aware of the fact, and I can assert that with all the sense of responsibility that I can command there was at least one gentleman of the INTUC, Mr. K. P. Tripathi, who fought for the cause of labour, in this House and out and fought against the reduction of the threatened minimum wages to the best of his capacity. I am not in a

position to place all the correspondence that he had with the Government and with the hon. the Finance Minister in this matter, but I have had the opportunity of going through that correspondence and I have also had the opportunity of listening to the various speeches that were made by the hon. Ministers at different times on the matter. I am convinced that Government clearly wanted the minimum wages to be reduced, from the very beginning which they brought about in the end in a round about way.

I tried to raise this question in this House in the course of an adjournment motion which you were pleased to rule out owing to technical reasons. But the hon. the Commerce and Industry Minister made a statement with regard to the minimum wages at that time and that statement more or less reveals clearly the mind of the Government with regard to this question. He said in the course of his statement:

"I may also mention that the action taken by these Governments (that is by the Provincial Governments) in terms of the Minimum Wages Act has resulted in arresting the closure of the estates."

In other words it means that the Government at least accepted the contention of the industry that the tea industry in view of the low prices prevailing in the London and Calcutta tea markets, it could not bear the allegedly high wage structure fixed by the Minimum Wages Act and that it was all for the better that the minimum wages were reduced.

Sir, if any evidence were needed of the intentions of Government with regard to this matter and the policy of the Government, I think this is more than enough. I have already stated that I was not able to find any single formulation of our national policy with regard to tea. The importance of tea in our national economy kept on intruding itself on the attention of our Government from time to time. We find a reference to the crisis in the tea industry in the President's Address to the joint session of this House and the other House; we find a reference to this crisis in the Budget speech of the hon. the Finance Minister. We have often heard the hon. Minister himself making a mention of this crisis, but the unfortunate fact remains that this Government never took any care. I charge this Government of having neglected to take any

care or to go into the whole question in a thorough manner. I can only trust him at his word that he would undertake some thorough-going enquiry into the cost structure of the industry and the claims of labour with regard to that industry at some future date.

The crisis has almost passed. It deserves to be enquired whether the sharp reduction in prices last year and the rise in prices since November last was in any measure due to price manipulation by very powerful British interests who dominate the industry and trade in this country and in the London market. That aspect of the matter has never been gone into. Even the official team have expressed—though they did not commit themselves—great doubts and said that it was somewhat inexplicable and the reasons given are not far from doubt. Even a Britisher himself, Sir Percival Griffiths, had occasion to comment adversely about the practices in the London market. These things have to be gone into. We are particularly concerned with the cost structure of the industry and we are not at all satisfied with the policy of Government in this regard. I personally feel that its object is more or less like what it was the other two Acts, the Tea Licensing Act and the Decontrolling Act. But at the same time when now we are going to constitute a Board, while we are entrusting this Government with so large powers, it is pertinent to ask the Government what they are going to do with this power in respect of our second biggest export industry.

Tea may not merit the name of a basic and key industry in the accepted sense of the term. But at the same time if we look at our national economy, no one can under-rate the importance of tea for our national life, for our national trade, for our national well being and for the large volume of employment it provides to our working population. We demand of the Government that they announce their policy full square before the House and let the House know how they would like to build up this industry, how they would like to control and regulate this industry.

Mr. Deputy-Speaker: I will call one representative from Bengal, Assam, and from South India.

I would also suggest to hon. Members when they are speaking they may also speak on any amendments in which they are interested as a part of the general discussion.

Kumari Annie Mascarene (Trivandrum): This Bill is a Bill for public utility regulation—regulating the tea industry. I agree with the principle of the Bill and support the Bill wholeheartedly. This is the first time that Government has interfered in the tea industry by way of regulation. We have seen that industries when they get out of control by misuse of competition, monopoly and profiteering, Government have stepped in, not to take up the industry or nationalise it, but to regulate the production and distribution.

The Tea Bill has emerged from the Select Committee with a few changes, a few touches here and there, displaying a graceful figure, but maintaining the framework and the subtle features intact. Though belated this is a welcome measure. As clause 48 puts it the Central Government can "suspend or relax to a specified extent either indefinitely or for such period.....the operation of all or any of the provisions of this Act" as circumstances demand. This Bill is calculated to control the fluctuations in the international market (where the forces of demand and supply have stabilised the prices) which go against our interest, our production and distribution. During the last fifty years we have been caught twice in the adverse currents and had almost sunk to the very depths. There are provisions in this Bill which, if carried out in the spirit in which they are framed, are bound to remedy the evils and maintain our position, our credit and our dignity in the commercial transactions. It will also help in maintaining an equitable balance between capital and labour, between the quality and quantity of the commodity produced, and in maintaining the balance between demand and supply so as to ensure a fair level of prices.

The interference of Government in this economic activity of the tea industry as initiated by this regulation is justified by the provisions of this Bill, especially clause 2 which declares that such interference or control is "expedient in the public interest." It is with regard to this clause that there had been differences of opinion even among the members of the Congress Party. Tea is an agricultural industry and as such its control is a State subject and the Centre need not have interfered in this matter—that has been the opinion of some of the Members opposite. But I disagree on this.

Shri A. M. Thomas (Ernakulam): Who put forward that opinion?

Kumari Annie Mascarene: Should I mention the name, Sir? Not in the House; I said opinion on the other side; I did not say opinion expressed in the House. For instance, Mr. Thomas himself has a difference of opinion. Even this Mr. Thomas and the other Mr. Thomas have talked to me on the subject.

Shri A. M. Thomas: That the State ought to take up this matter?

Kumari Annie Mascarene: No. As an agricultural industry it should be more a State matter than a matter for Central legislation.

Shri A. M. Thomas: I deny.

Kumari Annie Mascarene: You are not the only Thomas. Why do you doubt? You are a doubting Thomas!

Mr. Deputy-Speaker: Now all are agreed.

Kumari Annie Mascarene: With regard to that question I submit that there are certain legislations which are called intra-State legislations and others which are called inter-State legislations.

An Hon. Member: The question has not been raised in the House.

Kumari Annie Mascarene: I am submitting it, I said. In regard to intra-State legislation the State can control and regulate within the State. But the tea industry cannot be controlled in that manner because in respect of tea the production is within the State, but the distribution is without the State and the consumption is also without the State. Therefore some kind of inter-State legislation is required to control this industry and prevent it from deteriorating.

In this matter we are not the only State that has undertaken legislation to control the industry. It is commonplace in the economic development of other civilised countries like America with its federal regulations of business corporations, anti-trust laws and instruments of control and regulation of prices, etc.; and in Soviet Russia starting with the foreign trade monopoly legislation in 1918 and culminating in the present-day planned economy giving rise to the monopoly of foreign trade; and coming to United Kingdom starting with her free trade policy, going through her Imperial Preference she has blundered into the Anglo-American Trade Agreement of 1938 and today she is striving for economic independence. But we on the other hand had just taken the

matter hot and the hon. Minister for Industry and Commerce had risen equal to the occasion in bringing a legislation of this kind so as to avoid a crisis in our tea industry.

It had been the experience of this industry to thrive during a period of inflation following the war. In normal times this industry had risen in the cost of production, and had fallen in the competition of international trade. At this juncture, I regret to point out, our Trade Commissioners have not risen equal to the occasion in warning the Government as well as the producers in time to resort to measures to stem the tide.

The other day I pointed out to the Minister that part (m) of clause 3, as the Minister had explained, did not refer to Trade Commissions but there is a sentence like "pursuant to any international agreement." What I meant was that with regard to international trade the one person to interfere in this is the Trade Commissioner in London, and if I remember aright he is in the Board also. He has so far not done anything for the tea industry in India. I referred this to the hon. Minister and asked him whether there is any explanation. I submit that there is nothing in this Bill to demand that the Trade Commissioner will resort to any measures regarding our interests in London.

These abnormal conditions are brought about by monopolists and profiteering businessmen. And that is why they are very particular about the question of labour. I agree with the speaker who spoke just before me with regard to the conditions of labour. There is nothing in this Bill with regard to living wages. The clause says that in the constitution of the Board the persons employed in the industry will be there. But we have not got any specific reference to labour, whether they will be blenders or labour in the field or trade union workers as a whole. I wish the Minister to introduce some specific provision so as to ensure that the interests of labour will be safeguarded in this industry.

Clauses 4, 10 and 30 of the Bill remedy the evils. The constitution and functions of the Tea Board with a price level fixed by Government together with the provisions to issue licences will control the development and export of tea. Generally speaking, authoritarian price control is characteristic of war-time economics. But in this case we have resorted to this legislation because of the depression of the trade.

Then, I will come to the industry which is in foreign hands. In my State about 80 per cent. of the tea industry is in European hands. The Kannan Devan Co. is almost a foreign pocket in Travancore. They had renewed their lease during the last two years for another 99 years. That means they are there for more than a century. Compared to the money they have invested, they have reaped much more than their capital and interest. Today they are wielding such influence, political, economic and social, in Travancore that they are becoming more or less a foreign element in Travancore.

Shri Achuthan (Crangannur): What is the social purpose?

Kumari Annie Mascarene: They are getting so many Tamils under their control. The coolies are generally Tamilians and there are lakhs of people who will act according to their European commander and we have seen the results in the last general elections. The duty of the Government is to relieve these foreigners of their economic interests in India and with these few words, I support the Bill.

Shri Sarmah (Goalghat-Jorhat): I welcome the Bill. It has come at a most opportune time, coming as it does in the wake of the recent crisis. The recent crisis or sharp recession of price, or whatever you may call it, was, I maintain, partially man-made and partially due to certain world conditions. It is very much to be desired that our Government would even now, or hereafter at their leisure, would try to research into the causes that led to this sharp recession of price last year. The crisis that came into the industry caused great hardships undoubtedly. We should take a lesson from it. It gave a great shake-up. From this, the owners of the tea gardens, particularly the Indian Section should know that the winter comes and they have to make provision for that. I would also remind our Indian planters that if they could lean on their European colleagues to a very considerable extent till August 1947 because the interests of the European planters and those of our Indians were almost on the same footing. But After 1947, when the Government of India used to reap financial benefit to the tune of round about Rs. ten crores annually and the British Food Ministry had to subsidise their own tea consumers to the extent of about 17 million pounds sterling. Annually, naturally the Britishers looked after their interests and our Indian

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friends found that they can no longer depend on them. Let us hope that Indian owners will learn the lesson and try to arrange matters for themselves.

Then, before the crisis we found that the Government was not mindful of the conditions obtaining in this industry except collecting taxes but when the crisis came, everybody approached the Government for this help and that help and Government found that it cannot, as it did in the past, stand aloof and be an onlooker. The Government were obliged to accept certain commitments. They had to come to the help of the growers by underwriting bank guarantee. But the most critical lesson was learnt by the labourers. They found that at the time of crisis, they can hardly look to anyone except a few INTUC workers.

The other day, when Mr. A. V. Thomas made his opening speech, I was listening to him with attention and I heard as if a typical tea planter from anywhere in India was talking. Mr. Thomas was saying that "when the industry cried for bread, what was given was stone. That was how the industry was treated." If the planters complain like that, I do not know what is left for the labourers to say. I am not a spokesman for the Government. The Commerce and Industry Minister can very well look after himself. I would only say that the hon. Minister for Labour and the hon. Minister for Commerce and Industry gave assurances that there will be no reduction in labour wages. Shri Tridib Kumar Chaudhuri who spoke before me also mentioned this. Hon. Shri Giri stated on the floor of the House that at the tripartite conference held in Calcutta recently, an assurance was given by the employers that they would not disturb the wages, at any rate, without consulting the various interests and without consulting the Government. But here comes the press communiqué from the Assam Government and a similar one from the Bengal Government. A Gazette Extraordinary said:

"There will be no issue of food-stuffs at concessional rates and cash compensation as such in lieu thereof will be payable to workers."

I have to explain a little so that hon. Members who have not studied the position of the labourers in the tea industry may know what it means. Wage in the tea industry is extremely low and even in wartime conditions, the industry was not prepared to pay adequate wage. They came by the

back door to exploit the labourers. Foodstuffs like rice, oil, dal, salt, etc., were given at concessional rates in lieu of increment in cash wage. When the tea prices came down in the market some marginal tea estates at once closed down. Even after the tripartite conference in Calcutta, some gardens were closed down and the Government of Assam and Bengal, presumably with the concurrence of the Government of India, stopped those food concessions which were given as a part of the wage. The effect of this press communiqué was this. The wage of an adult tea labourer including foodstuff concessions comes to approximately Rs. 1-13-0 for males whereas average wage of an ordinary day labourer in these years is round about Rs. 2 and out of this Rs. 1-13-0 per diem, Re. 0-11-0 was knocked out, being the foodstuff concession. And Mr. A. V. Thomas says that in place of food, stone was given.

Now, to enable one to understand and criticise the Bill in a constructive spirit certain features of the tea industry have to be clearly borne in mind. The hon. lady Member who spoke before me appropriately said that it is an industrial agriculture or an agricultural industry. For income-tax purposes, 40 per cent. of the industry is taken as agriculture, and 60 per cent. as industry. Then, it employs a large number of human labour, a considerably large number for the agricultural aspect.

Then again it is to be remembered that 80 per cent. of the industry, roughly speaking, is in the hands of the Europeans. Moreover in this industry, about 50 times of the original capital has been taken back in dividends by the owners of the old big tea estates. Those companies who invested say one lakh—this is by way of illustration—got back Rs. 50 lakhs.

Shri A. V. Thomas (Srivaikuntam): Are you talking from facts or imagination?

Mr. Deputy-Speaker: He is talking from his experience in Assam.

Shri Sarmah: Mr. Thomas is a tea planter and he knows everything from the tea planter's point of view. In all humility I claim to know the industry in all its aspect of land, labour and capital. I happened to be a Member of the Tea Labour Enquiry Committee appointed by the Government of Assam and I was the representative of the Assam Legislative Assembly in the Committee. At one moment when I was drawing out a

balance sheet of the starting company in a particular Tea Estate, unfortunately the Chairman found that the cat is coming out of the bag and the Committee was asked to stop work, soon thereafter the war came. And we were nowhere in the picture. I am prepared to join issue with Mr. Thomas in every aspect of the matter. I am repeating, at the modest estimate, the early owners of the industry, particularly in the Assam zone, the biggest growers of tea, have taken back at least 50 times of their capital. Where one lakh was invested, at least 50 lakhs have been taken back by them. This does not apply to the adventurers who took to the tea industry for quick profit. Some people made huge money overnight during war time and purchased tea gardens at an over-capitalised value. For instance a tea garden worth ten lakhs was purchased for 30 lakhs, by Marwari war profiteers. When the crisis came, they were the first people to close down. In one case a concern consisting of several gardens was purchased for Rs. 90 lakhs by a rich person from Calcutta in 1950 December, I speak from memory about the date. He closed it down leaving about 17,000 labourers overnight on the street. He purchased the garden at an overcapitalised value; when the price recession came, he found that he could not carry on. He had European employees under him. The proprietor carried on his other concerns all right. He shut down five estates within my constituency and 17,000 labourers faced starvation. That is how a section of the Indian tea planters behave in Assam; not all; I refer only to the profit seeking industrial adventurers.

I submit, that although it has been said that the Europeans have a stranglehold over the tea industry—I admit it is so—I am constrained to say that in our part of the country, the European tea planters behave in a way to which, taking everything into consideration, one cannot take much exception. Of course, I yield to none that the entire trade and commerce and industry of the country should be in Indian hands and should be exploited to the advantage of the Indians. We have been under the British rule for a long time. When the Britishers came to Assam, they took the best lands and they are having the industry in their hands. Just as in any other field, we want the entire tea industry of the country also to be in our hands. It may come in course of time. But, at the present moment, perhaps, it will be difficult and we cannot just turn out the non-Indian

interests from tea. This important aspect, which Mr. Venkataraman also brought forward in the Select Committee, taking over this industry received careful consideration. I beg to submit that we should not lightly think of taking over this industry. A huge amount of capital is sunk there. The juice has practically been squeezed out. The trouble and turmoil only is left. If somebody thinks of taking over this industry, he must first think of how to manage and make both ends meet. The agricultural section has perforce to be carried with human labour.

The hon. Minister for Commerce and Industry with great force said the other day that when the crisis came, curiously enough both the planter and labourer combined. The planters said that they would not make any sacrifice. The labourers said that they are unable to make any sacrifice. Everybody sought to place the onus of sacrifice on the Government. Might I not say in the same way that whenever the crisis comes, the Government stands aloof or get away by making airy commitments; the planters can stand aloof by saying, "we cannot run the business because we have not got the money," but the poor labourer is unable to stand because he is poor and is in a perpetual semi-starved condition without any staying power. When crisis was on, it was stated by the Government that the Public Works Department would provide work for thrown out labourers. What did the contractors of the PWD do? Finding that the labourers were at bay, they wanted to employ them at lower wages and give them harder work. The tea garden labourers being unused to that sort of work, could not do it. The contractors had naturally to give up that idea of employing them. That was the position. Thus the poor labourers suffered the worst of the fall in tea price.

As regards the Government, I submit that they can come in to give proper help to the industry. Coal and transport are two matters of vital importance for the manufacture of tea. The landed cost of coal in the pre-war days was Re. 0-12-0 per maund or Rs. 1-2-0 per one and a half maunds. I am talking of Assam zone. Gradually the prices increased and in 1949-50, the price of coal per maund came to Rs. 1-5-0 or Rs. 2-0-0 per one and a half maunds. The present price is Rs. 3-8-0 per maund or Rs. 5-4-0 per one and a half maunds. Government can see that coal is available at a reasonable rate. The price of coal, particularly in the Assam zone has

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risen because coal from Ledo and Margherita is given to the Railways and the tea planters are driven, in the language of a Chairman of the zonal ITA, to the costliest dirt. We hope Government will see its way to help the industry by providing coal at reasonable rates and allowing them to take coal from the local collieries.

Another important aspect is transport. The tea industry, at one time in 1951, in Assam, had to lift rice for labourers by air from Calcutta, and the cost came to Rs. 80 per maund. The tea industry is not allowed nowadays to despatch their tea from Assam and North Bengal area by the shortest or the cheapest route. Tea from a particular station, let us take Banarhat in North Bengal to Calcutta by the all rail route via Maniharighat costs Rs. 2-4-0 per maund; by the all-rail route via Bhagalpur, it costs Rs. 2-10-0 per maund; by the route via Dubri, that is steamer, it costs Rs. 3-1-4. It makes a difference of Re. 0-5-2 via Bhagalpur and Re. 0-12-5 via Dubri, per maund. So, firstly, in respect of coal and then in respect of transport, Government can help the industry and ought to do so in view of the large amount they get as duties and taxes from it.

As regards warehousing, there is tremendous difficulty. When there were bulk purchases from the United Kingdom, tea used to be transported quickly to Britain. Now, bulk purchases from Great Britain having ceased, tea has to be dumped for a considerable time at Calcutta or in other places. There is shortage of warehouses. Due to being exposed to weather on account of this shortage the tea deteriorates in quality and the owners of the tea estates do not get an adequate price. These are the ways in which Government can and should help the industry instead of always looking to the labourers and saying that labourers take the biggest chunk of the total cost of production.

5 P.M.

Several Hon. Members rose—

Mr. Deputy-Speaker: How long will the hon. Minister take?

Shri T. T. Krishnamachari: At the most fifteen minutes.

Mr. Deputy-Speaker: We had allotted one hour for the discussion on the consideration motion. Therefore, I will call the hon. Minister straightaway, and give a chance to the hon. Members who rose now to speak during the clauses. The hon. Minister may begin.

Shri T. T. Krishnamachari: I dealt with this subject at considerable length in my opening speech the other day, and tried to anticipate the arguments that would be put forward against the Bill. I find that the expectations which I had in regard to the pattern that the debate will take have been fulfilled in an ample measure.

My hon. friend Mr. Thomas does not agree with me, but I think my hon. friend Kumari Annie Mascarene was quite right in what she said. I had no expectation that Mr. Thomas would agree. In regard to certain provisions of the Bill, he expressed his dissent to me, and I naturally expected that he would say something about it. He took the line of castigating me for being a little indiscreet in my references to planters generally and to the foreign planters in particular. My hon. friend did not perhaps note what I said. In fact, I sent a copy of my speech to every hon. Member. I thought that Mr. T. K. Chaudhuri's criticism of my speech had more or less answered the points raised by my hon. friend Mr. Thomas. There is no denying the fact that 80 per cent. of the control of the tea industry vests in the hands of foreigners. It may be, as Mr. T. K. Chaudhuri said, that one of them may not be co-operative and another may be co-operative, and this is a fact which I did recognise. Perhaps, the Chairman of the India Tea Association has been friendly. This friendliness may be due to an innate feeling of generosity or to enlightened self-interest. Either way, it does not matter. But the fact remains that these people are here in order to get a return from the tea estates. I recognise—and this is a point which Mr. T. K. Chaudhuri would not recognise—that any violent change is not going to do the tea industry any good. So, if they play fair, I do not propose to disturb them, provided they pay decent wages to labour and pay their taxes all right. They think that they act within the four-corners of the law and do not hinder our arrangements for putting this industry on a sound basis, but I do not see that there is much use in telling them to go away, because I know that if for the time being they actually go away and sell their estates, they will fall into the hands of people who are much less interested in tea than they are, and it would not do the industry any good; nor the labour any good; nor the other people who are employed therein any good. I know that it is a rather difficult business from our point of view to tell a foreign interest

here bluntly what we think of it, but I thought that I have always been fairly blunt. To the extent to which I would ask them to behave and to the extent that I can indicate the amount of support I am prepared to give them, provided they behave,—to that extent, I have no reason to amend my attitude, because I think it is the fairest attitude that I can adopt towards a foreigner, consistent with my obligations towards the country which we as a Government seek to serve.

The hon. Member Mr. Thomas took exception to my criticising the speeches made by the former Chairman of the Tea Association and the present Chairman of the Coffee Board. I do feel still that the language employed, the tone employed, and the facts utilised to buttress their arguments, are neither fair to Government nor are they intrinsically correct. Every citizen in this country can play politics. He can hold any view he likes. He can criticise the Government. He can call it names. That is the inherent right of every Indian citizen. But I do not think that foreigners can afford to usurp that right in this country. I am afraid that they have to respect the Government, and if they do not do so, they will be unwise. I do not think that the support that Mr. Thomas wanted to muster on their behalf is likely to make them realize, or even make them feel more secure than would do normally. After all, their best supporters in this country are the Government, and it is best for them to convince the Government of their utility. It is purely from a utilitarian angle of view that we feel that their presence is good, provided they do not do anything which is unfair.

I do know a little more than what Mr. Thomas does about the machinations of certain individuals in this regard. They are trying to thwart all that I am doing, and I do not want to mention names. But it is a knowledge which I possess and I can share it with him in private but not in public. Therefore, it would probably be better in the interests of the European tea planters themselves to eliminate the troublesome people who are now in India, because they are not going to do them any good. That is a warning that I would like to utter from the floor of this House. I do feel that in the case of foreign interests, I have to use every forum to indicate Government's wishes in this matter, and I think I am perfectly right in doing so.

In regard to the general composition of the Board, Mr. Thomas had something to say. I can only say this. We have felt that in this case it is much better for us to nominate the various interests. Once again, I repeat that I am prepared to ask the respective interests to send me a panel of names, and if they do send me a panel of names every conceivable effort will be made to see that they are accommodated within the limits prescribed by the rules. I can only give this assurance; I cannot give any more assurance. There is no use talking about democracy. Democracy is democracy for the individual adult citizen in this country; it is not democracy for the vested interests. There is no use saying that. A group of individuals join together and form a club or association and pass a resolution. Government ignores that resolution. You at once turn round and say, "You are flouting democracy." There must be some care and caution exercised in using the word "democracy". I receive telegrams every day from every hole and corner association. Whether it is genuine or not, we do not know. The association complains that merely because it has not been consulted and some order has been passed by Government democracy has been flouted. I stopped the import of ring frames for use in the textile mills, because I found that there are enough ring frames in this country made by local factories through local labour and by the use of locally-produced iron. The textile mills write and tell me that this is undemocratic. They say that No. 3 Committee has not been constituted; that they have not been consulted; and that Government are going in an undemocratic way. I cannot understand this. I am a student of politics. I have read politics from the days of the City States in Greece. Democracy always means the will of the people. It does not mean the will of the vested interests and if the latter is the type of democracy under which we have to function, then God—if there be one—help us.

Now, once the Board has been constituted, I do propose to take it seriously. I have withdrawn Government representation. I do not want Government's voting there. The views of the Board must be expressed very clearly. It is our responsibility to accept them or not to accept them. There are certain cases in which we cannot take their advice, particularly in the matter of appointments. We give them a certain freedom in regard to certain appointments. In

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other matters, we do not take their advice. It was pointed out to me: why should the Board be consulted in the matter of export quotas? Now, that is a specialised job. That is what they are there for. They deal with exporters and we have to see that the export quotas are not misused. Naturally, therefore, when any change in the export quotas has to be made, you have to consult the Board. But in regard to normal administration, Government's voice must be final. It has to act quickly, and it has to act on its own responsibility. There is no point in shoving the responsibility on the Board and Government screening themselves behind the Board. That is why I have expressly avoided any consultation with the Board. In former times, during the British rule, the British were the rulers of this country. All these Boards were used as facades to hide the imperialist cloak under which Government was functioning. They gave some power here and there. They would be consulted, but their opinion would never be taken. On the other hand, I do want that these Boards should function as bodies with real power to control the industry, and I do not propose to interfere unless something goes wrong. I do propose also to keep in close touch with the functions of the Board. There are certain matters like appointments in which it is not good for the Board to have its own cadre. It is much better for the Government of India to spare officers of a certain cadre for servicing the Board. I remember there was formerly a Secretary of the Board. He was appointed, I do not know why. He is a good man, but he was found thoroughly inefficient. The losses of the Board were sustained because of the weakness of the Chairman, because of the weakness of the Secretary. All that the fraud that we know runs into lakhs. We do not know about the fraud about which we are unaware. That is because the officer was appointed as a man with a three year tenure. If, on the other hand, the Government of India send a certain officer and he is not found to have done his work properly he can be taken back and another officer can be sent. He has got his pension, he has got his service, he has got his Provident Fund, he has got his career to look forward to and he will certainly behave properly. By having a separate cadre for these bodies, you are really stratifying men who are employed, and I think it is only fair that the Government of India should appoint somebody from here.

So far as the smaller appointments are concerned, appointments between Rs. 350 and Rs. 1500, the Select Committee has indicated very clearly that the rules must indicate that a Member of the Union Public Service Commission or the Provincial Public Service Commission must be associated, so that it will be at least a guarantee of fair play. We are merely trying to provide checks and safeguards, not trying to take away the power of the Board, in order to prevent abuses.

I do not think there is much difference between Mr. Thomas and myself in regard to other matters except in regard to price control. There, I think I will do justice to Mr. Thomas in saying that he has not understood my scheme. I do not think it is any laughing matter. He thinks I am going to control the export price of tea. I am not. If he can sell his tea at a shilling higher in the foreign market, I shall be quite happy and it will put some more money into his pocket; it is also some exchange coming to me. I am not going to interfere in regard to export prices. Supposing there is a war, and we have to control prices, then we will have control, when there is bulk buying as in the last war. In the case of a war there might be bulk buying again and we may say that we supply equally to the belligerent and neutral countries at controlled prices. There is some such possibility. Otherwise, price control is normally intended for internal purposes. They often ask me for price support. If I am to support a minimum wage structure, I must give a price support in regard to internal consumption. It is necessary to use it for the purpose of internal consumption so that I can give price support to production. There is no intention of hampering the freedom of the tea estates to sell and obtain higher prices, but we do hope that so far as internal distribution is concerned, we will have to see if it is necessary, partly when they are asking us to accept responsibility to give a floor price, to put a floor on the prices so far as internal sales are concerned. It is only to help the industry rather than to hinder that I am bringing in this particular provision. Hon. Member will have noted that identical provisions are to be found in the Industries (Development and Regulation) Bill. I can always have recourse to the supply of Essential Goods Act, but I do not propose to use it against this industry. Hon. Member may take this assurance.

Mr. Basu spoke for the small gardens, and I myself said it is a

matter to which I am applying my mind, and I do think that ought to satisfy Mr. Basu. Mr. Chaudhuri was contrary to his usual habit of balance, and his speech today was a little more vehement than usual. I do not blame him. He represents a point of view, and he feels that labour has not been supported in this particular matter. Nobody who heard or read my speech could say that I myself felt differently, but he wants to lay the blame at the door of Government which I refuse to accept. I do maintain that I have mentioned here on the floor of this House that the Raja Ram Rao Committee will not recommend any reduction in wage and the Central Government are not inclined to recommend any reduction in the minimum wages. I still hold that view. My colleague the Finance Minister still holds that view. But if incidentally somewhere when describing a particular condition, you say what the local Governments have done seems to have produced some kind of confidence and estates have reopened, there is no use connecting two unrelated facts together and saying: "You said so-and-so the other day. Now you approve of the action of the local Government. So you are the person to blame". As a syllogism it is very imperfect. If he writes it down, he will find it is a failure as a syllogism I am sure he has studied logic, and he will find it is a badly constructed syllogism. I refuse to accept any responsibility and even countenancing or approving any reduction in the wages for labour which cannot afford any reduction, though, I do maintain, that sometimes, in the matter of negotiation, we probably have not taken advantage of the proper occasion for negotiation.

I do not propose to deal further with what he said because essentially I do not think we differ, but if he wants to blame me, let him, only I would repeat with all the emphasis at my command that he is wrong in attempting to blame the Central Government; he is wrong in even indicting the Central Government of having made a promise which they have not kept.

My friend Kumari Annie Mascarene has given a very welcome support to the Bill, and she has more or less highlighted some of the points that I have mentioned in support of the Bill. I am grateful to her. The point really is it is a very practical speech that she made, and we cannot run away from practical obstacles that stand in our way. She is quite right

in pointing out that certain of these tea plantations are almost an imperium in imperio. The Kanan Devan Hills Produce Co., in Travancore-Cochin practically dominate the economy of that particular area, the Munnar, and wherever you go you will find a lorry belonging to the Kanan Devan Hills Produce Co. They practically dominate the town there. And it is a fact that it is one of the big concerns, one of the big cartels—a cartel unfortunately not Indian—and all that she said is perfectly true.

Shri Matthen (Thiruvellah): But they play the game all right.

Shri T. T. Krishnamachari: A foreigner has to exhibit enlightened self-interest if he wants to remain in this country. If he does not play the game, he has no right even to stay for one day more. That is not a virtue, but it is because he knows his position. And I do want them to know that position and behave properly, and so long as they behave properly, I have no quarrel with them. But the facts cannot altogether be ignored.

Mr. Sarmah from Assam was very moderate in his criticism, such as he has to mention, but generally he gave support to the Bill, and I am also grateful to him.

I finally mention this. I do not say that this is going to be a *Magna Carta* for the underprivileged in the tea industry. It is not. I do not think I have got that ingenuity to devise a *Magna Carta*, but I do believe that this changes the trend and reverses the gear, and makes Government more directly interested in the tea industry. Government has taken certain powers which they must exercise, and we do hope, with the co-operation of all Members concerned, whatever their views may be on this particular Bill, we would be able to build up our Tea industry on a sounder footing so that we can take the shocks and cyclical changes in prices better than we have done in the last year. And I repeat once again there was 20 years of prosperity in the industry and one year or two years of adversity came and they could not bear it. It shows you cannot leave the industry to its own devices. Somebody has to interfere. I do hope that Government would have the wisdom to act correctly in this matter, to see it uses this particular Bill as an instrument for development of the industry so that all concerned, the national Exchequer, the national wealth,

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and those who are employed in the tea gardens will all benefit therefrom.

Mr. Deputy-Speaker: The question is:

"That the Bill to provide for the control by the Union of the tea industry, and for that purpose to establish a Tea Board and levy a customs duty on tea exported from India, as reported by the Select Committee, be taken into consideration."

The motion was adopted.

Clause 2.— (Declaration as to expediency of control by the Union)

Mr. Deputy-Speaker: Clause 2, amendments—Mr. Punnoose.

Shri Punnoose: Shall I move it now or speak on it?

Mr. Deputy-Speaker: There is only one amendment. He may speak on the clause and the amendment.

Shri Punnoose: I beg to move:

In page 1, line 14, for "take under its control" substitute "develop and regulate".

Clause 2 is 'Declaration as to expediency of control by the Union'. In order to make my position clear, it is necessary to make certain general observations. The declaration to control the tea industry by the Government of the Union is most welcome. In our opinion, it is not only a matter of control, but we want much more. The Central Government has to be in charge of the industry in order to develop the industry and also to re-organise it and make it a national asset. I have spoken these words carefully because, to my mind, in spite of the fact that the tea industry earns for us a great amount of foreign exchange, second only to jute, and the industry plays a definite role in our economy, I very much doubt whether this industry, with its record up to date, has been a national asset.

The hon. Member, Mr. A. V. Thomas from the other side spoke yesterday. I have great personal respect for Mr. Thomas. The remarkable success that he has achieved in this enterprise is something which goes to his credit. But when he spoke the other day, I was really surprised. He said: 'Why should Government intervene? Why should Government interfere? Leave the labour to us. It is our look out.' That was a very astounding statement to be made on the floor of this House in 1953. Even in countries where monopoly capital rules the roost, they do

not speak in that strain. That strain has been changed all over the world, but that a man of his realism should speak in that strain has been rather surprising to me.

Shri A. V. Thomas: What I really meant was to leave it to the industrialists and to the labour leaders (if I did not make myself clear).

Shri Punnoose: What he really means or for that matter any industrialist might mean is not to be judged by their words, but by their deeds. This industry, both foreign and national, has got a record. They cannot hide it.

Mr. Matthen, hon. Member from the other side, was interrupting the hon. Minister and saying that they had played their game—referring to the Kannan Devan Company.

Shri Matthen: Yes.

Shri Punnoose: What game does he mean? Does he mean that they have earned a lot of income? Does he mean that they have earned more than their investment and its interest? The Kannan Devan Company, to which reference was made by my friend, Kumari Annie Mascarene, has in its possession 215 square miles of the area of the Travancore State. This means one out of every 36 acres of Travancore belongs to that company. Today you can see there, big estates, magnificent buildings etc. They have got their own electrical establishment, powerful machinery etc. But a gentleman who now speaks in praise of this company's achievements must know that it is of the life-blood of our people.

In our parts there is a saying—I have heard it in my boyhood. When people go bad when young men become spendthrifts, lead a bad life, i.e. when they are on the way to ruin, old people would say: 'He is going to Medu'. 'Medu' means hills: Hills means the High Ranges where the estates are, because the way to Hills, the life in the Estates was synonymous to a life of ruin. Malaria took a heavy toll, and there was nothing that could be called human conditions of life. Even today they have got a separate domain of their own. And after all this experience, to say that these British Capital should be allowed to go scot-free and be given a certificate of merit on the floor of this House, is something really not only surprising but a little painful.

also. It is time that we take account of our investment, the investment of the Indian people, in this industry. It employs very easily a million workers. Actually the labour population is much more, because all Enquiry Committee reports say in the estates there is nearly 50 per cent. more than the working people because they have moved from their own villages, 40, 50 or 200 miles away and stay with their kith and kin in the estates. With the result that we are dealing with a big investment, from the point of view of the nation, because the nation has in view the interests of these two million people in the industry.

Then there is the crucial importance of this particular industry with regard to the States. In Assam one out of every ten people is in somewhat connected with the industry. In Travancore-Cochin, though very often it is being forgotten by the hon. Ministers whenever they speak here, it is a very important industry in our national life. The hon. the Finance Minister was making some reference to the tea industry in his Budget speech. I found then also that Travancore-Cochin was left out. As a matter of fact, our State has the fourth largest acreage under tea cultivation; from the point of view of production as well as the number of workers engaged, we stand third; and when Malabar also is included and the Kerala of our dream comes into being, our position will become much stronger. Therefore, this question of the tea industry has to be tackled with particular care as to the role it plays in the economy of the particular State.

Then, with regard to the British interests, I was listening to the very carefully-worded—at the same time, hard words—speech of the Minister for Commerce and Industry the other day. I wondered how he could give expression to such hard words and at the same time, look very calm. Well today also he was speaking—rather stiff to the British owners. But, without any disrespect to his person, I am inclined not to take those words at their face value. Because his Government has got an industrial policy with a history of five or six years. When the Congress people were organising the country and mobilising the masses, it had an industrial policy; it used to shout against the British capital. But you will see that consistently that stand has been watered down. That attitude of hostility has been mitigated

slowly. First it became one of neutrality, then it became an attitude of toleration, then it developed into an attitude of invitation and today, they are in perfect love! Therefore, when the Minister of Commerce and Industry stands up and says that he is going to have some stiff attitude to the British capitalists. I am rather sceptical about it.

I am a little more amused when the Minister says that we suffer all this exploitation, we allow the President of a particular European Association of Planters a gentleman from Europe, to abuse us because we are democrats. It was reminiscent of Shylock's famous words: 'Suffrage is the badge of our tribe'. The hon. Minister wants us to believe that suffrage is the badge of his democratic tribe. It seems democracy has to be redefined. If it was the intention of the Congress Party and the Congress Government to implement the democratic desire of the people of this country, I am quite sure they should have taken charge of this industry in which foreign elements have been working ruin and havoc on the people. Having given them all the latitude, now they come to a stage when they themselves have to complain at times.

Now, looking at the Bill as a whole, I do not think there is any intention of controlling the industry or protecting it from the onslaught of British monopoly. This industry, at every stage, is controlled and managed by foreigners; be it at the cultivation stage, or the manufacturing stage or the export stage. At every stage, big foreign capital controls it. Therefore, simply to say that we are going to control it from tomorrow is only to express a desire; you cannot tackle the question in that way. If the hon. Minister says that he is going to bargain hard with the foreign interests I can understand it. Now, what they are doing is, they are going to strike a bargain with the British elements, because he has found out a rather reasonable gentleman in the new President. They have met and they have begun to love each other. It is an instance of love at first sight. They have already compromised. What was the quarrel between the Government and the European planters? The other day, the Minister was saying that labour leaders have been letting down the interests of labour. The fact was that the British industrialists definitely wanted and they persistently demanded that the export duty on tea should be lifted. Government knows where the shoe pinches. They

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opposed it and we winked at the other end. They said let us unite together and deprive the worker of his meagre rights. It came to that. Of course, promises were given on the floor of this House and in statements but they were forgotten and, at the last moment, 20 to 25 per cent. of the wages of the worker has been reduced. Even at this moment, when we discuss the Bill here, in our high ranges in Travancore-Cochin, ordinary normal trade union activity has been banned—not by a written law but by an unwritten law. They would not allow Trade Union workers to enter the estates. They will set up goonda organisations to beat up the workers who take part in union activity. The Police and other local officers are there at their beck and call. Today we are discussing a Bill by which, we are told, we are going to give greater facilities and amenities to the workers. The fact is, if we want to control this industry, you have to take a very definite stand and you cannot play with it. If these foreign elements have invested money in this land, they have taken much more than their due. Is it not time for us to say that we will take charge of this industry in which so much of our human resources have been invested? Are the Government prepared to take that definite attitude, is the question? If this Government is not prepared to take it, some Government at some date will have to take up that position, without which we cannot have any change in the condition in which we are finding ourselves today. This does not mean that I do not attach any importance to the Bill. The Bill is important because it is the result of certain forces that have been working for long years past. Though still not completely united, though to a certain extent torn by internal disunity, still the working classes in the estates are slowly and steadily coming to their own. Secondly, public opinion in this country has been reacting in a way that has induced the Government to take up this position. In our parts it was a definite slogan of the masses, 'nationalise the Kanan Devon Company'. That was one of the definite objectives of the national movement, so that in 1946, on the eve of the first General Election in our State, I remember an occasion when somebody from the audience at a Congress meeting stood up and asked a Congress leader, 'Suppose you take up the reins of Government, will you nationalise the Kanan Devon Company?' He replied: Not only will the Kanan Devon

Company be nationalised, but the Krishnan Devon Company will also be nationalised. But the fact is that not only the Kanan Devon Company, but the Krishnan Devon Company and the Rama Devon Company are all remaining as of old. Public opinion has been clear and definite. The voice of organised labour, the strength of public opinion and all other forces have influenced in bringing this Bill, in the shaping of this Bill. Therefore, we look upon it as an important piece of legislation and we are prepared to support it as far as it goes.

There is the question of the Indian industrialists. With regard to the Indian industrialists, I am afraid, I have to point out one thing. We should expect from the Indian industrialists, our own nationals, who come into this industry, something more than merely making a profit. At the present moment, their record is not very enviable. If Mr. Thomas or anybody would go and sound the opinion of the general masses of workers, he will hear, as I have heard them very often saying, 'after all the Europeans were better' because, the Indian industrialists, born in conditions of colonial slavery, while looking up with jealousy to their British counterparts view with trembling the movement of the workers. These men with feudal bias are sometimes harder to deal with than the British. That attitude has to be changed and the Indian tea planters must take an attitude that would be conducive to the development of this industry in the interests of the nation. They must realise that their future lies in their capacity to mobilise the Indian opinion in their favour. That is what I want to impress upon the Indian industrialists who are today talking of this Bill.

There is the question of marginal and sub-marginal gardens. The Government Report, I mean the Raja Ram Rao Committee report, says that every estate which is at least of 300 acres is economic. If there are Indian estates whose acreage is less than that—and in our State there are many such—Government have to be particularly careful to keep them going. Their difficulty is in the matter of capital. They do not get cheap capital as the big British interests do. Government may have to help them with subsidies to reorganise their business.

Another particular handicap is that even though this industry is hundred years old, there are very few Indian manufacturing experts. I am told that there is not even one Indian who has

learnt whole of the manufacturing side. It has been kept a closed secret. In order to develop this industry on a national scale and national footing, we want several of our people to have a full knowledge of the technique of manufacture. In this line if the British do not help us, we can take the aid of Ceylon and other countries and get the personnel necessary for it.

Another wrong policy that Indian industrialists have been following in the past is that they have failed to build up the necessary reserve. It is a fact that has to be reckoned with and under this measure Government has the power, and Government will have the obligation to make them do this.

Then, I come to the question of exports. We know that 80 per cent. of our tea is exported to the U.K. Looking into the figures published in the Journal of Industry and Commerce which gives the figures of exports from 1947 to 1953, we find that at one time in 1948-49 the total quantity of tea exported was 450.66 million pounds. There we find the names of USSR, Turkey and other countries. But when we come to 1951-52 we find that more and more has been sent to U.K. and our other markets have been shrinking. Both the Raja Rain Rao Committee as well as other reports say that we can expand our markets in Egypt, Iran, USSR and other countries. But the hold of British capital on this industry has been working in a way fatal to our export trade. Then there is the question of labour as well.

Mr. Deputy-Speaker: The hon. Member is speaking on the entire Bill on an amendment to a particular clause.

Shri Punnoose: May I remind you of the promise you made?

Mr. Deputy-Speaker: If the clauses get through today he can speak generally on all these matters tomorrow. There will be three hours for that. I do not mean that he should start again from where he started today, if gets a chance. I shall now put this clause. I also find that his amendment is out of order for the reason that either as an industry or as agriculture it is a State subject under item 52 of the Seventh Schedule in the Union List. When it is declared that it is expedient to take it under control can the Central Government legislate?

Shri K. K. Basu: The words used are "the control of which by the Union is declared by Parliament by law." This is the law of Parliament.

Mr. Deputy-Speaker: This is exactly what is copied in clause 2. Unless there is such a declaration we have no right to legislate. The hon. Member by his amendment is trying to strike at the very root of this Bill by not allowing a declaration to be made that control is necessary.

Shri K. K. Basu: Here we are discussing a law to be enacted by Parliament. Parliament in its wisdom decides that this is an industry which is to be regulated and developed. It is not that we are going to have separate legislation for this.

Mr. Deputy-Speaker: First of all Parliament must make up its mind and declare that this is a subject which they should take under their control. What is the kind of control is another matter which can be regulated later on. Therefore to interfere with this clause is to strike at the root of our jurisdiction.

Anyhow what has the hon. Minister to say?

Shri T. T. Krishnamachari: The Chair's stand is quite right. I have no option at all except to use the words of item 52 of List 1 of Seventh Schedule. I cannot use any other words.

Mr. Deputy-Speaker: Is he in favour of this amendment?

Shri Punnoose: I have not finished.

Shri Damodara Menon (Kozhikode): Mr. Punnoose was going into a general discussion. Am I to understand that such a kind of general discussion will be allowed at the third reading tomorrow?

Mr. Deputy-Speaker: Yes.

Shri Punnoose: Sir, I have only one point to say. When Government take control of this industry they should take responsibility for the labour as well. The history in the past is that the Central Government through its Ministers make certain statements of good intention regarding labour. Then the State Governments begin playing their own part with the result that labour goes empty-handed. If the Central Government take control of the tea industry, they must naturally and logically take the responsibility towards labour also. We should not allow the Minimum Wages Act, the Plantation Labour Act, etc., to be handed by the State Governments in the way in which they are doing. So far as my State is concerned, I can say that neither of these Acts is being

[**Shri Punnoose]**

implemented there. The implementation of the Minimum Wages Act is in a state of consultation between the management and Government. We shall make such amendments in this Bill that will empower the Government of India to discharge its responsibility to labour.

Mr. Deputy-Speaker: Amendment moved:

In page 1, line 14 for "take under its control" substitute "develop and regulate".

Shri T. T. Krishnamachari: There is nothing for me to say. The hon. Member touched upon the question of labour. He forgets that labour happens to be in the Concurrent List. We cannot by any declaration prevent a State from interfering. They are there on the spot. All that we can do in regard to a subject on the Concurrent List is that we can legislate. The executive power is still vested in the State Government. The mere fact that we put in a provision here would not give us that power, because, the Constitution is paramount.

Mr. Deputy-Speaker: Whenever any particular legislation regarding an item in the Concurrent List is not satisfactory, hon. Members can come to this House and get legislation passed which will have the effect of superseding that legislation.

The question is:

In page 1, line 14, for "take under its control" substitute "develop and regulate".

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.

Clause 3.—(Definitions)

Shri T. T. Krishnamachari: I beg to move:

In page 2, lines 25 and 27, for "Theasinensis" substitute "Camellia Sinensis (L.) O. Kuntze".

The real point is—I am not an expert—we had some difficulty in regard to the definition of 'tea' even

in the Select Committee and we ultimately came to the definition that is now used. But I am advised by the Agricultural Commissioner, Dr. Uppal that the botanical name for Indian tea plant in vogue is *Camellia Sinensis*. That is Latin. *Theasinensis* is the Chinese tea. And this term has been used in the latest International Tea Agreement. He therefore suggested that this term might be substituted for *Theasinensis*. I felt that there would be no serious objection to calling tea by any name so long as it is tea.

Mr. Deputy-Speaker: Why should it not be called by both the names, alias such and such?

Shri T. T. Krishnamachari: *Theasinensis* is used for Chinese tea which is the original tea. The botanical name for the Indian variety, I am advised, is *Camellia Sinensis*.

Mr. Deputy-Speaker: Therefore to avoid escape from the one to the other...

Shri T. T. Krishnamachari: And in the International Tea Agreement so far as tea is concerned—because Chinese tea does not figure in it—the term *Camellia Sinensis* has been used. I am therefore advised that this term might be used.

Dr. M. M. Das: On a point of clarification. May I know why in the definition of 'tea seed' in the next part (o) the same thing is not used?

Shri T. T. Krishnamachari: I am very grateful to the hon. Member for pointing this out. I should like to include that also.

Mr. Deputy-Speaker: Wherever it occurs.

Shri T. T. Krishnamachari: With your permission, Sir, I shall modify the amendment as follows:

In page 2, lines 25, 27 and 29, for "Theasinensis" substitute "Camellia Sinensis (L.) O. Kuntze".

Shri U. M. Trivedi (Chittor) rose—

Mr. Deputy-Speaker: Does he want to speak on the Bill?

Shri U. M. Trivedi: Not on the Bill, on this amendment.

Mr. Deputy-Speaker: Very well. Amendment moved:

In page 2, lines 25, 27 and 29, for "Theasinensis" substitute "Camellia Sinensis (L.) O. Kuntze".

Shri U. M. Trivedi: The difficulty is this that whoever advised the hon. Minister must have either forgotten his botany or knew very little of it. The name Theasinensis is a name originally given in the year 1753 by a wrong analysis of the genus. It was later on thought that Thea was merely the species and the genus was Camellia, and when the genus was developed it was called Camellia Thea. It was further found that that also would not fit in, and it was found that we had in India two different varieties known as Viridis and Bohea. The third is Stricta. The names would be Camellia Thea Viridis, Camellia Thea Bohea and Camellia Thea Stricta. I do not know who gave this advice of putting the name of Camellia Sinensis. Perhaps the hon. Minister does not know the significance of the letter 'L' put there. That stands for Linnaeus, the botanical author who gave his name to Camellia Sinensis, and there was the German author O. Kuntze. All these things have been put together unnecessarily with the result that we will look ridiculous and people who know botany will laugh at us. He must consult proper people. I have studied botany 24 years ago. I do not remember all this now. But I am giving ~~any~~ indication. But whatever I have told him is a patent fact, not that it contains anything wrong, but there may be something more than what I have said. He must consult the proper people and put the correct name at least for the sake of showing to the world at large that we Members of Parliament are not mere ignoramuses and know these things well. Under these circumstances I would request him to consider the name carefully before he suggests it. If he wants to stick to the two varieties which are known as black tea and green tea, they are Camellia Thea Viridis and Camellia Thea Bohea, and, if you want to add the third one also, Camellia Thea Stricta. But then he cannot substitute it by the name Camellia Sinensis. Camellia Sinensis is no indication of any particular variety of tea. It is the general name which is given to the genus. Sinensis is not a species. It is the general indicative term for the genus. The species is different. Apart from this.....

Mr. Deputy-Speaker: This seems to be in the Agreement. If it is different from whatever name is given in the International Trade Agreement, they will not purchase!

Shri U. M. Trivedi: I do not know. The Minister has not indicated this, that he has borrowed this from the International Trade Agreement. If a mistake has been made, let us continue it. But we are learned enough to see that this is not the term.

The next point I want to point out in clause 3 is this. I do not know what is the meaning of this definition 'owner' in part (k). 'Owner' with reference to a tea estate or garden or a sub-division thereof the possession of which has been transferred by lease, mortgage or otherwise, means the transferee so long as his right to possession subsists. This is the definition given in (k) (i). I have read both (i) and (ii). I find that the real owner is no longer the owner and under this it means, that when a man transfers or leases it out the man to whom it is transferred or leased, out becomes an owner. This is a wonderful definition! The owner or proprietor of the tea estate is not the owner! But if he transfers it or leases it out to somebody, the other man becomes an owner! Why? The man who owns the estate is also an owner!

Mr. Deputy-Speaker: The hon. Member forgets that under item (i) of part (k), in the case of lease, where a lease has been effected, the lessee mortgagee or the other person in possession will be treated as owner.

Shri U. M. Trivedi: What this (k) (i) says is that only one who has got the proprietorship transferred by lease, mortgage or otherwise is an owner.

Mr. Deputy-Speaker: What it says is "with reference to a tea estate or garden or a sub-division thereof the possession of which has been transferred by lease, mortgage or otherwise"—that is a condition precedent. If there is already a lease, the lessee (and not the man who sits at home and has transferred it by lease) that is, the man actually enjoying the lease, will be the owner.

Shri U. M. Trivedi: There might still be owners having their own estates, proprietors.

Mr. Deputy-Speaker: Owner is always an owner. If he has transferred it by way of mortgage or lease, there is no good looking to the owner who sits at home.

Shri T. T. Krishnamachari: Sir, both in the Tea Licensing Act and the

[Shri T. T. Krishnamachari]

original Tea Control Act this has been the definition.

Mr. Deputy-Speaker: The lessee or the mortgagee will be treated to be the owner.

Pandit Thakur Das Bhargava (Gur-
gaon): Agents also became owners under definition (k) (ii).

Shri U. M. Trivedi: Sir, what has fallen from your mouth is very wise. But what has been stated here is an exclusive term. If you say an "owner" should also include this, that is different.

Mr. Deputy-Speaker: It is all right. "Owner" means a lessee or mortgagee.

Shri U. M. Trivedi: It does not mean the owner? I must respectfully submit...

Pandit Thakur Das Bhargava: With reference to certain things an agent is an "owner".

Shri U. M. Trivedi: Sir, my friend is a learned lawyer. I know it. But let me tell him that we, small fry, also can give some indication.

Mr. Deputy-Speaker: Nobody disputes. Small fry can do much more work than a big fry!

Shri U. M. Trivedi: If you want to describe an owner do not give this definition. You can have it like this, that "owner" shall also include these.

Mr. Deputy-Speaker: That is another matter.

Shri U. M. Trivedi: Here you have dropped the owner absolutely and only these people are owners. Because of the definition only the transferee or the lessee shall be an "owner". Under (k) (ii) if an agent is employed, he shall be an "owner". That is all right.

Mr. Deputy-Speaker: Who is an "owner" with respect to an estate which has been leased?

Shri T. T. Krishnamachari: May I submit, Sir, that there is no amendment before the House?

Mr. Deputy-Speaker: The hon. Member can always exercise his right to speak on the clause.

Shri T. T. Krishnamachari: As I said, identical definitions were used in the original Act, the Tea Licensing Act and the Tea Control Act

6 P.M.

Shri U. M. Trivedi: I did not mean to say that the Minister did not look into it. I say that by some circumstances you have escaped the definition

'owner' and you have defined it in such a manner that you have excluded the real owner and only the lessee or the sub-lessee becomes the owner. It is possible—I agree with Mr. Damodaran—that what I am saying may be quite wrong but I would ask him to read it again. Where is the owner, the real owner, whosoever owns this. The learned Chair agreed with it, the Minister agrees with it but I do not find it here. Whenever there is an exclusive Act it always excludes all other definitions of ownership and the Transfer of Property Act could not be of any use to us. Therefore, I submit that in this case either a new clause may be added that an owner means an owner and shall also mean these.....

Dr. M. M. Das rose—

Mr. Deputy-Speaker: Does the hon. Member want to speak on the amendment? Owner need not be defined.

Dr. M. M. Das: I want to speak on the definition.

Mr. Deputy-Speaker: Is it necessary to speak on the amendment?

Dr. M. M. Das: It is only a clarification. I find that the definition of the word 'tea' has been changed a little in the report of the Select Committee and the words "excluding tea waste" have been omitted. It is a serious omission. There is a line of demarcation between 'tea' and 'tea waste'. Unless both the terms are defined properly, it will be very difficult to collect export duty, because we export both tea and tea waste but the definition of tea is there. We did not define tea waste. I do not know what is the exact purpose of the Select Committee in omitting these three words "excluding tea waste".

Shri T. T. Krishnamachari: In regard to this definition, I am sorry I had not included both (n) and (o) in my amendment. The amendment may be modified as I have already indicated.

In regard to the comment made by Mr. Trivedi, I admit I am not a botanist. In fact I have done various things in my life. It is one of the things which I have not been able to do but I am afraid I must depend upon some expert that we have. Maybe he may not be as clever a botanist as my hon. friend would expect but the Agricultural Commissioner, Dr. Uppal, has botanical qualifications. I am afraid we must depend upon his advice because it is the only advice that Government can have. If Government looks small because of any mistake:

that we make on this account. I am afraid I have to take the responsibility.

In regard to the exclusion of tea waste, this is one of the matters on which the Select Committee did bestow a lot of time and attention and we had the benefit of the advice of the excise authorities also. After considering all the pros and cons we felt that the exclusion of it will serve the purpose better than inclusion of it which will cause a sort of confusion and the elimination of the words "tea waste" has been done advisedly and not merely from the point of view of the elegance of language. I am satisfied that the administration would not be very difficult because of the elimination of these words.

Pandit Thakurdas Bhargava: May I suggest that we wait so far as the definition is concerned. It is not dignified for us to agree to a definition of which we are not sure. We are not sure whether this is accurate or not. By tomorrow the Minister may find out this.

Shri T. T. Krishnamachari: There is no point in this. Even tomorrow I will have to come and repeat the same thing. I am not going around to ask somebody else about the correct definition. I have asked the Agricultural Commissioner and he is a qualified man. I must depend upon his word. I do not propose to go round and ask somebody else about this. This is the word we have used in the International Tea Agreement and I am confident that will be all right.

Mr. Deputy-Speaker: The question is: In page 2, lines 25, 27 and 29, for "Theasinensis" substitute "Camellia Sinensis (L.) O. Kuntze".

The motion was adopted.

Mr. Deputy-Speaker: The question is:

"That clause 3, as amended, stand part of the Bill."

The motion was adopted.

Clause 3, as amended, was added to the Bill

Clause 4.- (Establishment and Constitution of the Tea Board)

Shri A. M. Thomas: I beg to move:

In page 2 for lines 41 to 43, and in page 3, for lines 1 to 22, substitute:

"(3) The Board shall consist of a Chairman nominated by the Central Government and the following members not exceeding forty.—

- (a) five persons from Assam to be nominated by such bodies and in such manner as may be prescribed;
- (b) three persons from West Bengal to be nominated by such bodies and in such manner as may be prescribed;
- (c) two persons from Madras to be nominated by such bodies and in such manner as may be prescribed;
- (d) two persons from Travancore-Cochin to be nominated by such bodies and in such manner as may be prescribed;
- (e) two persons from the House of the People to be elected by the members of that House in such manner as may be prescribed;
- (f) one person from the Council of States to be elected by the members of that House in such manner as may be prescribed.
- (g) one each, from each of the States of Assam, Tripura, West Bengal, Madras, Travancore-Cochin, Mysore, Uttar Pradesh and East Punjab to be nominated by the respective State Government;
- (h) four officials to be nominated by the Central Government; and
- (i) such other persons to be nominated by Central Government which in its opinion will represent labourers, manufacturers of tea, dealers including both exporters and internal traders of tea and consumers.

(4) Every nomination shall be notified in the official gazette; and the notification shall specify the term, not exceeding three years, for which the members shall hold office and the date from which such terms shall commence.

(5) When the term of office of a member expires or is about to expire by efflux of time, or when a member dies, resigns, is removed, ceases to reside in India, or becomes incapable of acting, the body or Government which nominated him may nominate a person to fill the vacancy which has arisen or is about to arise as the case may be.

[**Shri A. M. Thomas**]

(6) If any body, or any Government other than the Central Government fails to make any nomination which it is entitled to make under sub-section (3) the Central Government may itself make the nomination and any person so nominated shall, for all the purposes of the Act, be deemed to have been nominated by the body or Government concerned."

Shri C. R. Chowdary (Narasaraopet): I beg to move:

In page 3, line 1, after "who are" insert "citizens of India and".

Shri T. K. Chaudhuri: I beg to move:

(i) In page 3, line 3, after "owners of" insert "Indian owned"

(ii) In page 3, line 3, after "gardens and" insert "Indian".

Shri K. K. Basu: I beg to move:

In page 3, line 3, add at the end:

"provided that the proportion of Indian owner to the European shall be 3: 1."

Shri T. K. Chaudhuri: I beg to move:

In page 3, for line 4, substitute:

"(b) workers employed in tea estates and gardens and organised under the four central trade union organisations viz., the All India Trade Union Congress, Indian National Trade Union Congress, Hind Mazdoor Sabha and the United Trade Union Congress."

Shri H. N. Mukerjee: I beg to move:

In page 3, line 4, after "gardens" add:

"including at least one representative each nominated by the four principal all-India Organisations of the working class, viz., the All India Trade Union Congress, the Indian National Trade Union Congress, the Hind Mazdoor Sabha and the United Trade Union Congress."

Shri K. K. Basu: I beg to move:

(i) In page 3, line 4, add at the end:

"including the labour and other employees whose number should be proportionate."

(ii) In page 3, line 5, add at the end:

"and the labour working in the manufacturing process."

Shri H. N. Mukerjee: I beg to move:

In page 3, line 6, after "internal traders" insert "including small traders".

Shri T. K. Chaudhuri: I beg to move:

In page 3, line 6, after "tea" add "including small traders".

Shri K. K. Basu: I beg to move:

(i) In page 3, line 10, add at the end:

"to be elected by the Legislature of such State."

(ii) In page 3, after line 14, insert:

"Provided that the number of representative of labour and employee should be equal to the number of representative of manufacturer, owner and dealers."

Shri Damodara Menon: I beg to move:

In page 3, after line 19, add:

"Provided that—

(a) the number of persons appointed to represent owners of tea estates, gardens and growers of tea shall not exceed the number of persons appointed to represent persons employed in tea estates and gardens;

(b) adequate representation is given to owners of small-sized tea estates and gardens."

Mr. Deputy-Speaker: All these amendments are now placed before the House for discussion. Any hon. Member who has not spoken yet may speak.

Shri A. M. Thomas: I have moved an amendment. Those hon. Members who have gone through the present Bill will at once realise that the amendment is more or less on the lines of the section now existing with regard to the constitution of the Board with some minor modifications. I owe a duty to the House to explain the stand that I have taken in the amendment that I have moved now. I can view the subject under discussion with a detachment which perhaps may not be available to my hon. friend and my namesake, Mr. A. V. Thomas. I do not own any tea garden or for that matter any other plantation. I have got no interest in any company which owns any tea plantation. I have therefore no personal interest except the interest which I share with other Members of this House and especially the interest as a representative of the State which has 81,600 acres of tea garden out of 782,000 acres which the country as a whole possesses. I must at the same time admit that I cannot view the matter from the standpoint of the hon. Mover of this Bill, who may have his own reasons for making certain substantial changes from the law as it stands, from the experience gained by him in working the law.

he cardinal features of the amendment which I have moved are that the Board should be constituted on regional basis, i.e., the power of nomination must be given to the various organisations engaged in the plantation industry in the various reas. I have suggested in my amendment that since these tea plantations are in a limited number of states, the power of nomination is also to be given to the various state Governments, in which, these plantations are situated. I would also have added, that the power of nomination of certain representatives should be left with certain labour organisations. I had it to be for the fact, which in his speech my hon. friend Mr. Punnoose himself has pointed out from his experience in my State.

ANDIT THAKUR DAS BHARGAVA in the Chair.]

There was real difficulty in including labour organisations within the category. Organisations have developed with regard to the tea planters, the same cannot be said with regard to labour. The labourers are not within the fold of one organisation. As a matter of fact, several labour organisations hold the field in these plantations and we have had the unfortunate experience of even breaking of heads as a result of disputes and quarrels between the various labour organisations. So that, have difficulty in including labour organisations also within the category which should be given the power to nominate to the Board. Nobody will dispute the propriety of having a single Act combining the provisions of the two existing enactment with a view to achieving simplicity and administrative convenience, as has been aimed in the statement of objects and reasons, appended to the Bill as originally introduced. The history of this Bill does not disclose that it has been given the attention that it deserves, especially in the matter of the constitution of the Board. I am concerned not only with the Tea plantations; I am concerned with other commodity committees also, because the hon. Minister, when he moved this Bill, categorically stated:

"It is also the intention of the Government that the final control exercised on the Tea Board by the Finance Ministry should be strengthened and that the Board follows the pattern that generally the Government has in mind in the matter of greater financial control in respect of all such Boards." is also stated:

"The constitution of the Tea Board does not follow the pattern

determined by the Tea Board Act of 1949. Ten categories are mentioned in this Bill of persons who should find representation in the Board and the nomination is left to the Central Government. The change has been made because representation in the Tea Board is apt to become stratified. Only the interests closely concerned are now represented in the existing Board. The tea industry is one of great national importance and it is hoped that by providing some representation for persons not directly interested in the various processes which the manufacture of tea and the sale of tea undergoes, national interests would be better served thereby."

Along with this Bill, some other Bills have been introduced in the House: the Rubber Bill, the Coffee Bill and also the Coir Board Bill. All these Bills indicate that the constitution of the Boards will be entirely left to the sweet will and pleasure of the Central Government. I doubt the wisdom of such a provision because, though it may not affect materially the case in hand, with regard to the Tea Board, in a question of the constitution of the Coir Board, for example, I do not think that the Central Government will be in a position to find out.....

Shri T. T. Krishnamachari: I am afraid, if my hon. friend wants support for this measure, he should not quote wrongly. In regard to Rubber and Coffee Boards, representation would be provided by the local Government concerned.

Shri A. M. Thomas: The Central Government has got the power with regard to the Coir Board.

Shri T. T. Krishnamachari: With regard to the Coffee and Rubber Boards, each particular State Government will be nominating.

Shri A. M. Thomas: With regard to the Coir Board Bill, which I have got in my hand, the Central Government has got the power to constitute the Board. The clause says:

"With effect from such date as the Central Government may, by notification in the Official Gazette, specify in this behalf....."

Shri T. T. Krishnamachari: It is not necessary, Sir. I mentioned only about Coffee and Rubber.

Shri A. M. Thomas: My anxiety is that the principle followed in this Bill:

[Shri A. M. Thomas]

is likely to be extended to other commodity boards or committees as the case may be and I should think that the policy underlying such a measure cannot be supported at all. My difficulty has been, whether and to what extent it is desirable to depart from the pattern adopted in the Act as it now stands. According to me, the hon. Minister, either when he introduced the Bill or when he introduced the report of the Select Committee and wanted the House to take it into consideration, has not given cogent and convincing reasons for departing from the pattern which exists in the present Act.

My amendment, which I have moved, is in the direction of changes in the constitution of the Board and some other amendments which I have tabled refer to the scope of its functions to which I will be referring later when those amendments are being moved. My amendment is justified. As I have said already, the hon. Minister has not been able to convince us with regard to the necessity of departing from the present pattern. He has urged that the Tea Board has not been able to rise to the occasion in the recent crisis. Subsequent developments have shown that the tea interests alone are not to be completely blamed for the plight in which we found ourselves some time back. Government itself is not satisfied with the measures it has adopted and it had to change the steps in the light of experience. Granting for argument's sake that the Board and the tea interests did not act up to the situation, what is the remedy? Does the remedy lie in making statutory bodies mere extensions of the Governmental machinery and mere agencies to carry out the directions given by the Government, issued even without taking this body into confidence? I am of a different view. Let us glance over some of the provisions in this Act which will not justify, which will not warrant the power of nomination to the Board being given to the Central Government. The Central Government, even as the Bill stands, has got ample powers to interfere in suitable cases. According to sub-clause (3) of clause 10, it is stated that the Board shall perform its functions under this section in accordance with and subject to such rules as may be made by the Central Government. Then, subsequently, in clause 11, it has been stated:

"The Central Government may, by notification in the Official Gazette, direct that the Board shall be dissolved from such date

and for such period as may be specified in the notification."

In another commodity committees, for example the Central Cocoanut Committee, for the dissolution of that Committee, the Central Government will have to come before this House. According to section 17 of that Act, the Central Government may, with the previous approval of the House of the People, by notification in the Official Gazette, declare that with effect from such and such a date as may be specified in the notification, the Committee shall be dissolved. In the provision that we have here, there is no such restriction. Under clause 11, the Central Government may at any time dissolve the Board.

Shri Damodara Menon: But we are not on clause 11.

Shri A. M. Thomas: My point in inviting attention to this is that the change in the constitution of the Board is not warranted because of other provisions in the Bill. In clause 31, you will find it is said:—

"All acts and proceedings of the Board shall be subject to the control of the Central Government which may cancel, suspend or modify as it thinks fit any action taken by the Board."

Further it is said:

"The Board shall carry out such directions as may be issued to it from time to time by the Central Government for the efficient administration of this Act."

Then, again, in clause 32 it is said:

"Any person aggrieved by an order of the Board under section 14, section 15 or section 20 may appeal to the Central Government within sixty days from the date thereof and the Central Government may cancel, modify or suspend any such order."

In the face of these provisions, is it necessary for the Central Government to take upon itself the power of nominating the various persons who should constitute the Board? It is all the more necessary that we should stick to the pattern which exists in the present Act, because the cry has been raised that in our Constitution we have not given any representation on any functional commercial or industrial basis. The persons chosen are to be placed in a position from which they can speak with authority because of the backing of the organisations concerned and even if these persons are nominated from the accredited leaders of those organisations, they will not feel that

they have got the backing of the organisations concerned. The system of nomination will also detract from the representative character of the person chosen. I do not want to discuss this matter on any high democratic principle, but I want to place it on a workable and equitable basis. For example, such representation should not be regarded as a matter of official patronage. The main object of having representative non-official opinion in the Board will be defeated by the power of nomination being vested in the Government. My amendment follows the pattern of the present Act, and there is no justification for departing from it. The minor modifications I have suggested are warranted by provisions in other commodity enactments. According to my amendment, for example, the representatives of Parliament are to be chosen by the two Houses. I do not think anyone will dispute the salutary nature of my suggestion.

There is also another ground on which I am urging this House to accept my amendment. The tea industry is an organised industry and it will give encouragement to similar organisations being established in other agricultural industries. When the affairs connected with commodities like pepper, lemon grass, cashew nut etc. were taken before the Central Government, the difficulty has been felt by the Government that there are no suitable organisations to deal with. Government itself has been finding it difficult to deal with the situation. When I took up the matter of lemon grass with the hon. Minister some months ago, he replied pointing out that the industry is in no way organised, so that it is very difficult for the Government to adopt suitable measures. So, the primary thing that is necessary in these plantation industries is that they should be organised. If only the organisations concerned are given the weight they deserve and if only people feel that in statutory enactments due recognition is given to such organisations, there will be some incentive for people to form such organisations and help the Central Government in the control of the various industries.

In my amendment I have also stated that the period of the Board should be fixed. According to the Bill as it stands, the period is to be prescribed by rules to be issued by Government. I think that it would more appropriate to give that power to the Parliament itself, which may fix the necessary period. The power

of nomination had also previously been given to the State Governments. That, I suggest, is quite necessary. The State Governments would be in a better position to find out representatives than the Central Government. As the hon. Minister himself has said, from his Room No. 150 in the Secretariat, he cannot find out suitable persons. If the power of nomination is left with the State Governments of the area where the industry flourishes, it will only add to the representative character of the Board.

At this stage, I do not want to say more. I only hope that the changes suggested by me will be taken in the spirit in which they have been suggested.

Shri T. T. Krishnamachari: This amendment is a basic amendment. All other amendments accept the principle of the clause and merely suggest variations. I suggest that this basic amendment may be treated separately and put to vote, and the other amendments may be taken afterwards. This amendment completely alters the picture, so far as the composition of the Board is concerned. If this amendment is accepted, other amendments may not be necessary. If this fails through, then others may be moved.

Mr. Chairman: Do I take it that he wants this amendment to be taken first and also put to vote?

Shri T. T. Krishnamachari: Yes, Sir.

Mr. Chairman: There is no harm. Does anyone want to speak on it?

Shri N. M. Lingam (Coimbatore): I do, Sir. The Central Tea Board is the chief machinery through which the provisions of the Tea Act that will be enacted now will have to be implemented, and so, it is of the utmost importance that this Board should be such that it will carry out the policies of the Government. Hitherto under the Tea Board Act of 1949, the Central Tea Board had been almost a defunct body. Now, this Bill proposes to revolutionize, as it were, the functions of the Board by Government trying to control every aspect of the industry, from cultivation up to marketing. Experience has shown, as the hon. Minister has stated, that unless this intermediary between the industry and the Government works in unison with the intention of the Government, the policies of the Government are not implemented. He has instanced the case of the Coffee Board where, on account

[Shri N. M. Lingam]

of non-co-operation with the Government, either there is a stalemate or Government is forced to take drastic measures.

We have reached a stage where the control of Government over industries—not only the Tea industry, but industries generally—is extensive. So, this Tea industry cannot claim any exception because it occupies a pre-eminent position in the economy of our country. But, at the same time, measures have to be taken to see that all interests of the industry are represented on the Board, and I feel that provision has been made in this Bill for the inclusion of various interests in the industry.

In this connection, I cannot help mentioning that the mysteries of this industry had so far baffled even the intelligence of the Commerce Ministry.

Shri A. V. Thomas: What mysteries?

Shri N. M. Lingam: I shall presently say what mysteries there are yet to be probed into.

It has been given to the present Minister of Commerce to try to probe into the mysteries and unmask the state of affairs in the industry. As my hon. friend Mr. Tridib Kumar Chaudhuri said, the control of the vested interests over the industry is extensive. Nobody knows the influence of the foreign owners of the tea industry over its auctions, over its export, over the other aspects of the industry. Its ramifications have not been tracked down, and the real causes for the slump that overtook the trade, recently have not been fully gone into. For the first time, the Government tried to appoint an enquiry committee, and that committee—a one-man committee—could not unravel the mysteries not only because its terms of reference were limited, but also because it was not given the facilities to make a thorough enquiry into the industry.

For me it is sufficient that the Minister has assured in categorical terms that he wants the Central Tea Board to be as autonomous as possible. He has, on more than one occasion, reiterated that it is not his intention to interfere with the activities of the Board except in emergencies when it is necessary for Government to veto the decision of the Board in the larger interests of the nation. I think it should reassure any Member in this House, whatever interest he may happen to represent, and this assurance of the Government should be taken at its face value.

I would mention in this connection that one interest has not been sought to be included in the Central Tea Board. That is the small growers. The House may be aware that we have, in the South at any rate, three to four thousand small growers owning estates ranging from one to 50 acres. These estates have handicaps which are generally not realised by the bigger estates as well as by the Government. These small estates in the South are situate in hilly areas which have very special problems. These estates are subject to soil erosion. The cost of manuring and tending these estates is higher than in the plains. These estates do not have factories of their own and they are as much subject to all the inconveniences at the hands of the Excise staff as the bigger estates are. I would take another opportunity, when the question of control over extension of tea estates is discussed, to urge the desirability of exempting these small estates from the operation of the clause under which extension is regulated. But I would plead that in view of the special difficulties these small estates suffer from, adequate representation should be given to these small growers on the Central Tea Board.

My hon. friend Mr. Thomas said that he was pressing his amendments not on any false notions of upholding any democratic principle, but merely from the point of view of convenience. Here is a pamphlet issued by the United Planters' Association of South India which opposes this proposal of the Government to constitute a Central Tea Board in these terms. It says:

"The proposed amendments include authority for the Government to nominate representatives of growers for the Tea Board in place of the existing practice whereby recognized Associations of growers are asked to nominate their representatives. The industry can only regard such a proposal as highly retrograde and completely opposed to the principles of democratic Governments all over the world."

So, they are trying to make a fetish of democracy. It is on this ground alone that they try to oppose, and I think the hon. Minister has sufficiently spoken about this; it does not require any further comments.

It amazes me that while this Bill seeks to regulate and develop the tea industry, so much fuss should be made about the constitution of the Board by the industry. The real bases

on which the industry could be regulated and developed are: employer-labour relations, expansion of the internal market, promotion of our sales abroad and improvement of the quality of tea. On none of these major issues has the industry made any strong representation. On the other hand, they have complained that they have not been consulted in the framing of proposals for bringing in this measure. And when this question of constituting a Board according to the provisions of this Bill is brought before them, the entire industry has raised its voice of protest. So it is clear that the industry has not at heart the larger question of developing the Tea industry as a whole in the country. In other words, they do not want to behave in a way which will subserve the larger interests of the country. They have been accustomed to unusual protection in the past. It has been a close preserve of the Europeans. I know in the year 1937 when the hon. Minister, Shri V. V. Giri, the Labour Minister here who was then the Labour Minister of Madras, visited an estate, the Collector of the District wrote to the Chief Minister that the Labour Minister had no business to visit the estate and make any comments on the state of the estate. That was the state of affairs. They have not been accustomed to any interference from any quarter. Now that sanctuary which they sought to make of the estates is disappearing and so naturally they are annoyed. But I would appeal to the planting industry to take a larger view of the situation, to take labour as partner to develop the industry on larger, more broad-based grounds. We do not grudge the profit that they are taking to their country annually, situate as we are now. It is not our intention to ask them to go immediately, to evacuate the estates because we know it will paralyse the industry. The country is not ready to take over the estates. But we want them to quote the words of the Minister, to 'play ball' so that labour may not suffer, so that the country may receive its revenue, so that employment may be continuous and expanding, so that the welfare of all is assured. I am sorry to say that the industry, 80 per cent. of which is dominated by Europeans, has not risen to the occasion. There has not been reorientation in their outlook. It is primarily because of the past treatment meted out to them by the Government. I do not agree with my friend, Mr. Sarmah, that the juice of the industry has been squeezed out and there is nothing left over. It is not so. On the other hand, the industry is bound to play a great part

with increase in consumption of tea and improvement in quality.

One of the mistakes committed by the deliberate policy of the industry has been not to train Indians to take up the management of these estates.

Mr. Chairman: May I request the hon. Member to speak on the amendment.

Shri N. M. Lingam: Yes, Sir.

Mr. Chairman: The general discussion is over now.

Shri Nambiar (Mayuram): There is also tea being served there.

Shri N. M. Lingam: I shall finish in five minutes. While the industry was enjoying all the profits in India, it was also trying to develop the tea industry in South Africa, Nyasaland, Kenya and other places.

Mr. Chairman: I am sorry to interrupt the hon. Member again. I have already requested the hon. Member to speak on the amendment.

Shri N. M. Lingam: Yes, Sir, I am coming to the amendment.

They did not care to train Indians to take their place. I know there are experienced Indian staff in the estates, but they have not been promoted to managerial posts with responsibility. They are importing young men. With the result that today even if they misbehave, we are not in a position to take over the estates.

Therefore, it is necessary that we should have the greatest caution in constituting this Board, a Board which will subserve the objectives of the Government in the interest of the nation. So I oppose the amendment of Mr. A. M. Thomas. I shall reserve other comments to another occasion.

Shri Barman (North Bengal—Reserved—Sch. Castes): The amendment of Mr. Thomas raises one fundamental issue. The main question, in the constitution of the Board, is whether the Board should be an autonomous one or an advisory one: and in the latter case whether the powers of the Board will be such that the Government can have implicit reliance on it until and unless some fundamental issue is raised on which Government cannot agree, or whether it shall simply be a Board practically enjoying no confidence of the Government and functioning only as a matter of course. That is the whole thing. Now, if we want that after the constitution of the Board, the Government must have some sort of implicit reliance on it and in 99 per cent. of cases its advice will be taken by Government and complied with, then in that

[Shri Barman]

case the Board must be a nominated one. At the same time, I say, of course, that the industry also should have some confidence in the people who are going to be taken from amongst them. On that, the hon. Minister had said in his introductory speech that he does not know anybody from Assam who is to be taken simply by sitting in the Central Secretariat here. Naturally, as a matter of course, he will have to ask the industry and its organisation. Probably he means—and if it is so, we also agree with him—that he will ask for a panel of names and out of that he will nominate. So the people nominated will also enjoy the confidence of the industry itself. Certainly the Board is interested to know the industry's side of the case from the industry's representative. And after all, it is the whole body that will come to a decision and tender advice to the Government and the Government will in 99 per cent. of cases act on that advice. That being the case, I do not think that Mr. Thomas's amendment is quite all right. The industry may have its representatives according to their own choice. But after all, the Board will be constituted by Government and the Government nominee will dominate and whatever advice is tendered by the industry's representatives will always be looked into to see whether it is correct or that they are making some misrepresentation. Therefore, in my opinion, when Government is taking a great responsibility upon itself Government must constitute a Board on which it can rely.

The position is entirely changed nowadays. There were days when the industry could have carried on without any interference by Government because the industry was not in need of help from Government. But the position is changed now. We have seen the slump of 1930 and how the new gardens—the weaker ones—had been effaced completely and it was subsequently the job of the big gardens to make profit out of the extinction of the smaller units. That is not a healthy state of things. While we talk of industrial development, it is our common idea that side by side with big industries, smaller industries also should grow, because it should not be only the job of the capitalists to run the industry, but other people also should have a fair share in it. That being so, the smaller units must have some security. It cannot have that security from a Board that was existing so long. For instance, under the existing regulation, control on extension of tea-

gardens, there is a limit put in by the Board that no private garden should have an acreage more than 150 and no company garden should have more than 300, and that whatever quota is allowed to India should be proportionately divided. But it has been pointed out by Mr. Basu—and I also agree with him—that the quota has to be raised. But it cannot be raised without Government interference. So in order to help the smaller units, Government interference at this stage is necessary. Now the industry cannot run without the help of Government because they have to deal with labour, they have to deal with food etc. and at every stage they have to rely on Government. Then can we expect the Government agree to have no powers when it is taking up this great obligation? We cannot expect it. Besides, the Government at this moment is so much interested because of the place of the tea industry in the economy of India and in the foreign trade that it cannot be a looker-on to whatever the industry does, whether it rises or falls below the standard.

I do not want to dilate on this matter at length because of the shortness of time, but my own view is that Government's interest in the matter being so vital to the economy of the country, the Government should constitute a Board on which it can ordinarily place implicit reliance. At the same time, the Government has exposed its mind that the industry should also be properly represented because it will nominate persons from out of the panel of names suggested by the industry itself.

So in view of the above, I think the provision, as it is in the Bill, is all right.

Shri T. T. Krishnamachari: I do not think I can say very much because I have dealt with this position. This is a fundamental portion of the Bill, namely, the constitution of the Board. I have mentioned that I have no intention of being arbitrary in this matter. I do propose to put in the rules under clause 4 that the representation of appropriate associations should be taken into account in making the nominations. I can also mention that in the case of Parliament, surely the Government would not be impertinent enough to go and nominate the Members of Parliament. We will certainly make a request to the Speaker to arrange for parliamentary representation in such manner as he may determine. It may be election or he may nominate. He will be entirely guided by the House. So far as the

States representatives are concerned, the State Governments will be asked to nominate their representatives and we will not nominate them.

I would assure my hon. friend there, when I say that representation of relative associations is taken into account, that will be put in the rules. Whatever associations are engaged in a particular area will be asked to send up panels. My intention is that labour should have a fair representation, not stilted representation, say one two three or four; it shall have fairly large representation.

Shri Venkataraman (Tanjore): They should have equal representation with the planters.

Shri T. T. Krishnamachari: The rules will be there. They will be placed in the hon. Member's hands. He can see whether labour representation is adequate or not. Every hon. Member will have his say. Therefore, I will ask the House to give me a chance and see if their views are not accommodated. It is not the intention of Government to take any arbitrary position. If we are going to give different bodies direct representation as such, then there are certain difficulties. One hon. Member has moved an amendment to say that they should be citizens of India. That cuts again at the very roots. There are some non-citizens who own estates. They cannot be altogether got cleared out. It all makes the difference. It will be very difficult to have all these provided for in the Bill. In the rules the relative associations would be taken into account and the categories will be mentioned in the rules and their representation will be taken into account. I hope that in the first Board I will be able to nominate people who will command the confidence of the people whom they seek to represent, and I can accommodate practically every point of view. But, so far as accepting the amendment of my hon. friend Mr. Thomas is concerned, I can as well drop the Bill. After all once it is a question of a Board which is elected on the pattern of the old Act, I have no more interest in it and I can withdraw the Bill, if that particular amendment is passed.

Shri A. M. Thomas: My point was that it is not enough that justice is being done but it should appear that it is being done.

Mr. Chairman: I do not think the hon. Member can have a second speech. I thought he was going to withdraw his amendment. He cannot have a chance to speak a second time.

Shri A. M. Thomas: It should not be an unceremonious withdrawal. In the

face of the assurance given by the hon. Minister that he will take into consideration all these aspects in framing the rules, I crave the indulgence of the House to withdraw my amendment.

Mr. Chairman: Has the hon. Member the leave of the House to withdraw his amendment?

The amendment was, by leave, withdrawn.

Shri Punnoose: Shri K. K. Basu has moved an amendment which says that the proportion of Indian owner to the European shall be 3: 1. Then, another amendment, which says, add at the end,

"including the labour and other employees whose number should be proportionate."

There is a third amendment which says:

"and the labour working in the manufacturing process".

There is yet another amendment which reads:

"Provided that the number of representatives of labour and employees should be equal to the number of representative of manufacturer, owner and dealers."

Yet another amendment is that the representatives from the States should be elected by the Legislatures of the States.

All these amendments have a common objective, that is to minimise the hold of British interests on the industry and to make the functioning of the Board as democratic as possible. I believe and I have heard from the Minister that all these considerations will weigh with him.

But, with regard to labour I have to bring to his notice that all sorts of difficulties are being raised. Even Mr. A. M. Thomas who spoke so feelingly regarding the representation of the industrialists found that labour was breaking its head.....

Shri A. M. Thomas: I spoke feelingly for labour also.

Shri Punnoose: The feeling was the other way about. He said there was difficulty in finding out the correct representatives of labour. Very well, after all when this Government is there, I am quite sure that industrialists need not be very much alarmed for blood is thicker than water. But, with regard to labour, they have to be there through their elected representatives. Much of the difficulty

[Shri Punnoose]

that is raised is bogus or exaggerated. There is a certain amount of disunity among the working classes. But, if it is the object of the hon. Minister and the Government of India to see that labour is more united and in a more healthy condition, then this is the opportunity, one way by which it could be done. If elected representatives of labour are given their place, then there will be a greater tendency on the part of labour to unite under healthy conditions.

Then, with regard to States' representation. It is absolutely necessary that the State Legislatures should send their representatives. If the Houses of Parliament can have their representatives, why not the Legislatures of States have the representation? If the Speaker of the House of the People can be requested to nominate the representatives, the Speakers of the State Legislatures can also be requested to do that. With regard to Assam and Travancore-Cochin in particular, this industry is of very vital importance. Not only for the healthy working of the Board but also to create a certain amount of public opinion in this country and a certain amount of public interest in this industry, it is necessary that the Legislatures should be given the right of sending their representatives. Therefore, I will very strongly urge on the hon. Minister to accept that wherever there is a Legislature—with regard to Part C States we will leave it to electoral colleges—it should be given the power to send their representatives.

Another point that we have suggested is that there shall be three Indians for every European on the Board. Then alone we can at least gradually control the industry. Therefore, I would very strongly request the hon. Minister to look into these amendments and accept them.

Shri Nambiar: In support of the amendments moved by Mr. Basu, I have to say that the representative of labour should be there on the Board. The hon. Minister may say that this is a general claim that labour always makes. Of course, at every stage we have to make a claim. This is an industry in which you know labour is suffering very much. You may know, Sir, that they are undergoing miseries that they cannot manage in these industries.

Recently, in Assam, you might have seen that 60,000 people have been retrenched as surplus in a very short time. There was also trouble due to that. I come from an area where we

have got some tea industry in the Nilgiris and the Anamalai hills. I have had occasion to visit these plantations and I could see that the men are suffering a lot. Sometimes it so happens that the tea plantation worker is kidnapped and is not to be seen. He is in a forest area and there is none to look after him. His relatives in spite of so many appeals are not able to know of him. Recently we had a case of that sort in the Anamalai plantations. There is no comparison of the tea plantation labour and labour in other sections in this country. When at least they will have a chance of their representative being put on the Board, that will go a long way towards helping the plantation worker. Therefore my request is that when there are so many members on the Tea Board, there should be one representative from each Trade Union. There are several Trade Unions and the hon. Minister can say that the question as to who should be chosen, may be a trouble for him. I may say that at least those Trade Unions which are working in the industry and which have been recognised by the Government, at least they should have their representatives. Labour should have an opportunity to defend its interests. The defence of their interests is a defence of the interests of the industry as a whole. The Government must sympathetically consider this aspect and accept the amendments moved. This is all I have to say.

7 P. M.

Shri S. V. L. Narasimham (Guntur): Foreign interests had their day of sway over the economy of our country. Now we are a free India and naturally the desire of free India shall be that the Government of India shall make it its policy to associate only Indian citizens in all matters which will have control over national economy and national industry. So it is I wanted that any person who is a Member of the Board to be constituted shall be a citizen of India and I expect that the amendment shall be accepted by the Minister.

Shri Damodara Menon rose—

Mr. Chairman: These amendments are so obvious that they do not require any argument. I am anxious that we finish the discussion on this clause. There are 51 clauses and there are only three or four hours left.

Shri Damodara Menon: The hon. Minister will not find any difficulty in accepting my amendment, because I only suggest that when persons are appointed to this Board, the persons

appointed to represent the owners of tea estate gardens and growers of tea should not be more than the persons appointed to represent persons employed in tea estates and gardens. I want to see that the vested interests are not over-represented on the Board. I hope the hon. Minister will have no difficulty in accepting my amendment.

Another small point I have made is that adequate representation should be given to owners of small size tea estates and gardens. These provisos will clarify the nature of the representation that may be given.

Shri T. T. Krishnamachari: The whole point is this. In regard to the last amendment mentioned by Mr. Damodara Menon, I may mention to him that if he would not exactly stick to the proportion, he will find that labour representation will be respectable in number. There is no question of our deciding it arbitrarily. The whole thing is going to be put in the rules. My intention is to give labour adequate representation. Supposing it is one less or two less—the hon. Member need not pin me down.

So far as representation of labour is concerned, we shall take into account the position of the unions in each particular area and if their representation, as I have said is going to be fair in number, practically every interest can be accommodated. There will not be any difficulty. The affiliations of the different categories of unions are such that they will all find a place. I do propose to give them a fairly wide representation and I shall take into account the representation of labour in every particular area. I am inclined to believe that there are places in which one union has got affiliations, while in another place another union has got affiliations. The point is every union will be represented.

After all hon. Members will realise that I cannot accept an amendment which merely says that Europeans shall be in this proportion and Indians shall be in this proportion. It is neither fair nor decent for us to accept an amendment of that nature. But whatever proposals have been made I shall bear in mind and in making the

rules all the comments made by hon. Members will be borne in mind. The rules will contain them and I shall place them on the table of the House. Hon. Members will then have an opportunity to say something on that occasion. I beg of hon. members not to press their amendments.

Shri A. V. Thomas: What about the term of office of the members?

Shri T. T. Krishnamachari: Very possibly it is two or three years. I shall put it in the rules; I have not yet decided what it should be.

Mr. Chairman: I take it hon. Members do not wish to press their amendments.

Shri T. K. Chaudhuri: In view of the assurance given by the hon. Minister, I beg leave of the House to withdraw my amendments.

The amendments were, by leave, withdrawn.

Shri K. K. Basu: I too wish to withdraw my amendments.

The amendments were, by leave, withdrawn.

Shri H. N. Mukerjee: I want to withdraw my amendments.

The amendments were, by leave, withdrawn.

Shri C. R. Chowdhary: I also beg leave of the House to withdraw my amendment.

The amendment was, by leave, withdrawn.

Shri Damodara Menon: I too ask for leave of the House to withdraw my amendment.

The amendment was, by leave, withdrawn.

Mr. Chairman: The question is: "That clause 4 stand part of the Bill."

The motion was adopted.

Clause 4 was added to the Bill.

The House then adjourned till a Quarter Past Eight of the clock on Saturday, the 9th May, 1953.