



Monday,  
24th November, 1952

# PARLIAMENTARY DEBATES

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## HOUSE OF THE PEOPLE

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### OFFICIAL REPORT

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PARLIAMENT SECRETARIAT  
NEW DELHI

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THE  
PARLIAMENTARY DEBATES  
(Part I—Questions and Answers)  
OFFICIAL REPORT

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HOUSE OF THE PEOPLE  
Monday, 24th November, 1952

The House met at a Quarter to Eleven  
of the Clock

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

T. B. AMONG COAL MINES WORKERS

\*583. **Sardar Hukam Singh:** Will the Minister of Labour be pleased to state:

(a) whether any survey was undertaken to find out if the incidence of T.B. among coal mines workers was greater than that among other industrial labour; and

(b) if the answer to part (a) above be in the affirmative, whether there are any T.B. clinics attached to the hospitals for miners?

**The Minister of Labour (Shri V. V. Giri):** (a) No.

(b) Does not arise. I may however add that buildings for the T.B. Clinics for the Jharia and Raniganj coalfields have been completed at a cost of Rs. 1,25,000 each, and each clinic will have 8 beds. The necessary equipment is being obtained and the staff is being appointed. They are located adjacent to the original hospitals at Katras and Searsole. It is expected that the clinics will start functioning very soon.

**Sardar Hukam Singh:** May I know whether any survey is proposed to be undertaken in the near future?

**Shri V. V. Giri:** After these are established, a survey will be undertaken.

**Sardar Hukam Singh:** In the absence of a sufficient number of clinics, is there any visiting team going round and giving B.C.G. vaccination?

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**Shri V. V. Giri:** There is also that proposal, and it will be taken up after these clinics are established.

**Sardar Hukam Singh:** May I know whether any foreigners were also invited to go round and advise us as to the programme that has to be undertaken for these coal mines?

**Shri V. V. Giri:** Not yet.

**Dr. Rama Rao:** Is any sanatorium run for the coal miners either by Government or the mine-owners?

**Shri V. V. Giri:** There is no sanatorium, but there are hospitals.

**Dr. Rama Rao:** Do Government contemplate starting any sanatorium for these miners or direct mine-owners to start even a single sanatorium anywhere in India?

**Shri V. V. Giri:** That depends upon the funds.

**Shri Sarangadhar Das:** Is any clinic proposed to be opened at Talcher coalfields?

**Shri V. V. Giri:** I would like to have notice.

**Shri A. C. Guha:** May I know if it is true that the building for the clinic in Jharia was completed some time back, and if so why has the starting of the clinic been delayed so long?

**Shri V. V. Giri:** It will be started immediately.

**Shri A. C. Guha:** My question was why there was delay in starting the clinic when the buildings have been completed.

**Shri V. V. Giri:** I cannot say. I have not got the information.

WITHDRAWAL OF WHEAT STOCKS

\*584. **Dr. Ram Subhag Singh:** (a) Will the Minister of Food and Agriculture be pleased to state whether the Union Government had during the

past six months received requests from some State Governments to take back their stocks of wheat?

(b) If so, which State Governments had made such requests?

(c) What quantity of stocks has been taken back?

**The Deputy Minister of Food and Agriculture (Shri M. V. Krishnappa):** (a) Yes.

(b) Madras, Rajasthan, Ajmer, Delhi and Tripura.

(c) 20,000 tons from Madras and 250 tons from Tripura have been reallocated to other deficit States.

**Dr. Ram Subhag Singh:** May I know the reasons why the State Governments requested the Government of India to withdraw the stocks of wheat? Had the quality of wheat deteriorated, or they simply did not want these stocks?

**Shri M. V. Krishnappa:** Sometimes when there is sign of failure of rains, the State Governments over-estimate their deficit, and to be on the cautious side, they always demand more. And when we supply them according to their demand, and if their condition improves because of rains, they won't be in a position to sell the whole thing. So they ask us to take it back.

**Dr. Ram Subhag Singh:** May I know how much of this 20,000 tons of wheat is of bad quality?

**Shri M. V. Krishnappa:** Not exactly bad quality. The States are very cautious. They won't take bad quality from us. They always send their officials and entomologists to inspect the grain, to screen it and clean it, and then alone they take the grain.

**Dr. Ram Subhag Singh:** Is the Government aware that a large quantity of wheat stocks in Bihar is of deteriorated quality?

**Shri M. V. Krishnappa:** Bihar has not asked us to take back any wheat.

**Shri Sarangadhar Das:** Will Government be careful in future in delivering wheat stocks to States?

**Mr. Speaker:** Order, order. He should ask for information, and not make suggestions.

**Shri Sarangadhar Das:** Will the Minister tell us the steps that are contemplated to be taken with regard to allotting wheat to the States which have returned 20,000 tons, or 250 tons?

**Mr. Speaker:** I do not think this is any improvement on the previous question.

**Shri K. K. Basu:** Is the hon. Minister in a position to contradict that the low purchasing power of the persons concerned is one of the reasons for the non-clearance of the stock?

**Shri M. V. Krishnappa:** No, Sir.

**Shri Radhakishan Vyas:** May I know who will bear the cost of movement and the other incidental charges of this grain?

**Shri M. V. Krishnappa:** The concerned States will have to bear it.

**Shri B. S. Murthy:** Is it a fact that the Government of Madras asked for rice and that the Central Government has sent wheat, and therefore it was not used in the State?

**Shri M. V. Krishnappa:** It is not a fact, Sir. They had asked for 2 lakh tons of rice, and we are supplying them.

**Sardar Hukam Singh:** According to the hon. Minister, the States have been very cautious. Is it only the Centre that has not been cautious for such a contingency?

**Mr. Speaker:** The question does not arise.

#### AGRICULTURAL PUBLICITY

\*585. **Dr. Ram Subhag Singh:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether a proposal is under consideration to set up a suitable agricultural publicity machinery on a countrywide basis; and

(b) if so, whether non-official agencies interested in the subject will also be consulted?

**The Minister of Agriculture (Dr. P. S. Deshmukh):** (a) Yes.

(b) Yes.

**Dr. Ram Subhag Singh:** In view of the fact that a vast majority of persons who work in the fields are illiterate, may I know how this agricultural information would be catered to them?

**Dr. P. S. Deshmukh:** The illiteracy of our people is fully taken into account, and various means are being devised to see that the information reaches them.

**Mr. Speaker:** He wants to know what the various means are.

**Dr. P. S. Deshmukh:** The information is made available through posters, films, visual representation, the spoken word, radio etc.

**Dr. Ram Subhag Singh:** May I know the cost of the working of this organisation?

**Dr. P. S. Deshmukh:** It has yet to be calculated.

**Shri B. S. Murthy:** Is radio one of the means through which this information is broadcast to the rural folk?

**Dr. P. S. Deshmukh:** Yes, Sir.

**Shri Velayudhan:** May I know whether this publicity machinery is different from the Press Information Bureau?

**Dr. P. S. Deshmukh:** Yes, Sir.

**Shri T. K. Chaudhuri:** May I know if any non-official agency has already been consulted?

**Dr. P. S. Deshmukh:** Yes, Sir.

**Shri T. K. Chaudhuri:** What is the agency?

**Mr. Speaker:** Let us proceed to the next question.

#### CATERING SCHOOL, BOMBAY

\*586. **Shri S. N. Das:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether it is a fact that a foreign expert has been invited by the Government of India in connection with the setting up a catering school in the city of Bombay;

(b) if so, from which country the expert has been invited;

(c) whether the scheme has been prepared and approved; and

(d) what will be the recurring and non-recurring expenditure involved?

**The Deputy Minister of Food and Agriculture (Shri M. V. Krishnappa):** (a) to (d). According to an Agreement between the Food and Agriculture Organisation of the United Nations and the Government of India for the provision of technical assistance, the Food and Agriculture Organisation has agreed inter alia to arrange for an expert to visit India for a period not exceeding 6 months to advise and teach at the catering school of the All India Women's Food Council, on the organization of catering services and the operation of cafeterias supplying non-cereal foods. The expert has already arrived and she is from U.K. The

Government of India has to bear only the lodging charges of the expert. The total expenditure on this account for a period of six months will be Rs. 5,050/- . Salary and other allowances admissible to the expert are borne by the Food and Agriculture Organisation.

**Shri S. N. Das:** May I know the experience and qualifications of this expert?

**Shri M. V. Krishnappa:** She is an expert in all aspects of catering of non-cereal foods including administration.

**Shri K. K. Basu** rose—

**Mr. Speaker:** Let us not waste time over this.

**Shri S. N. Das:** May I know whether, before inviting her, efforts were made to find out if such experts were available in India or not?

**Shri M. V. Krishnappa:** This is an agreement entered into between India and the F.A.O., according to which they have sent her, and we have sent three persons from India to F.A.O. for training.

#### FLAG STATION FOR KAKARHATTI

\*587. **Shri S. N. Das:** (a) Will the Minister of Railways be pleased to state whether the proposal to locate a flag station between Darbhanga and Tarsarai Stations on N. E. Railway at Kakarhatti has been considered and sanctioned?

(b) If so, has the work been started?

(c) How long will it take to complete the work?

**The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shah Nawaz Khan):** (a) Yes.

(b) and (c). The work was completed on the 31st October 1952 and the flag station opened on the 5th November 1952.

**Shri S. N. Das:** May I know the number of trains that pass through this station and the number that stop there?

**Mr. Speaker:** Can the hon. Parliamentary Secretary give the information?

**Shri Shah Nawaz Khan:** They have arranged to open a flag station there, and one passenger train will halt there.

**Shri S. N. Das:** How many pass through that station?

**Shri Shahnawaz Khan:** I have not got the full data with me.

**ALL-INDIA COUNCIL OF AGRICULTURAL EDUCATION**

\*588. **Shri S. C. Samanta:** Will the Minister of Food and Agriculture be pleased to state:

(a) how and when the All-India Council of Agricultural Education was formed;

(b) the constitution and functions of the Council; and

(c) whether a model and uniform curriculum of the agricultural colleges in India has been formed?

**The Minister of Agriculture (Dr. P. S. Deshmukh):** (a) The Indian Council of Agricultural Education was formed in November, 1951, on the recommendations of a conference of the State Ministers of Agriculture, Vice-Chancellors and Deans of the Faculties of Agriculture of the Universities and Principals of Agricultural Colleges. The Conference was convened by the Indian Council of Agricultural Research.

(b) A statement is laid on the Table of the House. [See Appendix III, annexure No. 35.]

(c) Yes, it has also been circulated to the Universities.

**Shri S. C. Samanta:** May I know whether a seven-man Standing Committee has been elected by the Council, and, if so, what will be its functions?

**Dr. P. S. Deshmukh:** The statement mentions the functions of the Council as a whole, and the Standing Committee is expected to perform the very same functions.

**Shri S. C. Samanta:** May I know how many times the Council sat since its inception?

**Dr. P. S. Deshmukh:** According to my knowledge, about twice.

**Shri S. C. Samanta:** May I know whether any special recurring or non-recurring grants have been made to colleges for the training of students who will work in rural areas or surroundings and not in college surroundings?

**Dr. P. S. Deshmukh:** No financial assistance of any sort has so far been given, nor are we giving any specific training to the students under the Council. But we are considering if

any steps could be taken for encouraging agricultural education in the country.

**Shri S. C. Samanta:** May I know whether all the agricultural colleges in India have taken into consideration the recommendation of the Council that at least one hundred acres of land should be with the colleges in the college compounds?

**Dr. P. S. Deshmukh:** I would require notice for that question.

**Shri S. C. Samanta:** May I know whether steps have been taken to implement the recommendation of the Committee that agriculture should be introduced as a subject in all primary and middle schools?

**Dr. P. S. Deshmukh:** I am afraid this matter has not yet been taken up by the Council.

**Shri K. G. Deshmukh:** May I know what specific assistance the agricultural colleges will get from this new Council?

**Dr. P. S. Deshmukh:** Nothing much except advice on determination of uniform standards in the colleges.

**Shri Abdus Sattar:** May I know the number of agricultural colleges and their locations?

**Dr. P. S. Deshmukh:** I require notice.

**Shri M. S. Gurupadaswamy:** May I know whether some of the students who have passed out of these colleges have been unemployed because they know only the theory of agriculture and not the practice?

**Dr. P. S. Deshmukh:** That is not a question, Sir. The hon. Member is propounding a view.

**ASSAM RAIL LINK**

\*589. **Shri B. K. Das:** Will the Minister of Railways be pleased to state:

(a) the estimated loss caused by the last flood to the Assam Rail Link; and

(b) the estimated cost of repairs to be done?

**The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shahnawaz Khan):** (a) About Rs. 30 lakhs in loss of earnings due to interruption of traffic.

(b) The estimated cost of repairs on the section Mal Jn.-Ainingaon is of the order of Rs. 50 lakhs.

**Shri B. K. Das:** May I know whether the repair work has been completed?

**Shri Shah Nawaz Khan:** Temporary repairs have been carried out.

**The Deputy Minister of Railways and Transport (Shri Alagesan):** But there are further proposals for improving the railway lines.

**Shri B. K. Das:** May I know whether any protective measure has been taken to save the line from future damage from floods?

**Shri Alagesan:** Yes, Sir.

**Shri B. K. Das:** May I know the nature of the work contemplated or being done, whether there are any embankments or any new bridges etc.?

**Shri Alagesan:** Embankment works and the making of the foundation of the bridges stronger.

**Shri Barman:** May I know whether Government has considered the question of increasing the number of bridges on the North Bengal-Assam line so that these instances of damage from floods which have increased since 1950 can be diminished or abolished to some extent by giving more outlets than the existing ones?

**Mr. Speaker:** The hon. Member is making suggestions for action.

**Shri Barman:** I made the suggestion before, and I am asking whether it has been implemented.

**Mr. Speaker:** A question suggesting action is not permissible. The hon. Member may ask for information.

**Shri Sarangadhar Das:** May I know whether damage to the Assam Rail Link due to floods will be a perennial affair or is anything being done now that will prevent further damages?

**Shri Alagesan:** I may inform the House that it is proposed to effect some improvements in the shape of additional waterways, deeper foundations for bridges etc. at an additional cost of about Rs. 25 lakhs. I think after these are done, it will not be a perennial affair.

#### TRAINING OF WORKERS FOR COMMUNITY PROJECTS

**\*590. Shri S. N. Das:** (a) Will the Minister of Food and Agriculture be pleased to state whether the training of village-level workers for community projects has started?

(b) If so, what are the names of the centres and the number of workers being trained there?

(c) What are the subjects in which training is being imparted?

(d) Is any syllabus of the course available?

**The Minister of Agriculture (Dr. P. S. Deshmukh):** (a) Yes.

(b) A statement giving the required information is placed on the Table of the House. [See Appendix III, annexure No. 36.]

(c) Agriculture; Cooperation and Village Participation; Animal Husbandry; Health; Sanitation and Hygiene; Adult Education.

(d) Yes. A copy of the syllabus prepared by the U.P. Government, which was circulated to all Training Centres, is placed on the Table of the House. [Copy placed in the Library See No. P-78/52.]

**Shri S. N. Das:** From the statement it appears that seven centres have been started in seven of the States. May I take it that in other States, such training centres are existing—or are they still to be opened?

**Dr. P. S. Deshmukh:** The matter is under consideration, so far as the other States are concerned.

**Shrimati A. Kale:** May I know whether there are any women workers being trained, and, if so, what are their qualifications?

**Dr. P. S. Deshmukh:** Not so far.

**Shri S. N. Das:** May I know whether the cost of training is borne by the States or by the Centre?

**Dr. P. S. Deshmukh:** It is borne by the Ford Foundation partly, and partly by the TCA agreement which we have entered into.

**Shri S. N. Das:** May I know the time that will be taken for starting these centres in other Part A and Part B States?

**Dr. P. S. Deshmukh:** Fairly effective steps are being taken to see that the centres are opened at an early date.

**Shri Sarangadhar Das:** May I know the time-lag between the starting of the projects—I think it was started on the 2nd October—and the time when these trained village workers will take charge of the villages?

**Dr. P. S. Deshmukh:** I do not think there has been any great delay or much time-lag. Everything is being expedited as much as possible.

**Shri Veeraswamy:** May I know whether the workers will immediately be engaged in the different project works after the completion of their courses?

**Dr. P. S. Deshmukh:** I am afraid there are too many Members coughing, and I am unable to follow the question.

**Shri Kelappan:** May I know whether there are any foreign experts among the teachers?

**Dr. P. S. Deshmukh:** Yes, but very few.

**Shri Kelappan:** How many?

**Mr. Speaker:** Order, order. I am going to the next question.

#### FISHING RIGHTS (AMERICAN AGENCY)

\*591. **Shri V. P. Nayar:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether any American agency had requested Government for fishing rights in areas en route to the Laccadive Archipelago and the Maldives; and

(b) whether Government have made any effort to exploit these areas for fishing the highly-priced fish like Tuna and Bonito?

**The Minister of Agriculture (Dr. P. S. Deshmukh):** (a) An American agency made an enquiry in 1950 asking for the grant of a licence for Tuna fishing off the South Coast of India. They were asked to make proposals on the principle that Indian nationals would be associated with the venture but no concrete proposals resulted.

(b) Investigations are proposed to be undertaken soon.

**Shri V. P. Nayar:** How many miles off the Indian coast do we get these Tuna and Bonito? May I also know whether the Central Government has made a preliminary survey of the area in the sea?

**Dr. P. S. Deshmukh:** I could not give the mileage beyond which they are available, but I think it requires deep sea fishing to a considerable extent.

I did not hear the second part of the question.

**Mr. Speaker:** The hon. Minister requires notice for that question?

**Dr. P. S. Deshmukh:** Yes, Sir.

**Shri V. P. Nayar:** May I know, Sir, whether the Government is aware that these two fish, Tuna and Bonito, are very highly priced in America and may I also know whether in a scheme submitted by an American agency there was a proposal for the export of these fish to America?

**Dr. P. S. Deshmukh:** I have not got the details of the American proposal, Sir.

**Shri V. P. Nayar:** May I know, Sir, whether the Government of Bombay have requested the Central Government for any assistance on this?

**Dr. P. S. Deshmukh:** I want notice.

**Shri Damodara Menon:** Is it the policy of the Government to give fishing rights to foreign agencies on the coast of India or to reserve it for Indian nationals?

**Dr. P. S. Deshmukh:** As has been clearly indicated in the reply to the question, Sir, it is not our intention to give exclusive rights without securing some advantages.

#### TELE-COMMUNICATION PLANNING SECTION

\*593. **Shri S. C. Samanta:** (a) Will the Minister of Communications be pleased to state when the Tele-Communication Planning Section of Post and Telegraph Directorate was constituted?

(b) Have all necessary statistics been collected and tabulated?

(c) How far has the section progressed as regards the expansion of the existing Auto Exchanges?

(d) How far will it help in the implementation of the Five Year Plan?

**The Deputy Minister of Communications (Shri Raj Bahadur):** (a) January, 1952.

(b) Considerable quantity of statistics have been collected and are being tabulated. This is a continuous process.

(c) A statement of the present position is laid on the Table of the House. [See Appendix III, annexure No. 37.]

This Section has so far dealt with Manual Exchanges and Carrier Systems.

(d) It is essential for the drawing up and implementation of the Five Year Plan. The fixation of priorities for equipment and works and the co-ordination of the various phases of the development schemes is the responsibility of this Section.

**Shri S. C. Samanta:** May I know, Sir, what will be the amount required for the working of this Section according to the Five Year Plan?

**Shri Raj Bahadur:** It is provided in the Budget as a normal budget provision every year.

**Shri S. C. Samanta:** Not for this special Section?

**Mr. Speaker:** Is any provision made in the Five Year Plan for this special Section?

**Shri Raj Bahadur:** This Planning Section is part of the P. and T. Directorate. It is now under a Director who is assisted by other staff; there are two assistant Directors attached and some more staff has been added recently.

**Shri S. C. Samanta:** How many proposals for opening new Exchanges and for expanding existing ones, have come and how many are justified at present?

**Shri Raj Bahadur:** It is difficult to say because the number is increasing every day. But it has already finished the distribution and allotment of auto equipment and priorities have been fixed for that and some other things have also been done.

**Shri S. C. Samanta:** May I know, Sir, what are the reasons for opening a separate Planning Section known as Bombay Planning Unit, which has been placed under a Director of Telegraphs.

**Shri Raj Bahadur:** The magnitude of work and the magnitude of expansion and development of the Bombay automatic system demand a separate Planning Section, as does the system in Calcutta.

**Shri S. C. Samanta:** May I know, Sir, how many V.F.T. systems have been introduced or are going to be introduced in the present financial year?

**Shri Raj Bahadur:** It is difficult to say. If a separate specific question is put, I will be able to give an answer.

**Shri B. S. Murthy** rose—

**Mr. Speaker:** Must he ask a question on every question?

**Shri B. S. Murthy:** How are priorities fixed, Sir?

**Shri Raj Bahadur:** According to requirements and importance and the needs of the various places concerned.

#### RATIONALIZATION OF RAILWAY STORES

\*594. **Shri M. S. Gurupadaswamy:** (a) Will the Minister of Railways be pleased to state what is the existing stock-holding of the various Railways?

(b) What action has been taken for the rationalization of the stores organisations on the Railways?

(c) What is the total amount saved by this rationalisation?

**The Deputy Minister of Railways and Transport (Shri Alagesan):** (a) The provisional figure of value of stocks on 31st March 1952 is Rs. 63.32 crores.

(b) Co-ordinated utilisation of stocks on an all-India basis was introduced last year and the procedure for procurement of railway stores is being rationalised on the lines suggested by the Railway Stores Enquiry Committee.

(c) Approximately Rs. 4 crores.

**Shri M. S. Gurupadaswamy:** May I know, Sir, what are the recommendations of the Enquiry Committee?

**Shri Alagesan:** They can be found in the Report of the Committee. But the main recommendation is that the stores balances should be reduced by about Rs. 10 crores.

**Shri M. S. Gurupadaswamy:** May I know, Sir, whether the hon. Minister is aware that there was some corruption in the management of the railway stores by railway officials, and if so, what action has been taken by the Ministry with regard to these corrupt officials?

**Shri Alagesan:** Sir, I am not aware of any corruption or corrupt practice.

**Shri Nambiar:** May I know, Sir, whether the Government have issued instructions to utilise the stocks of paper which were there for 200 years—which question I raised earlier—and whether any action has been taken?

**Shri Alagesan:** Surely action has been taken on those lines.

**Shri Nambiar:** May I know, Sir, what action has been taken? How many years stock still remain—whether 150 years or anything like that?

**Mr. Speaker:** He wants to know what specific action was taken.

**Shri Alagesan:** On each railway more than 5,000 to 6,000 items have been examined. It is an elaborate procedure, and the surplus that has been declared is worth about Rs. 10.19 crores.

**Mr. Speaker:** His question is specific about paper, not about the other 5,000 items. He wants to know what has been done about the paper stock.

**Shri Alagesan:** I do not have any information about the particular item, paper.

**Mr. Speaker:** Let us proceed to the next question.

## COLLEGE OF NURSING, NEW DELHI

\*595. **Shri M. S. Gurupadaswamy:** Will the Minister of Health be pleased to state:

(a) how many students are at present studying in the College of Nursing at New Delhi; and

(b) whether Government propose to start similar colleges of nursing in other parts of the country?

**The Deputy Minister of Health (Shrimati Chandrasekhar):** (a) 118.

(b) The Central Government have no such proposals. They have yet to develop the present Institution. The State Governments are at liberty to start similar Colleges for themselves should they so desire.

**Shri M. S. Gurupadaswamy:** May I know, Sir, what is the total cost involved in starting this college?

**The Minister of Health (Rajkumari Amrit Kaur):** The actual expenditure incurred on the College of Nursing in Delhi, if that is what the hon. Member is referring to.....

**Mr. Speaker:** New Delhi.

**Rajkumari Amrit Kaur:** ...is as follows: In 1946-47 it was Rs. 54,000 odd, in 1947-48 it was over Rs. 58,000, in 1948-49 Rs. 1,63,000, in 1949-50 Rs. 2,28,000, in 1950-51 Rs. 2,36,000, in 1951-52 Rs. 2,37,000 and for the year 1953-54 provision has been made for Rs. 3,65,000.

**Shri M. S. Gurupadaswamy:** May I know, Sir, what are the main items of expenditure?

**Rajkumari Amrit Kaur:** Expenditure is normally incurred on items which any College would need.

**Mr. Speaker:** Are these taken from the Budget?

**Rajkumari Amrit Kaur:** Yes.

**Mr. Speaker:** The hon. Member may refer to the Budget figures.

**Shri M. S. Gurupadaswamy:** May I know, Sir, what are the qualifications required for admission of students to this College?

**Shrimati Chandrasekhar:** Inter Science.

**Shri M. S. Gurupadaswamy:** May I know, Sir, whether the hon. Minister is aware that some students who have passed B.Sc. have also been admitted into this College and are treated as post-graduate students?

**Mr. Speaker:** The hon. Member is going too much into details of administration. If he has any questions to ask on policy, they may be put, but I do not propose to allow questions on details of administration.

**Shri K. K. Basu:** May I know, whether these students are admitted direct or on a State-wise basis?

**Mr. Speaker:** Order, order.

**Shri Doraswamy:** May I know, Sir, how many graduates have so far passed out of this college?

**Mr. Speaker:** I think it is all details.

## NURSES

\*596. **Dr. Kanna Rao:** (a) Will the Minister of Health be pleased to state whether any representations have been received by the Government of India from any representative body of nurses regarding their living conditions, training facilities, etc.?

(b) Are any attempts being made by the Government of India to raise the pay and allowance-levels of the nurses all over India to the same standard?

(c) What are the existing pay-scales for the nurses in the Government hospitals of the various States?

(d) How many training centres for nurses exist all over India (State-wise)?

(e) Are there plans for their expansion or for new institutions to be started?

(f) Do Government propose to consider the question of conducting an enquiry into the conditions of nurses in India?

**The Minister of Health (Rajkumari Amrit Kaur):** (a) Yes.

(b) This question has long since been taken up with the State Governments and constant reminders are being issued to them in this regard.

(c) and (d). Two statements containing the information required are placed on the Table of the House. [See Appendix III, annexure No. 49].

(e) The Governments of Bombay, Punjab, Bihar, Orissa, Mysore, Madhya Bharat, Travancore-Cochin, Hyderabad, Saurashtra and P.E.P.S.U. have plans for the expansion of the existing training centres for nurses or for starting new institutions.

(f) No, because they already have the necessary information.

## ELECTRIFICATION OF RAILWAY LINES

**\*597. Shri Nambiar:** (a) Will the Minister of Railways be pleased to state whether there are any schemes for the electrification of any railway lines, or for the extension of existing electric lines?

(b) If so, which are the lines so contemplated and when will they be taken up?

(c) Have any representations been received on this question from the public and if so, what are they?

(d) Have the Government of India given any assurances to such public representations?

**The Deputy Minister of Railways and Transport (Shri Alagesan):** (a) and (b). Yes, Igatpuri to Bhusawal on the Central Railway and Tambaram to Chingleput on the Southern Railway. The schemes are under examination, but their implementation will depend upon the availability of funds.

(c) and (d). Representations have been received from time to time for various sections particularly on Tambaram-Chingleput, and suburban section on the Eastern Railway. No assurance has, however, been given so far.

**Shri Nambiar:** May I know, Sir, when it is expected to start work on the Tambaram-Chingleput line?

**Shri Alagesan:** Sir, the question is under examination.

**Shri Nambiar:** May I know, Sir, whether there is a proposal to electrify the Madras-Bezwada line due to the difficulties on that line?

**Shri Alagesan:** No such proposal exists.

**Shri Nambiar:** May I know, Sir, whether we can expect the work on the Tambaram-Chingleput line to start next year?

**Shri Alagesan:** I have already answered the question, Sir, that this is under examination.

**Shri Nambiar:** May I know, Sir, whether the Government will give any assurance that it will be started soon?

**Shri M. S. Gurupadaswamy:** May I know, Sir, whether it is the policy of the Government to start electrification of railways in such areas where electricity is easily available?

**Shri Alagesan:** Electrification is very desirable, Sir, but the initial cost involved is so much that we are at present deterred from speeding it up.

**Shri A. C. Guha:** May I know in what stage is the proposal for electrification of the Calcutta suburban railway or the Calcutta-Moghulsarai line?

**Shri Alagesan:** That proposal is, of course, there but it is not under active consideration.

## RAILWAY STATION FOR MAHE

**\*599. Shri Nambiar:** (a) Will the Minister of Railways be pleased to state whether it is a fact that the Railway station for the area of Mahe is sandwiched by French territory and there is consequent difficulty in reaching it?

(b) If so, have any representations been received about it?

(c) What steps are being taken to relieve the people of this area of this difficulty?

**The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shah Nawaz Khan):** (a) The Railway Station at Mahe is not sandwiched by French territory, but the approach road to the station on one side passes through French territory.

(b) No representations have been received by the Railway Administration from the public about any inconvenience on this account.

(c) Does not arise.

**Shri Nambiar:** May I know, Sir, whether the Government are aware that the difficulties undergone by the passengers going by that road is due to the presence of the Mahe police on the line?

**Mr. Speaker:** He refers to the difficulties outside the railway premises.

**Shri Nambiar:** No, Sir, from the railway station to the particular road.

**Mr. Speaker:** Does that road pass through the railway premises or outside the railway premises?

**Shri Nambiar:** From the railway limit it passes through the French territory.

**Mr. Speaker:** The inconvenience is experienced obviously outside the railway territory. There can be no scope for further questions on this. That is a question to be put to the External Affairs' Ministry and not to the Railway Ministry.

## EXTRA DEPARTMENTAL AGENTS

**\*600. Kumari Annie Mascarene:** (a) Will the Minister of Communications be pleased to state whether there is a proposal to absorb Extra Departmental Agents in the Regular Postal Service?

(b) How many such Agents have so far been absorbed in the Postal Service?

(c) Are any stationery materials supplied to the Extra Departmental Agents?

**The Deputy Minister of Communications (Shri Raj Bahadur):** (a) Extra Departmental Agents can appear at the Postmen's test up to 40 years of age as departmental candidates and at the clerical recruitment examination up to 30 years of age as outside candidates. There is no other separate proposal for their absorption under consideration.

(b) The information is being collected and will be laid on the Table of the House in due course.

(c) Yes. Government supplies the required stationery articles.

**Kumari Annie Mascarene:** May I know, Sir, whether there are any provisions for persons who have been recruited and have rendered about 10 or 12 years' service?

**Shri Raj Bahadur:** No; there is no such provision.

**Kumari Annie Mascarene:** Will Government think of providing them with any position when it is converted into postal service?

**Shri Raj Bahadur:** Government undertake no responsibility to provide permanent or temporary employment to these persons.

**Kumari Annie Mascarene:** Is the Government aware that stationery materials supplied to them do not reach them?

**Shri Raj Bahadur:** Whenever any complaints have been brought to our notice they have been enquired into. If the hon. Member has got any complaints she may kindly bring them to me.

**Shri N. Sreekantan Nair:** Is the Government aware that these extra-departmental men are transferred from their places so much so the remuneration they get is quite insufficient for their bare living?

**Shri Raj Bahadur:** They are not transferred, Sir.

**Shri V. P. Nayar:** Has Government received a memorial recently from Extra-Departmental Postal employees of the Travancore-Cochin State and if so, what action has Government taken?

**Shri Raj Bahadur:** When— which year and on what date?

**Kumari Annie Mascarene:** May I know, Sir, the amount they are given as salary?

**Shri Raj Bahadur:** That is not salary. It has been explained in the House, more than once, that it is only an allowance, Sir.

**Kumari Annie Mascarene:** May I know the amount given as allowance?

**Shri Raj Bahadur:** The extra-departmental sub-postmasters get Rs. 40/- as maximum and Rs. 25/- as dearness allowance; sub or branch postmasters, Rs. 10—25 and Rs. 10/- dearness allowance; mail carriers, Rs. 30/- maximum and Rs. 10/- as dearness allowance; extra-departmental delivery agents, Rs. 25/- maximum and Rs. 10/- dearness allowance. If the extra-departmental sub-postmaster or branch postmaster is required to carry mails or do delivery work he gets, in addition to the above allowances, a maximum allowance of Rs. 10/-.

**Kumari Annie Mascarene:** Are they to pay from this amount the rent for the building they utilise?

**Shri Sarangadhar Das:** May I know, Sir, whether a circular has lately been issued that these extra-departmental postmasters will work 8 hours a day?

**Shri Raj Bahadur:** No, Sir. No such circular has been issued. The maximum is five hours for them.

## S. I. RAILWAY LABOUR UNION CONFERENCE

**\*601. Shri Nambiar:** Will the Minister of Railways be pleased to state:

(a) whether it is a fact that the Southern Railway administration has refused to give permission to the S.I. Railway Labour Union to use the vacant ground belonging to the Railway for housing Railwaymen who were invited for its annual conference held at Golden Rock on 12th, 13th and 14th September 1952,

(b) if so, why;

(c) whether it is also a fact that the representatives of Railwaymen

who were elected as Delegates by the Railwaymen to attend the above conference were denied usual relief, leave and pass facilities; and

(d) whether it is also a fact that the Works Manager Golden Rock threatened the Labour Union of forcibly removing a piece of work of decorations made at the gates of the Labour Unions grounds on the plea of encroachment?

**The Deputy Minister of Railways and Transport (Shri Alagesan):** (a) and (b). Yes. Permission was sought by the South Indian Railway Labour Union—for holding their annual conference in railway land in the Railway Colony at Golden Rock. As such facilities are not given to unrecognised Unions permission was refused by the Administration.

(c) No special instructions were issued by the Administration to departmental officers to relieve delegates and issue them railway passes. The grant of leave to railway staff in the ordinary course rests entirely on the discretion of the departmental officers and it may be that some staff, in the exigencies of service, might not have been granted leave for attending this conference.

(d) No.

**Shri Nambiar:** May I know, Sir, whether it is a fact that that Labour Union has applied for recognition and whether this lack of recognition stood in the way of granting this right?

**Shri Alagesan:** Yes, Sir, the Union has applied for recognition.

**Mr. Speaker:** His point is whether it was the want of recognition that led to the refusal of the facilities asked for.

**Shri Alagesan:** At the time, the permission was asked for, the Union was an unrecognised one and hence the permission was refused.

**Shri Nambiar:** May I know, Sir, what exactly is the position as to the recognition of the Union?

**Shri Alagesan:** I do not think, Sir, that that question directly arises from this.

**Shri Nambiar:** May I know whether it is the policy of the Government not to give railway premises or buildings to railwaymen irrespective of the fact that they are members of un-recognised Unions or not?

**Shri Alagesan:** Yes, Sir; railway premises are allowed to be occupied by recognised Unions for such conferences.

**Shri Nambiar:** May I know, Sir, in this particular case, though the Union was not recognised, the railway men asked for permission for their use not as members of the Labour Union but as railway men and it was refused?

**Mr. Speaker:** From his answer it is very clear.

**Shri Alagesan:** The request came on behalf of the Union.

**Shri Nambiar:** May I know whether the leave passes claimed by the railway men on their own account for attending some business,—of course, the Labour Union—were refused or not?

**Shri Alagesan:** I do not follow the question.

**Mr. Speaker:** It is no use following the question any further because he is going to argue.

**Shri Nambiar:** May I know whether these passes applied for by these railway men on their own account were refused or not?

**Shri Alagesan:** I have no information on that point, Sir.

#### PRICE OF SUGAR (FIXATION)

\*602. **Shri Jhulan Sinha:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether it is a fact that while fixing the price of sugarcane, no price for sugar has been fixed this year as in the previous year; and

(b) the grounds for not fixing the price for sugar during this year?

**The Minister of Agriculture (Dr. P. S. Deshmukh):** (a) Yes.

(b) Control over price of sugar is not considered necessary as the supply of sugar is far in excess of the demand. To safe-guard the interests of the consumer, however, it has been decided to so regulate the release from the factories that a reserve of approximately 3 lakh tons sugar is always available with the Industry, and if the market prices of sugar rise to unreasonably high levels, the Government will release sugar from the reserve stocks at prices which the Government may then fix statutorily corresponding to the minimum price of sugarcane, and will also direct it to be sold through such agencies as may be considered necessary.

**Shri Jhulan Sinha:** May I know if it is in consonance with the policy of the Government to allow different prices of sugar in different areas or factories?

**Dr. P. S. Deshmukh:** We do not fix the prices. They are allowed to take their own course.

**Shri Jhulan Sinha:** May I take it that factories which have been allowed to purchase the cane at a price lower than the one fixed by Government is allowed to sell the sugar at a lower price?

**Dr. P. S. Deshmukh:** We have fixed only the minimum price.

**Dr. Ram Subhag Singh:** May I know whether at the time of fixing the price of sugar cane Government had in mind the fact that the water rates for sugar cane fields would also be increased by 300 per cent?

**Dr. P. S. Deshmukh:** The cost of production is taken into consideration from time to time and I am sure that this factor must have been taken into account.

**Dr. Ram Subhag Singh:** But the water rate has been increased after the cane price was fixed.

**The Minister of Food and Agriculture (Shri Kidwai):** After the price of cane has been fixed, the sugar price has not been increased.

**Dr. Ram Subhag Singh:** Not the sugar price. I am saying that the water rate for sugar-cane fields has been increased by 200 per cent. and in some cases by 300 per cent.

**Shri Kidwai:** But then according to our new procedure, the cane-growers are not necessarily to sell their cane to the factories. They can convert it into *gur* if they can get a better price thereby. If that happens, then the factories will have to pay a higher price for the cane.

**Shri K. K. Basu:** Is the Government in a position to contradict the fact that the bumper crop in sugar cane has led to a reduction in the price?

**Shri Kidwai:** That is not a fact. The fact is that the cane prices in the last few years were proportionately higher than the prices of other agricultural commodities and therefore the acreage under cane was going up and the price of sugar was so high that it was not available to the average consumer. Therefore, taking all these things into

consideration the prices have been reduced and brought into line with the prices of other cereals.

**Shri S. N. Das:** In fixing the sugar cane prices, may I know what formula or basis has been adopted? Is it the formula put forward by Mr. Srivastava some years ago?

**Shri Kidwai:** No formula has been adopted but we have taken into consideration the prices that were prevalent about four years ago when the prices of wheat and rice were higher than what they are today and when the prices of cane were fixed as low as Rs. 1/2/0 and Rs. 1/4/0. Therefore, we have brought the prices of cane to the same proportion, although the prices of other cereals are lower to-day.

**Mr. Speaker:** I think we had a lot of these questions during the debate that was held recently. He explained all these things. We shall go to the next question

**Shri M. L. Dwivedi:** May I request that question 608 which is allied to question 603 may be answered along with question 603?

**Shri V. V. Giri:** Shall I answer question 608 also, Sir?

**Mr. Speaker:** Yes.

#### EMPLOYMENT EXCHANGES

**\*603. Shri Krishna Chandra:** Will the Minister of Labour be pleased to state:

(a) whether any Committee, with Mr. Shiv Rao as Chairman has been appointed by Government to examine the working of the Employment Exchanges:

(b) whether it is a fact that the Minister in his speech made on the 7th September, 1952, at the Industrial Training Institute at Jaikhalili in Mysore said that whatever the recommendations of the above Committee might be, he would see that the Employment Exchanges and the Training Centres maintained by them would stay:

(c) whether orders were issued some time back that any selections made for recruitment to clerical and low-paid technical posts under the Government of India should be deemed to have been made through Employment Exchanges; and

(d) whether Government are aware that small use is made of these Exchanges by State Governments. Local

Bodies and trade in the matter of appointments made by them?

**The Minister of Labour (Shri V. V. Giri):** (a) Yes.

(b) No.

(c) Government have instructed appointing authorities that all vacancies arising in Central Government establishments (except those that are filled through the Union Public Service Commission or by normal promotion of permanent hands or by open competitive examination, should be notified to the appropriate Employment Exchange and that no vacancy should be filled by direct recruitment unless the Employment Exchange concerned certifies that it is unable to supply suitable candidates.

(d) While Employment Exchanges have not yet become the main channel of recruitment for State Governments and local bodies they are being used in an increasing measure for this purpose.

#### EMPLOYMENT EXCHANGES

\*608. **Shri M. L. Dwivedi:** Will the Minister of Labour be pleased to refer to his speech delivered at Bombay on the 5th June, 1952 while addressing the officers and staff of the employment service with special attention to the following extract:

"I am interested in the organisation and I would like to see that the Employment Exchanges become permanent."

and state:

(a) the steps taken or likely to be taken by Government in this direction;

(b) the time likely to be taken in implementing the proposal; and

(c) what shall be financial implications over and above the present undertakings of the Government of India and the States, if any, as a result of the proposed move translated into action?

**The Minister of Labour (Shri V. V. Giri):** (a) to (c). A Committee is being set up to examine the future of the Directorate General of Resettlement and Employment including the Employment Exchanges. On the recommendations of the Committee will depend the future shape of the Employment Exchange etc. As proposals will be submitted by the Committee, it is not possible to say at this stage how long it will take to implement these proposals and what the financial

implications of these proposals will be. I place a copy of the terms of reference of this Committee on the Table of the House. [See Appendix III, annexure No. 39]

**Shri Krishna Chandra:** May I know whether the Committee has submitted its report?

**Shri V. V. Giri:** It has yet to sit.

**Shri Krishna Chandra:** Are all vacancies in the Central Services referred to the Employment Exchange and in addition thereto are advertisements published in the press?

**Shri V. V. Giri:** Advertisements are published in the press if they are public Service Commission appointments, but others are not advertised.

**Shri Krishna Chandra:** Am I to understand then that in respect of employees recruited through this agency no advertisements are published in the press?

**Shri V. V. Giri:** There are people who have applied for various jobs and they are in the registers.

**Shri M. L. Dwivedi:** May I know the names of the members of the Committee and when is the Committee likely to commence its work?

**Shri V. V. Giri:** I have placed a copy of the terms of reference on the Table of the House, and in addition I have also several times answered this question on the floor of the House.

**Shri M. L. Dwivedi:** When will the Committee commence its work?

**Shri V. V. Giri:** Very soon; within one or two weeks.

**Shri G. P. Sinha:** May I know whether clerical posts filled through the Employment Exchange are given to people coming from a place of the officers, who are appointing authority?

**Mr. Speaker:** Apparently he is drawing an inference of partiality.

**Shri G. P. Sinha:** Yes, Sir.

**Mr. Speaker:** That is not in order. Next question.

#### ROLLING STOCK

\*604. **Shri Jassani:** Will the Minister of Railways be pleased to state:

(a) the number of orders placed for rolling stock, coaches and wagons with the foreign countries during the period 1st November 1951 to 30th October, 1952;

(b) the names of countries and the estimated cost of goods ordered; and  
 (c) the agency through which the order is placed?

**The Deputy Minister of Railways and Transport (Shri Alagesan):** (a) and (b). A statement containing the information is placed on the Table of the House. [See Appendix III, annexure No. 40]

(c) The Director General, India Store Department, London.

**Shri Jasani:** May I know the names of the firms with whom orders have been placed?

**Shri Alagesan:** The statement gives the names of the countries, but not the names of the firms. I have not got the information just now.

**Shri Jasani:** Has any advance been made to these firms, and if so, what is the amount?

**Shri Alagesan:** I do not have the information just now, but I have the total cost of these orders in respect of the various countries.

**Mr. Speaker:** What is the total cost?

**Shri Alagesan:** It is given in the statement.

**Shri Jasani:** May I know what proportion of the orders has up till now been executed?

**Shri Alagesan:** If he wants for any particular item, I can give the information.

**Shri Nambiar:** In view of the fact that under-frames are being manufactured in the Locomotive Works at Tatanagar, may I know whether under-frames are also included in these orders?

**Shri Alagesan:** Yes, Sir. The statement will show that orders for under-frames have also been placed, but before the orders are placed the entire indigenous capacity is being utilised, and then only orders are placed abroad.

**Shri Nambiar:** May I know the extent to which under-frames are being manufactured in the Locomotive Works at Tatanagar?

**Mr. Speaker:** It is too much.

**Shri Alagesan:** I should like to have notice.

**Shri K. K. Basu:** Before these orders are placed, are tenders invited from the different countries which are in a position to supply the requirements?

**Shri Alagesan:** Tenders are invited. Our officers go there and negotiate these orders.

**Shri Jasani:** In regard to the order for coaches, may I know what proportion of it has been up till now executed and what is the amount outstanding?

**Shri Alagesan:** The order for 100 metre gauge all metal coaches with Belgium is likely to be fulfilled between October and December 1952.

**Shri Jasani:** And about the orders placed with U.K.?

**Shri Alagesan:** 41 per month from January 1953.

#### EXPERTS FROM INTERNATIONAL LABOUR ORGANISATION

**\*605. Shri Punnoose:** Will the Minister of Labour be pleased to state:

(a) whether the International Labour Organisation has lent a team of experts for productivity studies in India;

(b) if so, who are the experts, what are their nationalities, what are their qualifications and previous experience, what are their emoluments and what expenditure is expected to be incurred on their behalf by the Government of India;

(c) what are the details of the scheme which they will be in charge of, where are the schemes situated, what will be the total expenditure of the Government of India on these schemes and when will these schemes come into being;

(d) whether the details of the schemes have been circulated to any non-official organisation; if so, which are they; and

(e) whether these organisations have sent their opinions on the schemes and if so, what are the opinions expressed by each?

**The Minister of Labour (Shri V. V. Giridharan):** (a) Yes. The Government of India have entered into an agreement with the I.L.O. for obtaining the services of a team of experts on productivity studies and systems of payment by results.

(b) The experts selected so far are:-

- (1) Prof. T. U. Matthew (Leader)
- (2) Mr. H. F. Ross
- (3) Mr. G. L. Peace
- (4) Mr. K. J. Shone
- (5) Mr. James Shearer

There will also be two Indian experts associated with the scheme. Their selection has not yet been finalised.

The nationalities of experts are:—

- (1) Prof. T. U. Matthew British
- (2) Mr. H. F. Ross New Zealand
- (3) Mr. G. L. Peace British
- (4) Mr. K. J. Shone British
- (5) Mr. James Shearer British

The qualifications and experience of the experts are:—

1. Prof. T. U. Matthew, Ph.D. (Cantab), M.Sc. (Birmingham), Lucas Professor in the Principle of Engineering Production, Birmingham. Engineering Apprentice Bab-Cock and Wilcox, Ronfrew; Senior Whitworth Scholar and Sir James Caird Senior Scholar at King's College, Cambridge. Engaged on consulting Production Engineering Practice in South African Mining and other industries; War of 1939-45, Technical Adviser South African War Supplies Directorate and Chemical Defence Factories of Union Defence Force; engaged on industrial and Municipal Investigations since 1945.
2. Mr. H. F. Ross, Member of the Division. Economic Division, I.L.O. Geneva.
3. Mr. G. L. Peace, Industrial Engineer (since 1944), Partner, Leighton Peace and Partners Industrial Engineers and Consultants, Great Britain. Possesses over 20 years experience in the field. Member of the Institution of Works Managers. Fellow of the Institute of Industrial Technicians.
4. Mr. K. J. Shone, Head of Industrial Administration Department, Royal Technical College, Glasgow. Lecturer and Assistant Professor of Industrial Engineering, McGill University, Montreal. Member, Institute of Mech. Engineering. Member, Institute of Marine Engineers (Silver Medal Holder). Possesses First Class Marine Engineers certificate.
5. Mr. James Shearer, 22 years experience in engineering and textiles. Worked as Industrial Consultant in textile and engineering and printing firms. Working as Industrial Consultant for six years in Personnel Administration, Ltd., London.

The Government of India are not aware of the emoluments to be drawn by the experts, as these are not to be paid by the Government of India. The Government of India will be responsible for the cost of accommodation, travelling and office assistance in regard to experts.

(c) The scheme will cover assistance for the introduction and improvement of systems of payment by results with a view to increasing productivity, and in the application of modern methods of work study and organisation in a limited number of cases where it is not desired to apply payment by results.

The Scheme will be confined to the textile industry in the Bombay State and the Engineering industry in the Calcutta region. The Government of India have issued a questionnaire to large sized establishments through the employers regional organisations and about 41 replies have been received. On the basis of these replies the Government will, in consultation with the experts, make a selection of the units to be covered by the Scheme.

The total expenses to be incurred by the Government of India for expert assistance (spreading over a period of 11 months) have been estimated at Rs. 38,000.

The advance guard of the team will be arriving in India in the first week of December 1952. The first stage of the scheme will comprise initial survey of units likely to be covered. Thereafter, pilot projects on systems of payment by results and productivity studies will be undertaken.

(d) The details of the scheme have been circulated to the following non-official organisations:—

#### *National Organizations*

- (i) The All India Organisation of Industrial Employers, New Delhi.
- (ii) The Employers' Federation of India, Bombay.
- (iii) The All India Trade Union Congress, Bombay.
- (iv) The Indian National Trade Union Congress, New Delhi.
- (v) The United Trades Union Congress, Calcutta.
- (vi) The Hind Mazdoor Sabha, Bombay.

**Regional Organisations**

- (i) The Engineering Association of India, Calcutta.
- (ii) The Indian Engineering Association, Calcutta.
- (iii) The Millowners' Association, Bombay.
- (iv) The Millowners' Association, Ahmedabad.

(e) The employers' and workers' organisations have evinced keen interest in the scheme and have extended their wholehearted co-operation. With this end in view some organisations have asked for further details regarding the actual operation of the scheme and some have put forward suggestions for making it a success. Some of the suggestions are:-

- (i) The All India Organisation of Industrial Employers, New Delhi, have suggested that the scheme should be confined to units where the application of scientific management, particularly time and motion study and job evalution, are called for.
- (ii) The Employers' Federation of India are of the opinion that the expert assistance should be made available at least for one year. The present scheme extends over 11 months. The Employers Federation of India have also pointed out that the engineering industry is not a representative industry as is the textile industry and that the difficulties experienced by one section will not, therefore, be experienced elsewhere.
- (iii) The Ahmedabad Textile Industries Research Association have suggested that the success of the scheme will depend a great deal on the attitude of workers employed in the units concerned.

**Mr. Speaker:** Before we proceed to supplementary questions, I would like to suggest that in cases where information is to be given—as is given in replies to parts (b), (d) and (e) of the question—it would be better if the information is contained in a statement placed on the Table of the House, instead of reading the whole thing out in the House. It takes unnecessary and long time and bars other questions.

**Shri V. V. Giri:** It is a mistake.

**Shri Punnoose:** May I know, Sir, whether the Government of India have in their possession labour productivity indices? Have they collected any?

**Shri V. V. Giri:** No.

**Shri Punnoose:** Am I to understand that this study in labour productivity is being undertaken by Government for the first time?

**Shri V. V. Giri:** There might be some material, but this is the first time that they are undertaken.

**Shri Punnoose:** Am I to understand that labour productivity in this country has not been compared with labour productivity in other countries in the past?

**Shri V. V. Giri:** The Committee will be able to give us all the information.

**Shri Punnoose:** My question is whether Government has made a study like that in the past?

**Shri V. V. Giri:** It may not be a very expert study.

**Shri Nambiar:** May I know, Sir, in what way the labour of this country will be directly benefited by the experts and their activities here?

**Mr. Speaker:** It is premature at this stage.

**Shri Venkataraman:** Along with the study in productivity, will the team also study as a result of increased productivity the increase in managerial expenses, increase in dividends declared, etc., so that we may know how much of the increased productivity has been shared by labour.

**Shri V. V. Giri:** Certainly.

**KIRILIUM**

\*606. **Shri M. L. Dwivedi:** (a) Will the Minister of Food and Agriculture be pleased to state whether any attempt has been made by the Ministry to try the new synthetic chemical known as Kirilium recently developed in U.S.A. which has the property of converting non-productive soil into productive one, on Indian soil?

(b) Has any arrangement been made with the Government of U.S.A. to import the chemical in this country in sufficient quantity?

(c) What are the other advantages of the new chemical over the ordinary fertilizers?

**The Minister of Agriculture (Dr. P. S. Deshmukh):** (a) Yes. Government have arranged to obtain samples

of the chemical Kirilium for trials at a number of agricultural stations in India.

(b) No. Further action will be taken after the results of experimental trials under Indian conditions are known.

(c) Kirilium is claimed to be a soil conditioner, which improves the physical properties of the soil, like tilth, aeration, moisture holding capacity etc. specially in the case of very heavy (clayey) or light (sandy) soils and to improve crop yields. It is not a fertiliser and does not supply the food elements needed for plant growth. Other fertilisers will have to be applied in addition to Kirilium if maximum crop yields are to be obtained.

श्री एम० एल० द्विवेदी : क्या इसकी सोज अभी कहीं समाप्त हुई या नहीं ?

डा० थो० एस० देशमुख : जी नहीं, अभी तो काफी टाइम लगेगा। फिलहाल जो उन्होंने बनाया है उस की कीमत बहुत ज्यादा है जो कि दस पौंड के द्विसाव से पहली है। एक एकड़ को २०० से ४०० पौंड लगता है तो उसकी कीमत करीब चार हजार रुपये एकड़ होगी।

#### WRITTEN ANSWERS TO QUESTIONS

##### MINOR IRRIGATION SCHEMES

\*592. **Pandit Munishwar Datt Upadhyay:** (a) Will the Minister of Food and Agriculture be pleased to state what is the aid given to Minor Irrigation Schemes by the Central Government to the various States in the year 1951-52?

(b) What is the aid or co-operation offered by different States to the said Schemes and how far have the aids been actually utilised in working out the Schemes?

(c) What are the areas of lands reclaimed during the same period in the different States and at what costs?

(d) What was the share of the Government of Uttar Pradesh in helping the said irrigation schemes and what is the area of land reclaimed in the food deficit districts of Uttar Pradesh?

**The Minister of Food and Agriculture (Shri Kidwal):** (a) Financial

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aid was given by the Central Government to the various States for irrigation schemes during 1951-52 on the following basis:

(i) In the case of public schemes which are remunerative, namely which pay back their cost in a period of 20 years, a loan to the extent of the expenditure involved;

(ii) In the case of unremunerative schemes, the unremunerative portion determined on the basis of the difference between the total expenditure involved and the capitalised value of the gross revenue for 20 years, is shared by the Central Government and the State Government concerned in the following proportions.

Part 'A' and 'B'  
excepting Assam  
and Orissa 50 : 50.

Assam and Orissa . . . 2/3 by the Government of India and 1/3 by the State Government.

Part 'C' States . . . In full by Govt. of India, except Coorg.

Coorg . . . 3/4 by the Govt. of India and 1/4 by the State Govt.

In the case of private schemes, 50 per cent. of the cost of the scheme is to be met by the beneficiaries and the remaining 50 per cent. is shared between the Government of India and the State Government in the proportion already mentioned.

The total amount sanctioned for all the States during 1951-52 was Rs. 646.51 lakhs as loans and Rs. 387.56 lakhs as grants.

(b) Apart from meeting their share of the expenditure involved as stated in the reply to para. (a) above, the State Governments are entirely responsible for actually implementing the schemes and also for providing all the necessary facilities required in that connection. The actual extent of the financial contributions made by the State Governments in the execution of the irrigation schemes during 1951-52 is not yet available.

(c) A statement showing the area of land reclaimed in the various States during 1951-52 is placed on the Table of the House. [See Appendix III, annexure No. 41]

Information regarding the expenditure incurred on this reclamation

is not available in full and has, therefore, been given only in those cases where it is available.

(d) The estimated expenditure to be borne by the Govt. of the Uttar Pradesh in connection with irrigation schemes sanctioned during 1951-52 was Rs. 81,91,482. The actual expenditure incurred during the year by the State in this connection is however not yet available. The area of land reclaimed in the food deficit districts of the Uttar Pradesh during the year was about 80,000 acres; the expenditure incurred on reclaiming this portion of the total area is however not available.

#### AGRICULTURAL INFORMATION ORGANISATION

\*598. **Shri Buchikotsain:** (a) Will the Minister of Food and Agriculture be pleased to state whether it is proposed to set up an Agricultural Information Organisation in India, if so, when and where is it to be set up?

(b) What is the proposed annual expenditure on the organisation, its staff, establishment and its working?

(c) What steps are being taken to make this Organisation useful for the peasants of the country?

(d) Will the opinions of peasant organisations be called for for making the working of this body successful?

(e) Are there plans to invite any foreign specialists to work on the staff of this body and if so, who are they?

**The Minister of Food and Agriculture (Shri Kidwai):** (a) Yes. An All India organisation for the dissemination of Agricultural Information is being set up shortly under the Indian Council of Agricultural Research.

(b) This will depend upon the recommendations of the All India Agricultural Information Conference held at Lucknow on November 17 to 19, 1952.

(c) Active Co-operation of the peasants is being sought in the set up of the proposed organisation and they will be associated in increasing numbers in its working.

(d) Yes.

(e) No. If necessary, foreign specialists may be invited as advisers for a year or so.

#### MUNICIPAL CORPORATIONS FOR DELHI AND NEW DELHI

\*607. **Shri M. L. Dwivedi:** Will the Minister of Health be pleased to refer to the answer given to the short notice question asked on the 22nd December, 1949 by Shri Deshbandhu Gupta regarding administrative set-up of Delhi and the information furnished in the statement showing action taken on assurances, promises and undertakings given during the November-December Session of the Constituent Assembly of India (Legislative), 1949 in reply to a supplementary question by late Shri Deshbandhu Gupta and state:

(a) whether the Delhi State Legislature has discussed over the matter since then;

(b) if so, the present position with regard to the Cabinet decision to have two separate Municipal Corporations—Delhi and New Delhi—and a District Board for rural areas with the Chief Commissioner-in-Council to co-ordinate the activities of these bodies; and

(c) the likely date or dates when these bodies are likely to come into existence?

**The Minister of Health (Rajkumari Amrit Kaur):** (a) No, but the Delhi State Government has considered the matter.

(b) The Delhi State Government have at the instance of the Government of India, considered the proposal to set up a Municipal Corporation for Delhi and have expressed the view that it should be dropped mainly for the reason that the sources of revenue that will be available to the proposed Corporation will not be sufficient to sustain it. In the circumstances, the whole matter is under further consideration.

(c) Does not arise.

#### ANTI-T.B. TABLETS

\*609. **Shri Jasani:** (a) Will the Minister of Health be pleased to state whether the Union Government have received any anti-T.B. Tablets from any German Firm?

(b) If so, what are the names of those tablets and the name of manufacturers?

(c) Has any experiment been made on any patient and if so, with what results?

**The Minister of Health (Rajkumari Amrit Kaur):** (a) Yes, through an Indian firm in Bombay, who are

the agents of the German firm in India.

(b) The common name of the drug is Iso-nicotinic Acid Hydrazide but the manufacturers, Messrs. Schering A. G. of Berlin, sell it under the trade name of ERTUBAN.

(c) Clinical trials have been conducted from samples of the drug received from other firms and the results of these trials have already been indicated in the reply to starred question No. 186 dated the 11th November, 1952.

#### SHELLAC

\*610. **Shri C. R. Chowdary:** (a) Will the Minister of Food and Agriculture be pleased to state what was the total production of shellac in India in the last three years?

(b) What was the total export of shellac during the same period and to which countries was it exported?

(c) What is the new use, if any, to which shellac is now put in India?

**The Minister of Food and Agriculture (Shri Kidwai):** (a) and (b). A statement is laid on the Table of the House. [See Appendix III, annexure No. 42]

(c) A new use has been discovered according to which shellac dissolved in dilute ammonia is applied on semiporous or porous earthenware. After 3 to 4 applications the vessels are dried and backed at 130-140°C for 4 to 5 hours. This treatment renders the vessels resistant to hot water, oils, salts, dilute soap solutions, etc. Earthenware thus coated has been found to be more suitable for collecting palmyra (neera). Coated plates have also been used in place of conventional plates for serving food as they stand washing and therefore can be used repeatedly. Coated vessels can also be used for keeping salts, oils, gur, pickles and other domestic articles of every day use.

#### HELICOPTER

\*611. **Shri Radha Raman:** Will the Minister of Communications be pleased to state:

(a) whether India possesses any helicopter; and

(b) if so, whether Government have any scheme of introducing this type of aeroplane in India for either defence or civil use?

**The Deputy Minister of Communications (Shri Raj Bahadur):** (a) No.

(b) Proposals are under consideration for obtaining one or two Helicopters for use in search and rescue operations in areas where surface communication is difficult and for anti-locust operations.

#### RAILWAY BRIDGE OVER TONSE RIVER

\*612. **Shri R. N. Singh:** Will the Minister of Railways be pleased to state:

(a) whether it is a fact that an M.L.C., U.P., a former member of the Local Advisory Committee (O.T. Zone) in one of its meetings suggested the construction of a permanent passage for the pedestrians and vehicular traffic, through the Railway bridge over Tonse river between Chil Baragaon and Phephna by extending the breadth of the bridge;

(b) if so, what steps were taken by the them committee on the above-noted suggestions; and

(c) whether Government will consider the matter and take necessary steps?

**The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shah Nawaz Khan):** (a) The reply is in the negative.

(b) Does not arise.

(c) The suggestion that the breadth of the bridge should be extended to take road traffic is impracticable.

#### DECONTROL OF FOODGRAINS

\*613. **Shri Tushar Chatterjee:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether all controls have been lifted on foodgrains;

(b) whether the Planning Commission's Advisory Body advised Government against such a step;

(c) whether the earlier decontrol in Madras led to a rise in prices;

(d) whether it is a fact that we have an overall deficit of foodgrains in India; and

(e) whether Government wish to leave the question of food imports from abroad to private traders?

**The Minister of Food and Agriculture (Shri Kidwai):** (a) No.

(b) The members of the Board were generally in favour of the maintenance of adequate control over food.

(c) There has been a rise in prices since the relaxation of controls in some surplus Districts and also in some deficit Districts in Madras. In some deficit districts prices have fallen. But these prices are very much lower than the market prices prevailing in Madras for the corresponding period of 1951.

(d) Yes.

(e) No.

**EXPLOSION OF SHIPS CARRYING FOODSTUFFS**

\*614. **Shri Sivamurthi Swami:** (a) Will the Minister of Food and Agriculture be pleased to state whether any ships carrying foodstuffs from U.S.A. have exploded and all the foodstuffs sank into the sea?

(b) If so, will the loss be borne by India or U.S.A.?

**The Minister of Food and Agriculture (Shri Kidwai):** (a) Only one steamer named, **GEORGE WALTON** which was bringing a cargo of wheat from U.S.A. had explosion in its engine room and sank in the North Pacific in November, 1951.

(b) The wheat carried by this steamer was the property of the Government of India at the time of shipment. The loss will have to be borne by the Government of India unless it is possible to prove that the explosion in the engine room was due to the negligence on the part of the owners of the vessel, in which case the amount of the loss may be recoverable from the owners who happen to be the Government of U.S.A. in this case. The case at present is sub judice in U.S.A. and the India Supply Mission, Washington are pursuing the case.

**RETRENCHMENT IN RAILWAYS**

\*615. **Shri K. K. Basu:** Will the Minister of Railways be pleased to state:

(a) the number of non-gazetted and other subordinate staff in different Railways who have been retrenched or demoted since the re-grouping;

(b) the number of claims filed in different Railways since the re-grouping;

(c) whether any complaint has been received from the business-men and public against the working of re-grouping; and

(d) how many extra gazetted posts or ranks have been created in different Railways since re-grouping?

**The Deputy Minister of Railways and Transport (Shri Alagesan):** (a) There has been no case of retrenchment or demotion of staff on the railways since re-grouping, except on the Southern Railway where 14 non-gazetted staff were reverted from higher officiating grades.

(b) The total number of claims preferred against different Railways from the date of re-grouping to 31st October, 1952 was 4,71,298.

(c) No specific complaints have been received except a few minor ones on the Central Railway.

(d) Since re-grouping there has been no addition to the gazetted cadres on Indian Railways. On the other hand there has been a small reduction in the number of gazetted posts. The determination of the final cadres for the regrouped systems is still in progress.

**FATEHPUR-RAMGARH-CHURU RAILWAY LINE**

\*616. **Shri Balwant Singh Mehta:** Will the Minister of Railways be pleased to state:

(a) whether it is a fact that construction of Fatehpur-Ramgarh-Churu railway line in Rajasthan was once taken up by the former Jaipur State but was stopped;

(b) if so, why it was stopped; and

(c) whether Government contemplate to start construction of the railway line in the near future and if so, when?

**The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shahnawaz Khan):** (a) No.

(b) Does not arise.

(c) No.

**FOOD MINISTERS' CONFERENCE**

\*617. **Shri B. S. Murthy:** Will the Minister of Food and Agriculture be pleased to state:

(a) the subjects discussed and the decisions taken at the Conference of

the State Food Ministers held recently in Bombay; and

(b) whether these decisions are recommendatory or obligatory?

**The Minister of Food and Agriculture (Shri Kildwai):** (a) The discussions at Bombay with the Food Ministers of certain States related to the general food conditions and the future policy. The talks were exploratory and no decisions were taken.

(b) Does not arise.

#### BUILDING PROGRAMME

\*618. **Shri K. P. Tripathi:** Will the Minister of Communications be pleased to state:

(a) whether it is a fact that the building programme of the Ministry is very much in arrears both in regard to office accommodation as well as staff quarters; and

(b) whether C.P.W.D. is not able to cope with the requirements and consequently funds provided lapse and if so, what were the amounts so lapsed in the last three years (year by year)?

**The Deputy Minister of Communications (Shri Raj Bahadur):** (a) The building programme is in arrears to a certain extent.

(b) The C.P.W.D. is able to cope with the requirements of this Ministry. There was lapse of funds to a certain extent, which was due mainly to delay in the acquisition of land. A statement showing the funds which lapsed during the last 3 years is laid on the Table. [See Appendix III, annexure No. 43].

#### CLASS IV OFFICERS' QUARTERS

\*619. **Shri K. P. Tripathi:** Will the Minister of Communications be pleased to state:

(a) whether the Advisory Committee for Post and Telegraph for Assam has recommended that the standard accommodation provided in class IV officers' quarters of the Department is too inadequate and that the standard adopted for tea garden labourers should be adopted for Post and Telegraph class IV officials; and

(b) if so, whether Government have taken any steps thereon?

**The Deputy Minister of Communications (Shri Raj Bahadur):** (a) Yes; it is understood that in a recent meeting of the Advisory Committee

for Post and Telegraph for Assam the question of accommodation provided for the P. and T. Class IV staff being less than that provided generally for the tea garden labour in Assam was raised. No official report has been received on the point.

(b) The question will be examined on receipt of full details.

#### SUBURBAN TRAINS (MONTHLY FARES)

\*620. **Shri Tushar Chatterjee:** Will the Minister of Railways be pleased to state:

(a) whether there has been an increase in the 3rd class monthly fares of suburban trains of Howrah from 1st November, 1952;

(b) if so, what is the rate of increase, and why this increase; and

(c) whether it is a fact that in proportion to daily fares, the rate of monthly fare for 3rd class was already higher than that of other classes and if so, why this discrimination?

**The Deputy Minister of Railways and Transport (Shri Alagesan):** (a) Yes, for distances below 58 miles in the Howrah Division.

(b) The increase varies according to distance and ranges in most cases between As. 8 and Re. 1/- per monthly ticket. The maximum increase, however, goes upto Rs. 1/7/-.

The introduction of a standard basis of third class monthly suburban fares, applying uniformly to the entire Calcutta suburban area served by the former B.A., B.N. and E.I. Railways and designed to yield the same overall revenue as before, has necessarily meant a slight increase in fares in areas previously enjoying unduly low fares and a decrease in others. There has been such decrease not only in areas comprising most of the stations in the Sealdah Division of the ex-B.A. Railway and stations on the ex-B.N. Railway but also stations of the ex-E.I. Railway for distances 58 miles and over.

(c) The monthly suburban fares are not based on ordinary single journey fares in any class. If they work out higher in proportion to ordinary fares in the case of III class, as compared with, say 1st Class, it is, in part, due to much poorer amenities in the upper classes in the suburban service compared with ordinary trains than in the case of 3rd class. Further, having regard to the level of 3rd class suburban season ticket fares the quantum of

charges of upper class suburban season ticket fares have also to be so adjusted as to attract traffic to the upper classes.

TRAIN BETWEEN BILASPUR AND DANGARGARH

\*621. **Shri Kirolikar:** Will the Minister of Railways be pleased to state:

(a) whether it is a fact that a local train was running between Bilaspur and Dangargarh and it was stopped during war time on the Eastern Railway; and

(b) if so, whether Government propose to re-start the train?

**The Parliamentary Secretary to the Minister of Railways and Transport (Shri Shah Nawaz Khan):** (a) Yes.

(b) This service has already been included in the list of trains to be restored when coaching stock and power position improves, and it stands fifth in the order of priority on the Eastern Railway.

SUPPLY OF FOODGRAINS TO WEST BENGAL

\*622. **Shri N. B. Chowdhury:** Will the Minister of Food and Agriculture be pleased to state:

(a) what quantity of rice and wheat would be supplied to Calcutta and Industrial area in West Bengal during the year 1953;

(b) whether the Government of India have asked the Government of West Bengal to contribute any quota of rice to the Central Food stock; and

(c) if so, what is the quantity of rice required of the Government of West Bengal?

**The Minister of Food and Agriculture (Shri Kidwai):** (a) Government of India have agreed to look after the feeding of Calcutta in 1953, and the required quantities will be supplied.

(b) and (c). One-and-a-half lakhs tons of rice will be contributed by West Bengal to the Central Food stocks, and this may be raised if the actual crop position is found to be better than the preliminary estimates so far received.

VOCATIONAL TRAINING CENTRES

\*623. **Shri Rup Narain:** Will the Minister of Labour be pleased to state:

(a) how many Vocational Training Centres are in India under the administration of Ministry of Labour;

(b) whether the trainees are given certificates, diplomas or degrees which have been recognised;

(c) if the certificates are not recognised, why it is so and whether Government are considering this question; and

(d) whether the trainees are given any assurance from Government for their employment after the training period is over?

**The Minister of Labour (Shri V. V. Giril):** (a) 62.

(b) and (c). Diplomas awarded to the successful trainees have been recognised by some of the State Governments and Central Government authorities. The matter has been taken up with the others.

(d) No.

WHEAT FROM ARGENTINE

201. **Shri Nanadas:** Will the Minister of Food and Agriculture be pleased to state:

(a) the quantity and value of wheat imported from Argentine during the last four years;

(b) the price at which the imports were made;

(c) whether any barter arrangements have been arrived at with the Argentine Government for supply of jute goods in return for their wheat; and

(d) if so, how much and at what calculated price?

**The Minister of Food and Agriculture (Shri Kidwai):** (a) The quantity of wheat imported from Argentine during the four years 1948 to 1951 and cost (including sea freight) of wheat imported during the first three years 1948 to 1950 were as follows:—

Year	Quantity in thousand tons.	Value in lakhs of rupees.
1948	90	356
1949	299	1140
1950	485	1761
1951	513	—

Wheat from Argentine has been imported on barter basis and in the public interest, it is not desirable to disclose the value of wheat imported in 1951.

No wheat has been imported during 1952.

(b) As already stated above the wheat obtained from Argentine was against barter deals.

(c) Yes, Sir.

(d) We are supplying 40,000 metric tons of jute goods against wheat to be delivered during the first half of 1953. It is regretted that it will not be in the public interest to disclose the quantity of wheat or its calculated price.

#### EDIBLE OILS

202. **Shri Dabhi:** Will the Minister of Food and Agriculture be pleased to state:

(a) the total output of edible oils in India during the years 1949, 1950 and 1951;

(b) the total consumption of these oils in the country during the years 1949, 1950 and 1951;

(c) the total export of edible oils from the country during the years 1949, 1950 and 1951; and

(d) the total output of Ghani edible oils in the country during the years 1949, 1950 and 1951?

**The Minister of Food and Agriculture (Shri Kidwai):** (a) to (c). A statement showing the available information is placed on the Table of the House.

(d) The required information is not available.

#### STATEMENT

Estimated Production and Consumption of Edible Oils in the country and their Exports outside the country during 1949, 1950 and 1951.

(Thousand tons)

	1949	1950	1951
Production	1148	1310	1327
Consumption	1164	1208	1228
Exports	32	38	81

**NOTES:**—(i) Edible oils are groundnut oil, sesamum oil, linseed oil, rape and mustard oil and coconut oil. Minor edible oils such as kardi, niger, etc., have not been taken into account since the required data in case of these oils are not available.

(ii) The consumption represents estimated requirements. During 1949 the excess of consumption and exports

over the production is assumed to have been met from the carry-over from the previous year. Besides, consumption of coconut oil is estimated as the sum of production from the indigenous and imported supplies of coconuts and copra and quantities of coconut oil imported from abroad.

#### NATIONAL HIGHWAYS

203. **Shri Dabhi:** Will the Minister of Transport be pleased to state:

(a) the number of the National Highways situated in the Gujarat District of Bombay State;

(b) the length of each of the National Highways situated in the Gujarat District of Bombay State and the names of the places through which they pass;

(c) the year in which they were constructed, the amount of expenditure incurred after the construction of each of them, the amount of money to be spent after the repairs of each of them during the current year and the source from which this money is to come; and

(d) whether there are any proposals for constructing new National Highways or extending the old ones in Bombay State and if so, what are they?

**The Deputy Minister of Railways and Transport (Shri Alagesan):** (a) By 'Gujarat District' the hon. Member is presumably referring to the areas in the Bombay State in which Gujarati is mainly spoken. Two National Highways, namely, National Highway No. 8 (Delhi-Ahmedabad-Bombay) and National Highway No. 8-A (Ahmedabad-Kandla) pass through these areas.

(b) National Highway No. 8 connects Bombay, Navasari, Surat, Baroda Ahmedabad and Himmatnagar. Its length in Gujarati areas is approximately 310 miles.

National Highway No. 8-A connects Ahmedabad and Bagodra. Its length in Gujarati areas is about 40 miles.

(c) Portions of the National Highways are old existing roads whose date and cost of construction are not known. Expenditure figures are not maintained district-wise but the construction of missing links and bridges on the length of National Highway No. 8 in Bonbay State was commenced in 1949-50 and the amount of expenditure incurred on them by the Centre upto 1951-52 was about Rs. 4.5 lakhs. Funds earmarked for

these works in 1952-53 are 45-60 lakhs. The approximate annual maintenance expenditure incurred on this highway after Government of India accepted responsibility for National Highways has been of the order of Rs. 12-0 lakhs. No Central moneys have so far been spent on National Highway No. 8-A as this road is just being declared a National Highway.

(d) The current five-year plan provides for construction of missing bridges and building surfaced roads in gaps in National Highway No. 8 and 8-A in Bombay State.

#### MEDICINES (GIFTS)

204. Dr. Ram Subhag Singh: Will the Minister of Health be pleased to state:

(a) the names of countries which have sent medicines to India as gifts in the years 1949-50, 1950-51 and 1951-52; and

(b) the total values of gift medicines received from these countries?

The Minister of Health (Rajkumari Amrit Kaur): (a) During these years gifts were received by the Central and State Governments from Australia, Belgium, Japan, Netherlands, Norway, Switzerland, Thailand, the United Kingdom, and the United States of America. Information regarding gifts received directly by private charitable institutions is not available.

(b) The total values of gift medicines cannot be stated as they are not generally indicated by the donors.

#### CLAIMS FOR DAMAGES

205. Pandit Munishwar Datt Upadhyay: (a) Will the Minister of Railways be pleased to state how many claims for damages were made in 1951 and how many have so far been made in 1952 from each one of the Railways?

(b) How many claims have so far been disposed of and what is the amount allowed to the claimants?

(c) How many claims have been rejected?

(d) How many claimants went to the court of law and with what results?

The Deputy Minister of Railways and Transport (Shri Alagesan): A statement showing the information asked for is attached. [See Appendix III, annexure No. 44]

#### LOCUSTS (DAMAGE)

206. Shri A. N. Vidyalankar: Will the Minister of Food and Agriculture be pleased to state:

(a) the extent of the damage to the crops caused by the locusts this year;

(b) the principal areas where crops had been damaged;

(c) the quantity of foodgrains damaged; and

(d) the comparative figures for the last year?

The Minister of Food and Agriculture (Shri Kidwai): (a) and (c). Reports so far received from State Governments indicate that about 56 tons of foodgrains have been damaged in U.P. Rajasthan Government has reported slight damage but figures of the actual damage have not yet been received.

(b) Certain parts of Jodhpur, Jaislamer, Bikaner, Alwar, Bharatpur and Gangapur districts of Rajasthan and some of the western districts of U.P.

(d) 1949—nil. 1950—about 20,000 tons and 1951—about 14,400.

#### VANA MAHOTSAVA

207. Shri A. N. Vidyalankar: Will the Minister of Food and Agriculture be pleased to state:

(a) the number of plants planted each year since "the Vana Mahotsava" movement was launched;

(b) the number out of these plants still surviving;

(c) the expenditure incurred each year;

(d) whether there is any plan according to which the kind of trees to be planted are selected;

(e) how the quality and quantity of particular species to be planted are checked; and

(f) to what extent the 'Vana Mahotsava' movement has succeeded?

The Minister of Food and Agriculture (Shri Kidwai): (a) and (b). I place on the Table of the House a Statement showing the number of trees planted during 1950 and 1951 Vana Mahotsavas. [See Appendix III, annexure No. 45.] The survivals are available only in respect of 1950 and are being collected for 1951.

(c) Expenditure incurred during the first and second years amounted

to Rs. 21,316/8/- and Rs. 25,000 respectively.

(d) State Governments have been requested to plant fruit, fuel and other kinds of trees according to local conditions and demands. The planting programme is finalised in consultation with the State Agriculture and Forest Departments.

(e) Discretion in respect of the choice is left to the State Governments which are in the best position to formulate their planting programmes to suit local conditions.

(f) The success of the 'Vana Mahotsava' movement is to be judged not by the number of plants put out, but by the general countrywide interest it has aroused to the need for raising more trees and protecting the existing ones. It is a mass movement the psychological effect of which does not lend itself to a purely quantitative appraisal.

#### DE-CONTROLLED CEREALS

208. **Shri Dabhi:** Will the Minister of Food and Agriculture be pleased to state:

(a) the names of the States which have totally or partially de-controlled cereals and the extent to which such de-control is effected; and

(b) the names of the States which have not still de-controlled cereals?

**The Minister of Food and Agriculture (Shri Kidwai):** (a) A note indicating the States where relaxation of controls has been allowed and the extent of such relaxation is laid on the Table of the House. [See Appendix III, annexure No. 46.]

Apart from this, certain relaxations regarding millets and other coarse grains within each State have also since been decided recently.

(b) Subject to what has been said in reply to question (a) regarding millets and other coarse grains, the other State Governments have retained the restrictions already in force in their jurisdictions.

#### MECHANICAL INSTRUMENTS IN P. & T. DEPARTMENT

209. **Sardar Hukam Singh:** (a) Will the Minister of Communications be pleased to state the number ~~and~~ working condition, as on the 31st October, 1952 of (i) automatic stamp vending machines in India; (ii) mechanical franking devices, and collecting of mails; (iii) mechanised transport of mails in rural areas; and (iv) other

mechanical instruments or devices introduced to expedite the work of the Post and Telegraph Offices?

(b) What is the capital invested in these mechanical instruments or aids to the collection, franking, distribution of mails and telegraphs?

**The Deputy Minister of Communications (Shri Raj Bahadur):** (a) (i) Only one post card vending machine is at present in use. The machine is in good working condition and is being tried in Chandni-Chowk Post Office, Delhi.

(ii) 179 Stamp Cancelling machines have been supplied of which 132 are in good working condition. Most of the others require minor repairs and will be brought into use shortly.

No mechanical devices such as conveyor belts are at present in use in the Post Office for collection of mails.

(iii) The department does not own any mechanised transport in rural areas—Mails are sent through passenger buses on payment.

(iv) The following machines are in use in Telegraph offices and Combined Offices. They are all in good working order.

National Cash Registers	30.
Adrema machines	28.
Addresograph machines	14.

(b) Rs. 4,34,862/10/-.

#### COAL MINES PROVIDENT FUND AND BONUS SCHEMES ACT

210. **Shri N. P. Sinha:** (a) Will the Minister of Labour be pleased to state whether a separate staff is maintained for administering the provisions of Coal Mines Provident Fund and Bonus Schemes Act, 1948?

(b) What is the annual cost incurred for maintaining such a staff, if any?

(c) What action is taken against an employer or an employee for not contributing to the Scheme?

(d) Has any action been taken against any person in the Bihar Coal fields in the year 1951-1952?

**The Minister of Labour (Shri V. V. Giri):** (a) A separate staff is being maintained for the administration of the Coal Mines Provident Fund. This staff was also administering the Coal Mines Bonus Scheme till August 1952, when that work was transferred to the Industrial Relations Machinery under the Central Government. In the Industrial Relations Machinery no

separate staff has been appointed for the administration of the Bonus Scheme.

(b) The cost of maintaining the staff in the year 1951-52 was Rs. 2,27,578/-.

(c) Efforts are made to persuade defaulting employers to pay up the amounts due under the Schemes. A criminal complaint is filed against the employer when persuasion fails.

As the employee's contribution is recovery from his wages, the question of action against employees "for not contributing to the Scheme" does not arise.

(d) After persuasion had failed, 184 criminal complaints were filed against employers in the B'har Coalfields in the year 1951-52.

#### RATIONING

211. **Shri B. K. Das:** Will the Minister of Food and Agriculture be pleased to state:

(a) the number of population under statutory rationing State-wise at present;

(b) the monthly rationing commitments of rice and wheat in these States;

(c) the scale of ration per week in different States;

(d) the population under modified type of rationing in different States; and

(e) the allotments of foodgrains made so far by the Central Government to different States to meet their commitments for statutory rationing and for other types of rationing separately?

**The Minister of Food and Agriculture (Shri Kidwai):** (a), (b) and (d). A statement is laid on the Table of the House. [For (a), (b), (d) and (e), See Appendix III, annexure No. 47].

(c) The scale of ration in statutorily rationed areas is uniform in all the States and is 5 lbs. 4 ozs. per adult per week at present. Children get half the ration for adults and heavy manual labourers are given an additional supplementary ration of 4 oz. per adult per day.

(e) The allotments made to different States are shown in the statement laid on the Table of the House but allotments are not made separately to meet the commitments for statutorily rationed areas and for other areas.

#### RAIL BRIDGE NEAR MAHE

212. **Shri Nambiar:** (a) Will the Minister of Railways be pleased to state whether any representation has been made for the opening of a level-crossing at Peringadi, near Mahe and if so, what action have Government taken on the question?

(b) Has any representation been received from the public regarding the converting of the rail bridge near Mahe into a rail-cum-road bridge and if so, what action has been taken in this regard?

**The Deputy Minister of Railways and Transport (Shri Alagesan):** (a) Yes. A representation from the President, Olavilam Panchayat Board, North Malabar, was received requesting for the provision of the level crossing in question, but, so far, the initial and maintenance costs for providing and working the level crossing have not been accepted either by the applicant or by the Collector of Malabar who has inspected the site.

(b) The reply is in the negative.

#### SUGAR-CANE PRICES

213. **Shri L. N. Mishra:** (a) Will the Minister of Food and Agriculture be pleased to state how the prices, fixed for sugar-cane for the year 1952-53, compare to the prices of the last three years?

(b) Are the prices, fixed for sugar-cane, on an uniform basis for the whole of India?

**The Minister of Food and Agriculture (Shri Kidwai):** (a) The minimum price of sugarcane fixed for 1952-53 is lower than the maximum prices fixed during the last three years.

(b) Yes.

#### REINSTATEMENT OF RAILWAY EMPLOYEES

214. **Shri Nambiar:** Will the Minister of Railways be pleased to state:

(a) whether the various Railway administrations have taken back the Railwaysmen who first opted for Pakistan and then returned to India;

(b) if so, whether Government propose to place on the Table of the House a statement showing the number of men so opted but reinstated and of those who returned to India but not taken back on the Indian Railways; and

(c) what steps are being taken to reinstate the remaining returned optees Railway-wise?

**The Deputy Minister of Railways and Transport (Shri Alagesan):** (a) to (c). Complete information in regard to the number of railway employees who opted for Pakistan either provisionally or finally and then returned to India is not available, as all the employees who so returned have not reported to Railway Administrations. Out of those who opted for Pakistan and came over to India, about 5,500 railway employees have applied for re-employment in service. Of these about 4,900 have been already taken back in service. The cases of others are either under consideration or have been considered and they have been found unsuitable for entertainment in Government service. Railway employees who opted for Pakistan finally or who failed to revise their provisional option for Pakistan within the due date have no claims for re-employment.

#### SINDRI MANURE

**215. Shri Chinaria:** Will the Minister of Food and Agriculture be pleased to state:

(a) how much of the Sindri manure was utilised in the production of foodgrains and what quantity was used for other than foodgrains crops during the period commencing from the start of the factory upto August, 1952;

(b) how much of commercial manures were imported from abroad during that period and what quantity of it was used in the production of foodgrains crops and how much for crops other than foodgrains; and

(c) what agencies were employed in the distribution of these manures?

**The Minister of Food and Agriculture (Shri Kidwai):** (a) Separate figures for fertilisers utilised for food and non-food crops are not maintained by States. The total quantity of Sindri Fertilisers used from 31st October 1951 to 31st August 1952 is reported to be about 27,000 tons so far.

(b) 1,84,500 tons of sulphate of ammonia. Out of this, according to the information obtained from the State Governments (excepting Madras, Bombay, Bihar, Mysore, Rajasthan and Madhya Bharat) a quantity of about 54,658 tons was used in the production of food and other crops.

(c) The Government of India make allocations to the State Governments from the Pool which consists of imported as well as indigenous material. The distribution within the State is arranged by the State Governments

either through Government Agencies such as Departmental godowns, Government seed and manure Depots of the Agriculture Department or through Co-operative Societies and private parties on commission basis. A note furnishing the information regarding the distribution arrangements for fertilisers in the various States, is placed on the Table of the House. [See Appendix III, annexure No. 48].

#### RAILWAY ACCIDENTS

**216. Shri Jasani:** (a) Will the Minister of Railways be pleased to state how many railway accidents have taken place during the six months ending with 30th October, 1952 and at what places?

(b) What are the reasons of these accidents and what was the amount of loss that occurred?

(c) What steps have so far been taken by Government to compensate the loss of those who suffered?

**The Deputy Minister of Railways and Transport (Shri Alagesan):** (a) Seven serious accidents, i.e. accidents to trains carrying passengers attended with loss of human life or grievous hurt or damage to Railway property to the value of approximately Rs. 20,000/- or over in each case. The different locations at which these accidents took place are:—

Railway	Section or Station
Northern:	(i) Between Palana and Bikaner. (ii) Between Indargarh and Lakhari. (iii) At Raja Ka Sahaspur.
North Eastern:	(i) Between Kidihdapur and Indara Junction. (ii) At Bareilly.
Central:	(i) At Kalyan. (ii) Between Himayatnagar and Sahasrakunda.

(b) The causes, in general terms, of these accidents are as follows:—

Cause.	Number of accidents.
(i) Failure of Railway Staff.	2
(ii) Failure of Mechanical equipment.	2
(iii) Track having been tampered with by some person or persons unknown.	1
(iv) Fire due to lightning striking overhead Electric Traction wires.	1

Cause	Number of accidents
(v) A timber merchant cutting a tree by the side of the railway line without taking precautions to see that it did not fall on a running train.	1
TOTAL	7

The approximate cost of damage to engines, rolling stock and permanent way involved in these accidents amounted to Rs. 2,32,000.

(c) In accordance with Section 82B to J of the Indian Railways Act, 1890, and the Rules made thereunder, Claims Commissioners are appointed to enquire into and determine claims for compensation arising out of accidents to trains carrying passengers and their decisions are final, except that the aggrieved claimants can appeal to the High Court. In the case of major accidents Claims Commissioners are specially appointed while in the case of minor accidents the local judicial or magisterial officers act as *ex officio* Claims Commissioners to deal with claims arising out of such accidents within their respective jurisdiction. A Claims Commissioner has been appointed solely in connection with the first mentioned accident under part (a) above, as it is a major accident. The Claims Commissioner has so far decreed and paid compensation to the extent of about Rs. 56,000/- in respect of this accident. The other accidents are minor ones.

#### T.B. AMONG EMPLOYEES OF CALCUTTA PORT COMMISSIONERS

217. **Shri Tushar Chatterjee:** (a) Will the Minister of Transport be pleased to state whether the Government of India are aware that incidence of T.B. has been increasing among the employees of the Calcutta Port Commissioners?

(b) What is the number of T.B. cases that came to the knowledge of the Port Commissioners, year by year, during the past five years?

(c) Is it a fact that in all such cases the staff contacted T.B. after entering the Commissioners' service and that staff doing out-door and different turns of duty including night duty are principally the victims of the disease?

(d) What arrangements have the Port Commissioners made for proper treatment of those of their staff who are suffering from T.B.?

**The Deputy Minister of Railways and Transport (Shri Alagesan):** (a) and (b). A record of T.B. cases among

their employees is being maintained by the Commissioners for the Port of Calcutta from May 1949 onwards. A statement showing the number of employees suffering from T.B. in each year *vis-a-vis* the total number of employees is laid on the Table of the House.

(c) As all the employees of the Port Commissioners are required to produce at the time of their appointment a certificate of physical fitness from the Commissioners' Chief Medical Officer, it can only be presumed that the employees concerned contracted T.B. after entering the Port service. The incidence of the disease is, however, not confined only to staff doing outdoor or shift duties, but also extends to the other employees on permanent day duty. Out of the 157 employees suffering from T.B. in 1951, only 86 were on shift duty.

(d) The Calcutta Port Commissioners maintain at their cost 15 beds in the Jadabpur and 4 beds in the Kanchrapara T.B. Hospitals for their employees. A recurring expenditure of Rs. 35,000/- per annum is incurred by them on this account in addition to an initial expenditure of Rs. 7,000/-. The Commissioners also bear the cost of expensive drugs like streptomycin and P.A.S. in all cases where their employees are victims of T.B. and render financial assistance from their Welfare Fund to such employees in cases of hardship.

#### STATEMENT

*The number of T.B. Cases among the Calcutta Port Commissioners employees during the period May 1949 to October 1952.*

Year	No. of employees suffering from T. B.	Total number of employees.
1949 (May to December—eight months).	27	28,244
1950	115	28,058
1951	157	28,186
1952 (January to October—ten months).	158	28,382

#### Food Gifts

218. **Shri Balakrishnan:** Will the Minister of Food and Agriculture be pleased to state:

(a) the total quantity of food gifts sent by foreign countries to India in the year 1952 up to 31st October;

(b) the quantity of food gifts sent by each Government; and

(b) As already stated above the obtained the consent of the Government of India before they sent their food gifts?

**The Minister of Food and Agriculture (Shri Kidwai):** (a) and (b). Attention is invited to the Prime Minister's reply to starred question No. 36 on the 5th November, 1952.

(c) There is an Agreement between the Government of India, and the Government of U.S.A. for relief supplies. In regard to gifts outside this Agreement, and gifts from other countries, there is no need for the approval of the Government of India, as long as the gifts are consigned either to the Government, or to recognised Relief Organisations.

#### EXTERMINATION OF LOCUST SWARMS IN RAJASTHAN

**219. Shri Karai Singhji:** Will the Minister of Food and Agriculture be pleased to state:

(a) the expenditure incurred by the Central Anti-locust Organisation on the recent operations for the extermination of locust swarms infesting the Barmer, Jaisalmer and Bikaner Districts of Rajasthan; and

(b) how much damage to crops in these districts is estimated?

**The Minister of Food and Agriculture (Shri Kidwai):** (a) Approximately Rs. 68,000 in Barmer District, Rs. 1.57,000 in Jaisalmer District, and Rs. 1,52,000 in Bikaner District.

(b) Preliminary reports indicate that only slight damage was done to late Kharif and newly sown Rabi crops during September and October 1952. Actual figures of the damage have not yet been collected.

#### SHORTAGE OF WAGONS

**220. Shri Basappa:** Will the Minister of Railways be pleased to state:

(a) the present numbers of broad gauge and metre gauge wagons in Indian Railways;

(b) the number of new goods wagons placed on the tracks in the year 1951-52; and

(c) whether any representations have been received from the merchants of Mysore State, regarding shortage of wagons and if so, what action has been taken?

**The Deputy Minister of Railways and Transport (Shri Alagesan):** (a) Total stock owned by Broad and Metre Gauge Indian Railways on 30th September 1952 was equivalent to 161,160

and 63,405 four-wheeler units respectively.

(b) An equivalent of 2,254 Broad Gauge and 2,359 Metre Gauge four-wheeler units.

(c) Yes, representations from some coconut and copra merchants of Mysore State have been received. This traffic has to share the availability of wagons along with the other traffic consistent with the Preferential Traffic Schedule, i.e., traffic entitled to any preferential treatment under Section 27-A of the Indian Railways Act, 1890. Supply of wagons for this traffic during the period June to October, 1952 has been appreciably better than that during the corresponding period of the previous year. Further, for the next few years it is expected that there will be an annual increase in the overall wagon holdings, both Broad and Metre Gauge, to the extent of 3,000 wagons and this should ease the position for the movement of traffic generally.

#### AIR LINE COMPANIES

**221. Shri Punnose:** Will the Minister of Communications be pleased to state:

(a) the number and names of airline companies in India;

(b) their total authorised, subscribed and paid up capital and their reserve and depreciation funds as on 30th March, 1952;

(c) whether there is any foreign participation in the capital of these companies; if so, in which and to what extent; and

(d) whether there is any State participation in the capital of these companies, if so, in which and to what extent?

**The Deputy Minister of Communications (Shri Raj Bahadur):** (a) Fourteen companies. I lay on the Table a statement showing their names. [See Appendix III, annexure No. 49].

(b) Figures of authorised, subscribed and paid-up capital and the reserve and depreciation funds of companies operating scheduled services as disclosed by their latest available balance sheets, namely of 1951, are given in the statement. Similar figures in respect of companies engaged on only non-scheduled operations are not available. Figures as on 30th March 1952 are not available.

(c) There is none, so far as I am aware. But I am having the exact position checked up.

(d) The Government of India hold 49 per cent. of the share capital of Air India International Limited and about 78 per cent. of Deccan Aidways Limited.

#### TRIBAL AREAS

**222. Shri Rishang Keishing:** Will the Minister of Communications be pleased to state:

(a) whether the Government of India have any plan to construct air strips, Post and Telegraph offices in the tribal Areas of Manipur, Tripura and Assam; and

(b) the number of such air strips, Post and Telegraph offices which are already in existence and which will be built during the next five years in the said areas?

**The Deputy Minister of Communications (Shri Raj Bahadur):** (a) Proposals for opening a number of Posts and Telegraph offices and constructing air strips in these areas are under consideration.

(b) A statement giving the required information is laid on the Table of the House. [See Appendix III, annexure No. 50].

#### COCOANUT CULTIVATION

**223. Shri Sanganna:** Will the Minister of Food and Agriculture be pleased to state:

(a) the area of cocoanut cultivation in each State of the Indian Union;

(b) the average annual income derived on cocoanut cultivation in each State; and

(c) the amount of cess paid annually by the growers to Government in each State?

**The Minister of Food and Agriculture (Shri Kidwai):** (a) to (c). Three statements giving the necessary information are placed on the Table of the House. [See Appendix III, annexure No. 51].

#### RAILWAY WORKSHOP, AJMER

**224. Shri U. M. Trivedi:** Will the Minister of Railways be pleased to state:

(a) when the Railways Carriage and Wagon Shop was established in Ajmer;

(b) what was its outturn in terms of wagons and carriages (bogies) in the decade 1930-1940;

(c) what was its outturn for the same items in the decade 1940-50; and

(d) what is the total number of wagons and carriages (bogies) in the Ajmer Yard expecting repairs and since how long?

**The Deputy Minister of Railways and Transport (Shri Alagesan):** The information is being collected and will be laid on the Table of the House when received.

#### SEED BREEDING FARMS

**225. Shri Hem Raj:** Will the Minister of Food and Agriculture be pleased to state the number of seed breeding farms in India and where they are located statewise?

**The Minister of Food and Agriculture (Shri Kidwai):** The information which is not readily available is being collected and will be furnished to the House when received.

#### COCOANUT RESEARCH STATIONS

**226. Shri B. S. Murthy:** Will the Minister of Food and Agriculture be pleased to state:

(a) the number of Cocoanut Research Stations in South India;

(b) the annual grant for each station during 1950-51 and 1951-52; and

(c) the improvements, if any, made in these stations during 1952-53?

**The Minister of Food and Agriculture (Shri Kidwai):** (a) and (b). A statement giving the required information is laid on the Table of the House. [See Appendix III, annexure No. 52].

(c) The Research Stations are carrying on during 1952-53 the programme of research previously formulated. The Central Research Stations at Kasaragod and Kayangulam are engaged on fundamental research and investigation of pests and diseases respectively. The regional stations are conducting manurial and cultural experiments with special reference to conditions in the regions served by them.

#### METEOROLOGICAL BROADCASTS SERVICE (SANTA CRUZ)

**227. Shri S. N. Das:** (a) Will the Minister of Communications be pleased to state whether it is a fact that Santa Cruz has been selected for area meteorological broadcasts service and it has commenced working?

(b) If so, what is the precise function of this Station?

(c) What is the recurring and non-recurring expenditure involved in this?

(d) How is the expenditure going to be met?

**The Deputy Minister of Communications (Shri Raj Bahadur):** (a) Yes.

(b) To supply, every three hours, information regarding landing conditions at the aerodromes at Bombay, Delhi, Ahmedabad, Jodhpur, Bhuj,

Allahabad and Karachi and of weather conditions along the air route Tehran-Bombay.

(c) (i) Recurring (maintenance and operation)...Rs. 3,645 per annum.

(ii) Non-recurring (capital)....  
Rs. 8,730.

(d) The expenditure is met from the budget provision of the Civil Aviation Department.

Block No. 250  
Acc. No. 250  
Dated.....20.11.

THE  
PARLIAMENTARY DEBATES  
(Part II—Proceedings other than Questions and Answers)  
OFFICIAL REPORT

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HOUSE OF THE PEOPLE

Monday, 24th November, 1952.

The House met at a Quarter to Eleven of the Clock.

[MR. SPEAKER in the Chair]

QUESTIONS AND ANSWERS

(See Part I)

11-45 A.M.

STATEMENT RE PROCUREMENT AND DISTRIBUTION OF FOODGRAINS IN WEST BENGAL AND MYSORE.

**The Minister of Food and Agriculture (Shri Kidwai):** Certain changes in the present systems of procurement and distribution of foodgrains in West Bengal and Mysore have been under the consideration of these two Governments and the Centre. A decision has been taken and the changes will be as follows:

In West Bengal, the present system of procurement will be replaced by a system chiefly of (1) a levy on all holdings of ten acres and more, and (2) a levy on rice millers, outside the Calcutta Industrial Area to the extent of 1/3rd of all purchases made by such mills. The present inter-district cordons will be removed, and foodgrains within the State can move freely, except into the statutorily rationed areas.

On the distribution side statutory rationing will be confined to the Calcutta Industrial Area and the towns of Darjeeling, Kalimpong and Kurseong. In other places fair-price shops according to necessity will be run. The Centre has taken the responsibility of feeding the Calcutta Industrial Area. In addition to the ration of rice issued from the regular ration shops, the present system of a supplementary rice ration at a higher price from special shops will continue. It has also been decided

that with effect from the 1st of January 1953, the rice ration from the regular ration shops will be raised from the present scale of  $4\frac{1}{2}$  oz to six oz. The West Bengal Government have undertaken to supply the quantity necessary to raise the rice ration from  $4\frac{1}{2}$  oz to six oz; and the increased scale will be maintained as long as the West Bengal Government are able to provide this extra quantity.

Anti-hoarding measures will be enforced, and steps to stop smuggling of rice into the Calcutta area will be intensified. When the responsibility for feeding Calcutta is taken on by the Centre, the rest of the State becomes surplus in rice, and West Bengal Government have agreed to make available to the Centre 1½ lakh tons of rice in addition to the quantity necessary to raise the rice ration in Calcutta from  $4\frac{1}{2}$  oz to six oz.

In Mysore, the present system of procurement of rice will continue except that the levy on rice will be based on an average of quantities delivered in previous years, by each producer. There will be no procurement of millets.

On the distribution side, statutory rationing will be confined to the cities of Bangalore, Kolar Gold Field and Devengere.

After the levy of rice has been collected, the Mysore Government propose to relax restrictions on movement, and withdraw the fair price shops gradually. Such fair price shops will however, be run whenever scarcity arises.

**Shri K. K. Basu (Diamond Harbour):** Sir, on a point of information...

**Mr. Speaker:** It is only another form of putting a question on the statement made by the Minister. He may get the information from the hon. Minister outside and not by way of asking for the information in the House.

**FORWARD CONTRACTS (REGULATION) BILL—Contd.**

**Mr. Speaker:** Mr. Rohini Kumar Chaudhuri. He is not in the House. Mr. Tripathi.

**Shri Punnoose (Alleppey):** May I point out, Sir, that on the previous day Mr. Thomas was actually called on to speak. But Mr. Rohini Kumar Chaudhuri said that he might be given two or three minutes. Therefore, he was allowed to speak and it was promised that Mr. Thomas would be called next.

**Mr. Speaker:** I was unaware of that promise. There was a note that Mr. Rohini Kumar Chaudhuri's speech was unfinished and that is why I called his name. And not knowing the undertaking or promise I naturally called the other hon. Member to speak. I will call Mr. Thomas next.

**Shri K. P. Tripathi (Darrang):** The debate has resolved itself mostly into a discussion of clause 18 of the Bill, with references here and there to the functions of the advisory committee and the Commission. I feel it is necessary for us to bear in mind the workers' and producers' point of view with regard to these forward contracts. I feel that this point of view has not been sufficiently kept in mind.

So far as the Government has decided that forward contracts should be regulated, it is a progressive measure. I do not agree with the representatives of the Communist Party when they say that this measure should be scrapped. They stand for control, and therefore whenever there is a measure for controlling any activity of society which sometimes is undesirable, I think it is a progressive measure. But the point is how far it is progressive. The hon. Minister has said that he has not much experience and that the Government have no machinery whereby it could be controlled all over India. I understand that and therefore I realize that the beginning shall have to be made somewhere and the Government have started this progressive measure. But I feel that the halting attempt which the Government is making will not carry us very far. The reason is this. It will be remembered that during the food debate the hon. the Finance Minister stated that the question of fixing prices of agricultural commodities, namely of food, was engaging the attention of Government and that floor as well as ceiling prices had to be fixed. Therefore, I feel that the Government have come to this position, namely, that the floor and ceiling prices have to be fixed so that the producers may be protected. But I

feel that this system by which the prices are fixed by forward contracts does not protect the producer.

I think a more civilized and a more progressive way of fixing the prices and protecting the producer is by calculating the costs of production. The other day, while we were discussing the Sugar Duty Bill, it was found that the cost of production was not properly calculated and the result was the producer was not sufficiently protected. Therefore, you will see that whenever the trading interests are allowed to fix the prices by jockeying, the producer can never be protected: it will be the market which will determine the rule, and when they are over-trading, the producer can never be protected. At present the functions of these middlemen are two: one is distribution, the other is fixation of prices. I feel that in a civilized society the fixation of prices should not be left to these trading interests at all. It should be left to the Government to fix the prices by calculating the costs of production. I, therefore, feel that the Government should come forward to calculate the costs of production and fix the prices on that basis. Then only will the workers and the producers be protected.

So far as the remarks of Mr. C. C. Shah in the minute of dissent are concerned, I fully agree with the reasons given there and I feel that he has given a very progressive idea with regard to this phenomenon of forward contracts. And it should engage the attention of all thinking persons. Indeed he has very clearly stated that "the consumer is at the mercy of the speculator. It is a large and growing menace which, if not checked, is likely to affect seriously the economic life of the country". There he said that it is a growing menace. How is it a growing menace? If this habit of forward contracts and speculation were confined only to big cities like Calcutta and Bombay it is something but I want to point out that this menace is not confined there. It is spreading like a wild fire, spreading into the countryside, into different commodities which were not formerly speculated upon. Even in the villages speculation has spread. The result has been that a lot of capital which is absolutely necessary for the development of the country is being locked up for this purpose of mere speculation. Speculation is not a productive activity. In a planned economy we must have productive activity and the more and more capital of the country is concerned for the purpose of investment in production, the better for us. But what is happening here? Gradually the amount

of money which is required for mere trading is increasing not merely for mere distribution but for speculation. If this continues I think it will be a bad day for us and the amount of money which is set up, *viz.*, rupees two thousand crores for the purpose of development for five years will not be fully available for us. The internal capital which is available will be reduced in a great measure. Therefore, this phenomenon has to be checked and I feel that the Government which is going to make a small beginning now will come forward and take stock of the entire stock market, will see the forces at play there, and try to find out and evolve a policy. Particularly for this I would draw the attention of the Planning Commission with regard to what place they will give this forward contract in the trading life of our community. I think if it is so considered it will be for the good of India as a whole.

So far as clause 18 itself is concerned, I feel that the Government, here also, have made a right beginning. They have put in the major clause only such power as they themselves are capable of exercising. Such power as it will be too much for them to have now they are putting off in a proviso and they think that if conditions arise which make it necessary for the Government to intervene, then only they will intervene. I feel that this is a right step to take. The Government should not take powers immediately where they are not necessary but they should keep those powers in reserve. Therefore, I think you will agree with the present situation.

[MR. DEPUTY-SPEAKER in the Chair]

With regard to the advisory committee and Commission, I feel that the Commission is a body which should be entrusted with the control of the forward markets and the advisory body is a body which should be there for advising the Government with regard to how things should be done. The functions of these two bodies are completely separate and I think you will agree with the Government providing two bodies, one for advising the Government and the other for controlling the market itself. When a body like the Commission is directly controlling the market it is likely to have a bias towards certain fundamental trades and therefore another advisory committee which may not be so biased will be necessary for the Government to advise.

12 NOON.

Then we have Mr. Upadhyay's suggestion made the other day that the forward contracts, as envisaged in the

Bill, are going to be controlled by the associations. Now, it is the experience of all that the associations are constituted by men who are themselves interested in speculation. Therefore, they try to derive advantage out of this association. Therefore, it is quite possible that the associations might try to convert themselves into monopolies and so full and complete powers should not be vested in them. It is for this reason that Government should start only in a particular area with a particular commodity. I feel it is also necessary that this speculation should not be allowed to extend to all commodities. It should be restricted as far as possible. Now it is extending itself to all commodities. It has not luckily extended to food crops like rice and wheat. If it was extended there it would be a curse for the country. Therefore, I feel that this attempt of the Government to control the forward markets is a right measure and a measure which every thinking man should agree with. But, it is a halting measure. It should make people realise that it is not complete. It is not such a measure that will be able to preserve the economy of the country unaffected when a crisis comes.

It has been said that this sort of forward contract trading preserves and protects the grower. Actually it does not. What happens is that the overtrading goes on and when it goes on, the prices fall down and ultimately it is the producer who has to bear the burden. In our place it happened recently. The prices of jute and mustard fell far below the production costs. There was too much of overtrading and the small traders who had invested a large amount of money lost all their money and for some time practically our market was closed for want of money even for the purposes of ordinary trading. Why did it happen? It happened because the man who has plenty of money sees ahead. He determines the policies and therefore when there is a speculative contract, there comes a time when he suddenly wins and when he wins, all the money from the market goes into his hands and nothing is left behind. The result is not merely the producer but even the small trader suffers and the whole market suffers. Therefore, I have been asking and requesting Government to consider what place this forward trading should occupy in trading in this country. I feel intensely about it. I feel that the House should realise that this sort of activity should not be allowed to continue in a planned economy. In a planned economy production must be based on calculation

[Shri K. P. Tripathi]

of production costs. In that way only a scientific, reasonable and civilised society can hope that its ordinary people will be protected. If we can determine the price structure of our commodities based on this sort of calculation then the happiness which you want to produce, the Welfare State which you want to create will be easier and it is for this reason that I want to draw the pointed attention of the hon. Minister and the hon. Members of this House to this aspect of the question so that we may all pool our wisdom together so that in times to come when we have better control of the market and when we have better personnel, it may be possible for us both to control the market as well as fix upon ceiling and floor in prices. In a planned economy a Government cannot but agree to this rightful method, namely there shall be floor of all commodities.

Now there is a slump in the country, there has been a slump in tea market, there has been a slump in jute market, there has been a slump in mustard, so much so that mills have been closed and labour has been thrown out. There is unemployment. Government has not been able to do anything. Why? Because Government, from the very beginning, did not anticipate this crisis and, secondly, because Government had no policy to control this crisis so that it might not come. So long as there is no planning, the market must be determined by the speculators and therefore nobody can protect the ordinary grower and labourer. But, as soon as there comes a strong Government, capable of controlling the economy of the country, taking the reins in its own hands, and not allowing the speculators to destroy our economy progressively and rigorously, I feel that there comes the time when the only suitable method is price fixation, fixation of floors and ceilings. The Planning Commission, if it is worth the name, must consider this question whether they would leave a sufficient margin for cost of production by the fixing of floors and ceilings. If floors and ceilings are fixed, and then, if this forward trading is allowed, it will swing between the floors and ceilings.....

Shri Bansal (Jhajjar-Rewari): Will that solve the crisis in the tea industry?

Shri K. P. Tripathi: With regard to the tea industry, a very relevant question has been asked. The difficulty of the tea industry is that it is a commercial crop which is meant for

export. Only 22 per cent. of the tea produced in India is consumed in India and the rest is for export. But, even in this, I have suggested and I feel that the crisis can be met by this, namely, that for internal consumption, there should be a floor. If there is a floor for internal consumption, and for internal wholesale prices, I think the tea which is sold in India will fetch a fair price. I want to inform my hon. friend that I strongly feel about this tea crisis and I feel that there has been manipulation in the British market.

Shri Bansal: So do I.

Shri K. P. Tripathi: If there had not been any manipulation in the British market, the tea prices would not have fallen. I challenge you to give any single reason why the price of the same quality tea, namely BP and BPS should be nine annas or ten annas in India and Rs. 1-7-0 or 1-9-0 in Pakistan. Can there be a difference of fifteen annas per pound of tea of the same quality between India and Pakistan? The reason obviously is very clear. The reason is that Pakistan has granted a discount of Rs. 2-8-0 to UK for the purpose of jute and the UK have agreed to purchase their tea at a higher price. This sort of manipulation goes on. But, the Government says that they are not informed about it. I was going astray because this is, after all, an interesting matter. The whole point.....

Mr. Deputy-Speaker: Forward or astray both mean the same thing.

Shri K. P. Tripathi: The whole point that I want to emphasise is that the Government should take up this policy of fixing of floors for all commodities which are produced in this country and for those commodities which are for export, the Government should see that our people get a fair price. They should have not merely forward contract controls, but a forward policy so that the prices may not be manipulated in the markets to the detriment of the producers. We have lost nearly 18 crores in the last few weeks on account of this tea crisis. Why was it allowed? Why was it not envisaged? It was simply because the Government did not anticipate. Therefore, I request the hon. Minister and the Planning Commission with all the force at my command that they should consider and determine the economy of this country in which the agriculturists and the producers should have a floor for their produce.

Mr. Deputy-Speaker: Mr. Somani.

Shri A. M. Thomas (Ernakulam): It was stated by the Speaker, Sir,

that I would be called next. You also promised on the last occasion.....

**Mr. Deputy-Speaker:** Would he not like to answer Mr. Somani?

**Shri G. D. Somani** (Nagaur-Pali): There has already been a sufficiently long debate.....

**Mr. Deputy-Speaker:** This discussion has been going on for a pretty long time now. The hon. Minister wanted to speak even the other day. I propose to call him to speak at 12-40. I would request each hon. Member to confine himself to ten minutes. Enough has been said already; points may be indicated.

**Shri G. D. Somani:** I shall be quite brief in the few observations that I want to make on this Bill.

This system of forward trading, like any other system, has got both advantages and disadvantages. I am perfectly of the opinion that forward trading, under proper safeguards and if done on sound lines, is really beneficial and useful to the community at large and to all the interests, that is, interests of the producer, manufacturer and distributor. But at the same time, forward trading, when it is turned into over-trading or when it is recklessly done in the form of speculation, then, certainly, it is very detrimental and harmful to society. What I want to submit is that forward trading is not new to this country. It has been going on for the last several decades, if I may say so, and although it was controlled by the Bombay Act only five years ago, in some form or other, especially in the big cities like Bombay and Calcutta, forward trading has been going on for a pretty long time. Therefore, it is hardly relevant to say that we have not got proper experience of the working of forward trading and the various repercussions that forward trading may have on the economy of our country. We have got more than enough experience and certainly, in the shaping of this Bill, we can certainly fall back upon the conditions that have been brought about in the general economic conditions of the country by the operation of forward trading. I submit with all earnestness, as I have said before, that while forward trading and the legitimate activities of trade should be allowed to function, without any sort of hindrance, at the same time, it is very essential that proper checks should be kept, so that these activities may be regulated properly in the general interests of the country.

Control over forward exchanges is also not an easy job. We see, in spite

of the Bombay Act, how common our experience has been to find deadlocks, emergencies, manipulations, bull raids, bear raids, and all sorts of emergencies, even when forward exchanges have been functioning under some sort of control. My point, therefore, is to come just now to clause 18, the controversial clause, about which I have also associated myself with the minute of dissent that was made by my hon. friend Mr. Tulsidas Kilachand. The hon. Minister, the other day, is reported to have said that, although I was not present at the meetings of the Select Committee, I allowed my name to be associated with the minute of dissent. It is true that due to certain unavoidable domestic reasons I was not able to attend the meetings of the Select Committee; but I did acquaint myself with the full trend of the discussions that took place in the meetings of the Select Committee about this clause and I studied carefully the full report of the Select Committee as also the minute of dissent added by my hon. friend Mr. Tulsidas Kilachand. I do not see how I was wrong in associating myself with what I felt was the right course to be undertaken by the Government in bringing up this Bill.

The hon. Minister himself admitted while introducing this Bill that there was a real danger of these non-transferable specific delivery contracts being abused and we also know what was recommended by the former Select Committee. Evidence was also tendered in that Committee. Although it has been said that that evidence mainly came from the Bombay centre, still, it is our common experience that whenever loopholes are there in any Act, there is always a tendency to abuse. Even under the Bombay Act, we have found that no genuine difficulty was felt by any trading class simply because these non-transferable specific delivery contracts were brought within the purview of the working of that Act. The main reason which has been given by the hon. Minister for leaving these contracts outside the scope of this Act has been his difficulty in specifying the areas where he may have to exempt from the operation of this Act for these non-transferable specific delivery contracts. I do not quite see how this difficulty could prevent the Government from following a line under which for whatever area they recognise a particular association, in the same area, they could have brought these non-transferable specific delivery contracts under the purview of this Act. What I mean to suggest is that there was no need for having a special enquiry.

[Shri G. D. Soman]

My submission is that the amount of difficulty which the hon. Minister has anticipated in specifying those areas which will have to be excluded for these contracts seems to be exaggerated. There is no reason why Government should not have followed the line of making these contracts come within the purview of the Act, and exempting those areas from which a specific demand is made, after considering such a demand.

As I said, and as the speaker preceding me pointed out, in the pre-war years speculative activities were mainly confined to big cities like Bombay and Calcutta. In the war and post-war years, speculative activity has spread to various corners of the country, and when we are legislating on an all-India basis, we should take the precaution of not leaving any such loophole which will again lead to abuses and defeat the very purpose which we have in view, viz., regulating forward contracts in all shapes and forms. As the previous Select Committee said, these non-transferable specific delivery contracts should be brought under the purview of this Act, and if any genuine difficulty is felt anywhere, then that could certainly be examined by the Government, and a specific exemption might be issued for that area. Otherwise, it will lead to all sorts of abuses and conditions which might easily embarrass the Government at a later stage.

We were told previously that it was in Bombay alone where this control was exercised on these specific contracts, but I find that there were some questions raised in Parliament even in 1950—on Wednesday the 8th March, 1950—and from the replies given by the then Commerce Minister, Shri Neogi, it is clear that Government's attention had been drawn to the speculative activities being carried on in Bengal, in Madras and so many other places. Shri Neogi himself had mentioned that in spite of the restrictions put by the Government, the sort of contracts that were allowed in so many other places led to all sorts of abuses and speculative activities. Even at this stage, I would appeal to the hon. Minister to give us an assurance at least to the effect that whenever any specific area is recognised for an association, sub-clause (3) of clause 18 would be invoked, and that ordinarily it would be the policy of the Government to bring all these specific delivery contracts under the purview of this Bill, and that only in specific areas where there is a genuine demand for exempting these contracts from the purview of this Bill, this clause would

not be applied. Otherwise, he should make it a rule to bring all such specific contracts under the purview of this Bill.

While ordinarily it should be the policy of Government to recognise one association for each commodity, occasions may arise when in the general interest, it might be necessary to recognise more than one association for a particular area. I would therefore take this opportunity of appealing to the authority that will be set up for administering this Act, to see that the claims of the various associations which have been operating in this field should be impartially examined, and wherever necessary, it should be open to the Government to recognise more than one association.

I think it would have been better if the proposed Commission were not of a merely advisory character. After all, events in the futures market move very swiftly, and if action is to be effective, that action has got to be taken at very short notice, and under very exceptional circumstances. So, it would be better if the Commission itself were clothed with powers to take immediate action in emergencies. If the Commission is of an advisory character, it should first inform Government about the emergency, then Government take their own time, and meantime the mischief is done. What is required in forward trading is swift and effective action, and I think the machinery envisaged in the Bill of having purely an advisory Commission may not serve the purpose.

**Shri A. M. Thomas:** I shall be very brief in my remarks. There has been considerable discussion on the floor of this House concerning the merits and demerits of the Bill, ranging from the extreme proposition enunciated by the first speaker in the debate that forward contracts will result in nothing but evil consequences, to the other view that even options in goods have to be permitted, though in a regulated manner. This House decided that in view of the rampant evils consequent on abuse of the freedom of contract, some statutory restriction was necessary. I am at a loss to understand what exactly is the attitude of my hon. friend Shri V. P. Nayar when he said that forward contracts would result in nothing but evil. At the same time, he was against the principle of the Bill to regulate forward contracts in general.

The main bone of contention, in all stages of this Bill either in this Parliament or in the provisional Parliament, has been the approach to be

made in the matter of non-transferable specific delivery contracts. With regard to this matter, the Bill as introduced in this House has undergone material alteration in the Select Committee. The opinion against that modification has been very well and lucidly put forward by my hon. friends Messrs. Tulsidas and Somani. I would even go a step further and characterise their minute of dissent as a beautiful essay on forward contracts in general. When we look at this question, we should not forget the basic conception that regulation of forward contracts, in any view of the matter, will be an infringement of the freedom of contract and the rights and liabilities envisaged by the Sale of Goods Act. However, this freedom has to be curtailed in the interests of the public at large. I emphasized this aspect when this Bill was being discussed before it was referred to the Select Committee, and stated before this House that as far as possible restrictions should not be put on the normal functioning of trade, and that it should interpose only if it was absolutely necessary. I would wholeheartedly support the hon. Shri Chatterjee's statement that it would be unwise and ridiculous to ban forward trading altogether. It is a necessary incident of our commercial life. We would be lagging behind many civilised countries like America and Britain if we did not recognise this normal trade.

I do not know whether my hon. friend Shri V. P. Nayar is aware of the fact that the demand to raise the ban imposed on forward contracts in Travancore-Cochin came from small mill-owners who have invested only about Rs. 5,000/- to Rs. 6,000/- in their machinery and equipment. It is a well known fact that copra for consumption by these mills, and for sale in and outside the State, is available in abundance only during the summer months. I ask, can they stock or contract for the same during that time without entering into forward contracts, and thus be assured of a certain price?

For the first time, our country is having a legislation on an all-India pattern. At one time, it was thought that section 30 of the Contract Act declaring wager contracts as void would cover truly speculative transactions bordering on gambling. There are certain judicial pronouncements holding transactions like *tejimandi* as coming within the mischief of the section, but later rulings have struck a different note, and held them as ordinary contracts. We are aware of war-time measures, however, to prohibit or regulate forward contracts in general.

The experienced voice from my State, whatever my other hon. friends might say, is positively against the total ban on forward contracts or the inclusion of contracts of the non-transferable specific delivery type. Before the integration of the two States of Travancore and Cochin, as a wartime measure forward contracts were banned altogether in Cochin as well as in Travancore. But after a brief period, it was raised in both the States. After the integration of the two States also, forward contracts were banned for a short time. Even then from the experience gained it was found that it would not be in the interests of the public at large in my State to ban forward contract in its entirety and so the ban was lifted even after the integration.

Under the Essential Supplies (Temporary Powers) Act, forward contracts in some commodities were first banned in Part A States, and later on that ban was extended to Part B States also. On the floor of this House, I remember to have questioned the wisdom of the Government in extending this ban to Part B States including Travancore-Cochin; and the hon. Minister in his reply was pleased to remark that the question whether Travancore-Cochin should be exempted from the ban imposed under the Essential Supplies (Temporary Powers) Act, was under the consideration of the Government, and that if in the interests of the general public in that State, it was desirable to lift the ban, then that would be done. While I point out to this fact, I wish to emphasize that it had absolutely nothing to do with the representations that the hon. Minister received when he was in Travancore-Cochin. This assurance was made in last August and he visited the State towards the close of October. And I am glad to state before this House that the raising of the ban was generally welcomed from all sections of the public in Travancore-Cochin when he visited that State. But I was surprised and taken aback.....

**Shri Punnoose:** Is the hon. Member aware that small traders made representations to the hon. Minister both when he came there and also afterwards, that Travancore-Cochin might not be left out?

**Shri A. M. Thomas:** I shall just refer to the nature of that representation. I have got with me a note with regard to that fact also. That representation did not amount to a demand for placing a ban on forward contracts in general. I think my hon. friend refers to a memorandum submitted by the growers and small traders of

[Shri A. M. Thomas]

Travancore-Cochin, to the hon. Minister on 15th October 1952, by Shri K. U. Mathai and thirty others.

**Shri Punnoose:** I refer to that, and also to other representations made by them.

**Shri A. M. Thomas:** With regard to that representation, for the information of this House, I may state that that memorandum after dealing with the forward contracts in general and also to the Spices Forward Contracts Prohibition Order of 1944 which, according to it, has worked splendidly well in that State, goes on to say how it had resulted in a great improvement in the pepper trade, which had resulted in Rs. 25 crores of foreign exchange to the country and later on states:

"All these wonders have taken place under the Spices Forward Contracts Prohibition Order, 1944, with the exemption clause allowing forward contracts with guarantees of non-transferability."

Mark the words 'with the exemption clause'; and then it goes on to say:

"It would be best in the interests of the trade and production not to tamper with the above-mentioned order."

So, it will be seen that even the representation from the small traders and producers did not amount to a total ban, but only to a representation on the model of the Bill as it has emerged from the Select Committee, that non-transferable specific delivery contracts should not be brought under the purview of this Bill.

I was surprised and even taken aback at the speech of my hon. friend Mr. N. S. Nair when he referred to certain tea parties and also at the manner in which he referred to certain persons who occupy respectable positions in the body-politic of my State. My hon. friend used the expression 'It would be even treason to allow forward contracts'. These remarks have only to be rejected—on the analogy of the remarks made by my hon. friend—that not allowing forward contracts will amount to treason. My hon. friend ought not to have adopted this forum for the ventilation.

**Shri N. Sreekantan Nair (Quilon cum Mavelikkara):** On a point of personal explanation. When I said treason, I was referring only to the sacrificing of the interests of the spice growers to the interests of some top-ranking gambler. I called that treason and nothing else, I was also supporting the exemption.

**Shri A. M. Thomas:** I went through my hon. friend's speech, and I saw the remarks that it would be treason to allow forward contracts.....

**Shri N. Sreekantan Nair:** My hon. friend should take into account the context in which the word was used, and not merely the dictionary meaning of the word.

**Shri A. M. Thomas:** Anyhow, my hon. friend ought not to have allowed himself to ventilate his personal grievances in the despair in which he finds himself in that State's political set-up, and his reference to certain social functions when the hon. Minister of Commerce and Industry visited that State is unbecoming of the tradition, culture, stature and eminence of my State.

**Shri Punnoose:** May I make a submission? The hon. Member Shri N. Sreekantan Nair said that he did not attach any importance to it, but only that reference had been made to it by certain quarters.

**Shri A. M. Thomas:** I shall now come pointedly to the modification made by the Select Committee. Mr. Chatterjee in his speech has referred to certain wartime measures. You, Sir, on several occasions have invited the attention of this House to this matter, and have put the question "What exactly is the reason or the experience gained for the Government to make a modification in the Bill, for including non-transferable specific delivery contracts?" My submission before this House is that the experience gained by the Central Government justifies such a conclusion.

First I shall refer to the Cotton Forward Contracts in current crops Prohibition Order of 1943. Under rule 5 of that Order,

"The Central Government may by notification in the Official Gazette exclude any contract or class of contracts from the provisions of this Order."

Under the powers vested in the Central Government under this Order what has been done is this. Forward contracts for kapas or cotton, full-pressed, half-pressed or loose, of specific qualities or types and for specific delivery at a specific price, delivery orders, railway receipts, or bills of lading against which contracts are not transferable to third parties have been exempted.

In the Oilseeds Forward Contracts Prohibition Order of 1943 also, there is a similar clause empowering the Central Government to exempt certain

types of contracts wherever found necessary. In exercise of the powers vested in the Government by that Order, forward contracts for groundnut, linseed, mustard seed, rapeseed or tulsiaseed of specific qualities or types and for specific delivery at a specified price, delivery orders, railway receipts or bills of lading against which contracts are not transferable to third parties have been exempted.

Again, under a Notification issued by the Government on 4th September 1943, the following contracts were exempted: "Forward contracts for castor seed, cotton seed or gingili of specified qualities or types and for specified delivery at a specified price, delivery orders, railway receipts or bills of lading against which contracts are not transferable to third parties". So that my submission to this House is that the experience gained by the Central Government amply justifies this modification which has been made by the Select Committee which last sat on this Bill.

Much was said about the consistent stand or the inconsistent stand by the hon. Minister of Commerce and Industry. But I would state here that after the speech of Mr. Tulsidas I had occasion to go through the original speech which was made by Mr. T. T. Krishnamachari as a private Member and in that, though he had been very bitter in his criticism against the Bill he had not expressed himself one way or the other with regard to non-transferable specific delivery contracts. And if one reads between the lines of that speech, it will be found that he had his leanings towards exempting these non-transferable specific delivery contracts and not putting obstructions in the channel of normal trade.

I do not want to deal further with this aspect of non-transferable specific delivery contracts. I have pointed out that the experience in my State and the experience of the Central Government taken as a whole, amply justify this modification. I will only refer to two minor other points and then resume my seat.

My hon. friend, Mr. Chacko, was of the view that forward contracts should not be allowed except through associations. I submit that though it is an idealistic approach to the question, this legislation being in a very formative stage, we should not put restrictions on individuals with regard to this aspect.

**Shri Velayudhan (Quilon cum Mavelikkara—Reserved—Sch. Castes):** The Bill is for associations.

**Shri A. M. Thomas:** Mr. Chacko by the amendment tabled indicates that forward contracts should be allowed only through associations. I object to that wholesale restriction. There were also some remarks made in this House that recognition of these associations will lead to monopoly. But my opinion is that the clauses, as they stand in the Bill, give ample protection as laid down in the notes on clauses regarding the original Bill:

"Recognition will be granted only to a limited number of associations. Before granting recognition, care will be taken to see that the rules of admission do not exclude any section of the trade whose participation is necessary or desirable in the interests of the trade. Provision is also made for securing Government representation....."

I would only make another suggestion that it would have been better if some model bye-laws could have been appended to this Bill, as we see in the Indian Companies Act—Table A—giving certain model bye-laws. In that case there would not have been the necessity of having these published in the Gazette and then the Central Government interfering often. I may also point out that there is not sufficient sanction behind the observance of these bye-laws, because according to clause 15(2): "Any forward contract in goods entered into in pursuance of sub-section (1) which is in contravention of any of the bye-laws specified in this behalf under clause (a) of sub-section (3) of section 11 shall be void....." It is only stated that it shall be void; it is not stated that it shall be illegal. You know the distinction between void contracts and illegal contracts. With regard to void contracts, only the parties will not be in a position to enforce it through a court of law. There is no further sanction. Even in clause 20 prescribing penalty for contravention of the provisions of this Act, sub-clause (2) of clause 15 is not included, so that any member of an association can with impunity break any bye-law because the consequences will only be that he will not be in a position to enforce it through a court of law. It is stated in clause 20 under Penalty for contravention of certain provisions of Chapter IV—

"(1) Any person who—

(a) without reasonable excuse (the burden of proving which shall be on him); fails to comply with any requisition made under sub-section (3) of section 8; or

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- (b) organises, or assists in organising, or is a member of, any association in contravention of the provisions contained in the proviso to sub-section (1) of section 18; or
- (c) enters into any forward contract or any option in goods in contravention of any of the provisions contained in sub-section (1) of section 15, section 17....."

Sub-clause (2) is not included.

**The Minister of Commerce and Industry (Shri T. T. Krishnamachari):** The hon. Member will see as a lawyer that we cannot in this House give that authority to bye-laws framed by the associations, even though they are approved by Government.

**Shri A. M. Thomas:** What will be the sanction when the bye-laws are violated with impunity? If we have to control it properly and regulate forward contracts properly, observance of the bye-laws must be made as a condition.....

**Shri T. T. Krishnamachari:** Club rules.

**Shri A. M. Thomas:** Whatever it may be, I am of the view that for regulating forward contracts efficiently, there must be some sanction behind the provision contained in sub-clause (2) of clause 15.

**Shri Velayudhan:** Bye-laws will be many.

**Shri A. M. Thomas:** I would also repeat that when framing the rules, some model bye-laws—as given in Table A of the Indian Companies Act—should be appended. In that case many of the abuses or criticisms can be avoided.

With these words, Sir, I support the Bill as it has emerged from the Select Committee.

**पंडित ठाकुर बाल भार्गव (गुडगांव) :** में फार्वर्ड कंट्रैक्ट्स (Forward contracts) की इन्ट्रिकेसीज (Intricacies) से, जैसा कि वह बड़े बड़े शहरों में होती है, पूरा बाक़िफ़ नहीं है। लेकिन जो चीज़ में जानता हूँ और जो में अर्ज़ करना चाहता हूँ वह यह है कि यह फार्वर्ड कंट्रैक्ट्स का मसला सिर्फ़ बड़े शहरों के बास्ते ही नहीं है। आज हम छोटे छोटे कस्बों, छोटे छोटे शहरों में भी यह नई विहृत देखते हैं। सभी लोग इस कंट्रैक्ट्स

के पीछे पड़े हुए हैं और कौरन एक दम से लखपति और करोड़पति बनना चाहते हैं। यह जो आदत जुआ खेलने की रोज़ व रोज़ बढ़ती जा रही है यह चीज़ ऐसी थी जिस के बारे में हर एक यह उम्मीद करता था कि गवर्नर्मेन्ट किसी न किसी तरीके से मैक्सा निकाल कर इस को बन्द करने का कानून लायेगी। हम इस कानून के पढ़ने से यह ज़हर समझते हैं कि गवर्नर्मेन्ट ने जो फार्वर्ड कंट्रैक्ट्स करते हैं उन की रोकथाम की कोशिश की है। लेकिन मैं मुतमईन नहीं हूँ क्योंकि यह कानून काफ़ी दूर तक नहीं गया है इस विहृत को रोकने के बास्ते। आज सभी जगह पर इस तरह के कंट्रैक्ट्स होते हैं। भट्टिडा में और जो ज़िला हिसार में छोटे से कस्बों हांसी सिरसा या हिसार में आज जा कर देखिये तो आप पायेंगे कि कई कई चैम्बर्स खुले हुए हैं और उन का काम सिवा सट्टेबाजी के और कुछ नहीं है। इस विहृत को रोकना गवर्नर्मेन्ट का फर्ज़ था जिस में इस मुल्क से जुआबाज़ी उठ जाये। यह एक नैशनल सिन (National sin) बन गया है। एक छोटे से शहर भिवानी के अन्दर सट्टेबाज़ी होती है किसी और बुनियाद पर नहीं बल्कि इस पर कि अगर मैं बरसेगा तो यह परनाला चलेगा या नहीं। अगर परनाला चलने जैसा पानी गिरेगा तो एक आदमी फलां शर्स को इतना रुपया देगा और अगर परनाला चलने जैसा पानी नहीं गिरेगा तो वह शर्स फलां आदमी को इतना रुपया देगा। एलेक्शन (Election) के पीछे सट्टा होता है कि फलां शर्स जीतेगा तो इतना रुपया दूँगा और अगर नहीं जीतेगा तो इतना रुपया तुम मुझे देना। तो आज यह आदत द्वोपदी के जुबे में हार जाने के समय पर या दमयन्ती के हार जाने के समय पर यी वह आज भी चली आती है। दिवाली

के मौके पर लोग सट्टा खेलते हैं। हमारी गवर्नमेन्ट को चाहिये था कि इस आदत को बन्द करने के बास्ते कोई कानून लाती, इसे दुरुस्त करने के लिये कोई कानून लाना गवर्नमेन्ट की मोरल ड्यूटी (Moral Duty) थी। कम से कम छोटे शहरों में और गांवों में इस विद्वत को ज़रूर दबाना चाहिये जिस में उन को गैम्बलिंग की आदत छूटे। इस के अलावा में इस विद्वत का एक असर और देखता हूँ। छोटे छोटे दूकानदार अपनी हैसियत से ज्यादा सट्टेबाजी करते हैं। उन की हैसियतें हजार दो हजार की होती हैं और वह सट्टेबाजी करते हैं लाखों और करोड़ों की। नतीजा यह होता है कि वह सब के सब तबाह हो जाते हैं। आप किसी छोटे शहर में जाइये, आप बहुत से ऐसे आदमी पायगे जो इस विद्वत की वज़ूँ से तबाह हो गये। मैं अर्ज करना चाहता हूँ कि इस बीमारी का कुछ न कुछ इलाज ज़रूर होना चाहिये। सरकार ने यह किया है कि चन्द शहरों में रिक्गनाइज्ड ऐसोसिएशन्स (Recognised associations) कायम करने की तज़ीज़ रखती है। उन को भी पूरे अल्पत्यार नहीं हैं। जो इजाजत उन को दी गई है उस के मुताबिक वह सिर्फ़ कुछ हृद तक ही काम कर सकेंगी।

सारे कंट्रैक्ट्स के बारे में मेरा यह स्थायल है कि अगर कोई भी कंट्रैक्ट जो कि वेजरिंग कंट्रैक्ट (wagering contract) मालूम होता हो ख्याह वह खालिस ओपशन (option) का सवाल न हो बल्कि उस में वेजरिंग भी हो तो उस को रोका जाय क्योंकि वह तो और भी खराब है। अगर सरकार इस को नहीं रोकती है तो वह एक तरह से लोगों को जुआ खेलने की इजाजत देती है। मैं जानता हूँ कि नान द्रांस्फरएबल स्पेसिफिक डिलिवरी कंट्रैक्ट

(Non-Transferable specific Delivery Contract) के अन्दर जुए का प्रचार होगा और रेडी डिलिवरी कंट्रैक्ट (Ready delivery Contract) में भी जुए की गुंजाइश है। इस आदत से देश में बहुत अत्याचार हो रहा है, इस को रोका जाय। हर एक आदमी को मेहनत कर के रोटी कमाना चाहिये, यह नहीं कि एक मिनट में जुए से लखपति और करोड़पति हो जाय। इस के बास्ते इस एक्ट के अन्दर कोई चीज़ नहीं। बल्कि इस के लिये जो चीज़ में देखता हूँ वह यह है कि मिंग शाह ने एक नोट लिखा है। मेरे स्थायल में हर एक मेम्बर इस की ताईद करेगा और गवर्नमेन्ट की भी मशा यही है गवर्नमेन्ट भी नहीं चाहती कि सट्टेबाजी हो। लेकिन अगर गवर्नमेन्ट सट्टेबाजी को नहीं रोकती तो एक तरह गवर्नमेन्ट सट्टेबाजी के साथ कनाइव (connive) करती है। जब शारदा ऐक्ट यहां हाउस में आया था तो हम जानते थे कि उस पर अमल नहीं होगा लेकिन उस का मारल असर बहुत बड़ा हुआ। हजारों केसेज़ में से किसी एक पर मुक़दमा चलाया गया होगा मगर उस का देश पर बहुत अच्छा मारल असर पड़ा। अगर गवर्नमेन्ट उन बहुत सी चीजों के लिये ही यह कर देती कि जिन में स्टेबिलाइजेशन आफ़ प्राइसेज़ (Stabilization of Prices) के लिये सट्टेबाजी की ज़रूरत नहीं है उन चीजों में सट्टेबाजी न की जाय और वेजरिंग कंट्रैक्ट को वाइड (Void) करार दे देती तो यह विद्वत मुल्क से बहुत कुछ दूर हो जाती। अगर गवर्नमेन्ट यह एलान कर देती कि जिस कांट्रैक्ट में एक्सुबल डिलीवरी भी लाइबल (liable) कर दिया है। मैं अदब से ख़र्ज़ करना चाहता हूँ कि किमिनल ला के मुताबिक उसी शर्स को मुजरिम करार दिया जा सकता है जिस का उस विकल्पेस

## [पंडित ठाकुर बास भाग्नं]

(Actual delivery) न हो किर चाहे वह ट्रांसफरेबिल हो या नान ट्रांसफरेबिल हो वह बाइड करार दे दिया जायगा तो यह विद्वत् किसी क़दर दूर हो जाती । मेरी शिकायत यह है कि आप ने जानते हुए भी इस विद्वत् को दूर करने की कोशिश नहीं की । आप इस हद तक तो गये हैं कि यह चीज़ बुरी है लेकिन इस को रोकने की कोशिश नहीं की । आप ने कुछ इलाकों में इस को रे�ग्यूलेट (Regulate) करने की कोशिश की है ।

मैं ने शाह साहब का नोट आफ डिसेंट (Note of dissent) भी देखा है पर वह भी बहुत दूर तक नहीं जाता । जहां तक फारवड़ कांट्रैक्ट का सवाल है मैं उस के तो खिलाफ नहीं हूँ । अगर कोई शब्द हाउस में आ कर कहे कि फारवड़ कांट्रैक्ट को बन्द कर दिया जाय तो यह कहना ठीक नहीं होगा । क्योंकि अगर ऐसा कर दिया जाय तो सारी इंडस्ट्री (Industry) ही खत्म हो जायगी । इंडस्ट्री वाले कई महीने पहले से फारवड़ कांट्रैक्ट कर लेते हैं जैसे कि हर्ड में और दूसरी चीजों में होता है । इसके कोई खिलाफ नहीं हो सकता क्योंकि इस से तो स्टेबिलाइजेशन आफ प्राइसेज़ होता है । लेकिन जहां पर डिलीवरी का सवाल नहीं है और जहां पर बहुत ज्यादा ओवरट्रेडिंग (overtrading) होता है उस से मैं समझता हूँ कि नुकसान होता है । इसी कस्ते हमारे मिनिस्टर सम्हब ने फरमाया है कि यह पहला इंस्टालमेंट (Instalment) है लेकिन मैं समझता था कि गवर्नरमेंट पहले ही इंस्टालमेंट में इस की कुछ रोकशाम करेगी । पर यह पहला इंस्टालमेंट तो एक होमियोपैथिक इंस्टालमेंट सा है । वह इस विद्वत् को नहीं

रोकता । आप ने इस में यह भी नहीं कहा कि जिस फारवड़ कांट्रैक्ट में डिलीवरी नहीं होगी वह बाइड होगा । आप्शन और वेजरिंग कांट्रैक्ट में फर्क है । लेकिन जहां डिलीवरी न हो उस को बाइड माना जाना चाहिये । यह तो हर्ड उसूल के मुताबिक बात ।

दफा १८ की में ज्यादा तफसील में जाना नहीं चाहता । आनरेबुल मिनिस्टर साहब ने कहा कि जहां के लोग चाहेंगे वहां वह इजाजत दे देंगे । तो इस से कोई फर्क नहीं पड़ता । जैसे अगर बम्बई वाले चाहें तो मिनिस्टर साहब कहते हैं कि वह इजाजत दे देंगे और १८ (३) का इस्तेमाल करेंगे ।

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मैं तो एक दूसरी बात की तरफ तब्ज्जह दिलाना चाहता हूँ । दफा २२ का जो पहला क्लाऊ रखा गया है मैं उस के बारे में अदब से तब्ज्जह दिलाना चाहता हूँ । मैं कुछ असें से यह देखता आ रहा हूँ कि जहां कम्पनीज का सवाल आता है तो आम तौ पर हाउस का यह रवैया रहा है कि उस कम्पनी से जो भी ताल्लुक रखता हो उस पर जुम्म आयद कर दिया जाय । चाहे वह छोटा हो या बड़ा हो, या उस का उस से ताल्लुक हो या न हो, सब पर जुम्म लगा दिया जाता है । यह इन्साफ नहीं है । एक कम्पनी के डाइरेक्टर को एक ऐसे काम के लिये जिम्मेदार ठहराया जाता है जिस का उसे इलम तक नहीं है । जिन कम्पनियों में मैनेजिंग एजेंट (Managing Agent) होते हैं उन में डाइरेक्टरों को क्या पता रहता है । लेकिन आप न डाइरेक्टर को, सेकेटरी को, मैनेजर को यानी हर क्षेत्र को, जिस का कोई भी बास्ता उस बिजनेस (Business) से न हो उस को

भी लाइबल (liable) कर दिया है। मैं अदब से अर्ज करना चाहता हूं कि क्रिमिनल ला के मुताबिक उसी शर्त को मुजरिम करार दिया जा सकता है जिस का उस विज्ञानेस से ताल्लुक हो। ऐसा नहीं हो सकता कि एक डाइरेक्टर उस काम के लिये जिम्मेदार करार दे दिया जाय जिस का कि उसे इलम तक नहीं है। आप को मालूम है कि उसे जुर्म नहीं किया है, लेकिन चूंकि वह एक कम्पनी का इनचार्ज है और बड़ा आदमी है और एक कैपिटलिस्ट (Capitalist) है इसलिये उस को कांसी दे दी जाय। मैं अदब से अर्ज करूँगा कि यह दुरुस्त नहीं है। दुरुस्त यह है कि च १ हे वह छोटा हो या बड़ा हो अगर उस की नीति उस जुर्म में है तो उस पर मुकदमा कायम किया जाय। मैं चाहता हूं कि इस में यह लिखा जाय कि जिस पर जुर्म आयद हो उसी को मुजरिम करार दिया जाय। लेकिन अगर किसी की नालिज (Knowledge) में यह काम नहीं है तो उस को मुजरिम करार नहीं देना चाहिये और जिस की नालिज में यह काम हुआ हो उस को यह साबित करने का मौका देना चाहिये कि उस ने उस बुराई को बचाने की पूरी कोशिश की। अगर वह यह साबित कर सके तो उस पर भी जुर्म आयद नहीं होना चाहिये।

इसी सेक्षण २२ के क्लाउ २ में यह दिया है कि जो भी इनफ्रेक्शन के बास्ते जिम्मेदार हो उस को मुजरिम करार दिया जाय। अगर किसी कम्पनी में किसी खास आदमी के सुपुर्द फारवर्ड ट्रेडिंग का काम है और वह अपने फँक्च में कोताही करता है उस को मुजरिम करार दिया जाय और उस को सजा दी जाय। लेकिन जितने भी आदमी उस कम्पनी में काम करते हैं उन सब को मुजरिम नहीं करार दिया जा सकता।

मैं हर एक बिल में यही चीज देखता हूं। अभी हमारे सामने फूड स्टफ्स अडलट्राशन बिल (Food-stuff Adultration Bill) मौजूद है। उस में भी यही देखता हूं। उस में भी क्रिमिनल ला के जो उमूल हैं उनका ध्यान नहीं रखा गया है। मैं आनरेबुल मिनिस्टर साहब से यही दरखास्त करना चाहता हूं कि वह इसमें यह देखें कि ...

**Shri T. T. Krishnamachari:** The Minister has not understood a word of what he said.

**Pandit Thakur Das Bhargava:** All right, Sir. When I move my amendment, I will speak in English.

**Shri Bhawanji (Kutch West):** I rise to support the motion made by hon. the Minister of Commerce and Industry for the consideration of the Forward Contracts Bill, as reported by the Select Committee.

**Mr. Deputy-Speaker:** After the hon. Member finishes, I intend calling the hon. Minister.

**Shri B. S. Murthy (Eluru):** Sir, all of us are anxious to speak. Till now they have been supporting the Bill.

**Mr. Deputy-Speaker:** There are some who support it and some who oppose it. I am not interested one way or the other. I shall give ample opportunities to all. Most of the discussion centres round clause 18, (a), (b) or (c). Therefore when that clause comes, whichever hon. Member is anxious to speak, I will allow him to speak, on all relevant matters and somewhat remotely relevant also I will allow.

**Shri M. S. Gurupadaswamy (Mysore) rose—**

**Mr. Deputy-Speaker:** He will be called during the third reading.

**Shri Bhawanji:** I have followed with care the debate that has taken place on this Bill in this House during the last three days. It has mostly centred round the question whether the non-transferable specific delivery contracts should or should not come under the purview of Chapters III and IV. According to me, the issue is between the small trader and the big businessman and speculator. The question is whether we

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want to hand over the non-transferable specific delivery contracts to the speculator or do we want these contracts to be carried on as they have been carried on for centuries through the normal trade channels? That is the issue to be decided by this House. I have no doubt that the sympathies of the House would be with the small trader. In support of the amendments moved by certain Members, especially Mr. Chatterji, it is said that there has been a lot of misuse of these non-transferable specific delivery contracts and that is why clause 18 should be brought under Chapters III and IV. The House will remember that during the war when all forward contracts were prohibited in the country by the then Government, these non-transferable specific delivery contracts were allowed to go on. One hon. Member has this morning made a reference to those control orders. It will be clear from this that even during the emergency of a war, these contracts were considered necessary and were permitted.

This Bill has a long history. When the first Bill was introduced, Government were cautious. They prepared a draft and it was circulated to numerous commercial associations and to all State Governments and after obtaining their opinions, an Expert Committee was appointed. That Committee consisted of eminent persons. The Chairman at that Committee was Mr. A. D. Shroff, Director of Tata & Sons Ltd. and also Director of Tata Oil Manufacturing Co. Ltd., one of the biggest consumers of oilseeds. Among other members were Mr. C. C. Shah, Mr. R. G. Saraiya, Mr. Goenka and Mr. Ratilal M. Gandhi. As you probably know, Mr. R. G. Saraiya is the Vice-President of the Indian Federation of Chambers of Commerce and Industry and also Vice-President of the Indian Central Cotton Committee. Mr. Ratilal Gandhi is a former President of the Indian Merchants Chamber and one of the founders of the Bombay Oilseeds Exchange Ltd. and for many years its President. Mention has been made by some Members about the attitude of the Bombay Government. Members will perhaps be surprised to know that one of the members of the Committee was Mr. Venkatappah, the then Finance Secretary of the Bombay Government. Also, the Government of Bengal was represented by Mr. Das Gupta, the Secretary of the Finance Department of that Government. From this, it will be seen that this Expert Committee consisted of eminent persons having practical and administrative

knowledge of this subject. They went into the whole question of the different contracts, their usefulness or their misuse etc. etc. Perhaps, you would permit me to read a relevant portion from that Expert Committee's report. They say:

"Forward contracts are mainly of three kinds: Futures contracts; transferable specific delivery contracts and non-transferable specific delivery contracts."

After discussing the first two varieties of contracts, they proceed to deal with non-transferable specific delivery contracts in the following manner:—

"Non-transferable specific delivery contracts are in a different category, since such contracts cannot normally be used for speculative purposes. Here also, the Committee's attention has been drawn to instances in which speculation is reported to have taken place or to be taking place, on the basis of non-transferable specific delivery contracts. However, the Committee considers that it would cause, serious inconvenience to trade, and make normal trading practically impossible, if such contracts are not exempted from the restrictions applicable to contracts of the other two varieties. The Committee has, therefore, come to the conclusion that while the scheme of regulation envisaged in this Bill should apply to futures contracts and transferable specific delivery contracts Government should have the power.

- (a) to exempt transferable specific delivery contracts, where their inclusion is likely to cause unnecessary hardships or inconveniences to the trade concerned, and
- (b) to impose such regulation as it may deem fit on non-transferable specific delivery contracts, where there is positive evidence that their exclusion from the scheme has encouraged practices likely to defeat the purposes of this Bill."

1 P.M.

**Mr. Deputy-Speaker:** Is he likely to take long?

**Shri Bhawanji:** Yes, Sir.

**Mr. Deputy-Speaker:** Then he may resume after Lunch.

The House then adjourned for Lunch till Half Past Two of the Clock.

*The House re-assembled after Lunch at Half Past Two of the Clock.*

[MR. DEPUTY-SPEAKER in the Chair]

**Shri Bhawanji:** When the House rose for Lunch recess, I had concluded reading an extract from the Expert Committee's Report. I am happy indeed that the Select Committee has accepted the recommendations of the Expert Committee, so far as clause 18 goes. In this House some hon. Members have levelled criticism against the hon. Minister in charge of this Bill for changing his opinion. I am one of those who admire persons who change their opinion when they consider that the earlier opinion they held was wrong. From that point of view, if at all, the hon. Minister deserves the admiration of the House, not criticism.

One of those hon. Members who opposed this clause—Mr. Chatterjee, if I mistake not—argued that these contracts are very often misused and they are turned into forward contracts. He mentioned, I think, the name of a particular association. I am afraid the hon. Member was very unfair to that association. I come from Bombay—though I do not represent it in this House—and I am also in trade. I had the privilege of occupying official positions in many commercial associations—some of them recognised associations. The association referred to by my hon. friend Mr. Chatterjee is one of the two oldest associations in the City of Bombay with a standing of over fifty-two years. This association during its long career very strongly resisted the efforts of some of its members to start a forward contract in the association, but when these members found that this association would not start forward contract they formed a new association called the Bombay Oilseeds Exchange Ltd. And now cudgels are taken in this House against an association which stood against forward contracts.

It is said that contracts started by this association were misused and ultimately they were squared up. I know that incident well. It is true that association had to square up the outstanding contracts. It was not the fault of that association. To best of my knowledge a situation was created by a big operator in Hyderabad who cornered all the available groundnuts in that area and it was not possible for a genuine trader to get any stock unless he was prepared to pay high prices. Examining the situation, this association came to the conclusion that it was in the interest of the small trader and trade

as a whole that all outstanding contracts under the circumstances should be squared up. They consulted the Government of Bombay and with the full approval of the Government of Bombay they called a meeting of manufacturers, exporters and sellers where a price was agreed to and the contracts were squared up. This incident has happened once in the career of that association of 52 years and that too was done in the interest of the seller. To quote this incident and cite it as an instance how this clause would be abused, is not fair to the association. The Expert Committee was fully aware of this position, but they have said that for the sake of a few abuses, you cannot penalise the whole trading channel.

The opponents of clause 18 have based their arguments on three grounds. First: that this contract will be misused. Secondly—they are very clever people—they say that if the original clause is restored, the small trader is not likely to be inconvenienced. Thirdly they say that the Bombay Act of 1947 has worked so satisfactorily that there is no case for clause 18 as reported by the Select Committee.

So far as the possibility of misuse is concerned, suppose the House in its collective wisdom decides to restore the original clause 18, what would be the position? Wherever recognised associations exist, business through the members of that association can only be transacted. Now before the Bombay Act came into force what was the position of these associations? With the exception of East India Cotton Association these associations consisted of a couple of hundred members and as soon as the fixed number was reached, further membership was stopped. If any new trader had to enter that association for business, he had no scope. He must wait till some of the members were inclined to sell their membership. The membership fee at one time had gone up to Rs. 95,000 in one association and Rs. 45,000 in another association. Is it possible for a small trader to spend such a large amount of money on membership alone? The Bombay Government, of course, removed these restrictions and the membership was thrown open to any genuine trader.

Even then, what is the position? For the membership of the East India Cotton Association one has to pay a deposit of Rs. 20,000 and an entrance fee of Rs. 2,500, besides the annual fee. For the membership of the Bombay Oilseeds Exchange one has to pay a deposit of Rs. 15,000, some

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entrance fee and an annual fee. Is it possible for a small trader to block his capital to that extent? For fear that some of the traders or association may misuse this clause why eliminate the small trader? The remedy is there in clause 18(3). Government will enforce that sub-clause as soon as misuse is detected and the hon. Minister has assured us more than once in the course of this debate that as soon as any State Government asks for a notification to be issued, the notification will be issued immediately. In this respect I would however appeal to the hon. Minister in charge that even if a State Government applies, he should himself examine the position and give an opportunity to the interests concerned to put their point of view before him so as to enable him to come to a correct decision.

The second argument put forth was that if the original clause 18 is restored, the small trader is not likely to be inconvenienced nor the normal trade paralyzed. I shall read a small extract from the Minute of Dissent written by Shri Tulsidas Kilachand and Shri Somani. They say:

"There seems to be a belief in some quarters that if non-transferable specific delivery contracts are brought within the purview of the Bill, the small upcountry trader will be severely handicapped and that the bona fide trader may be greatly inconvenienced. Such a belief is entirely unfounded and misplaced. The recognised association will generally be recognised only for a city or for some such limited area and, except in a few exceptional cases its authority will not extend beyond that area."

I think this argument is, again, inaccurate. Here I am fortified by a report made by the Cabinet Committee of the Bombay Government. When the Bombay Government were thinking of amending the Cotton Control Act of Bombay, the Bombay Cabinet had appointed a Cabinet Committee, and that Committee has visualized the areas and the scope for the associations. It is a small extract and I shall read it:

"The Committee considers that normally no region need have more than one recognized association of this kind".

So far as the State of Bombay is concerned they have also mentioned which are going to be the regions. In their opinion besides Bombay,

Gujerat, Maharashtra and Karnatak should be the areas.

Take the case of Gujarat first. Naturally, there will be a recognized association in Ahmedabad. If that happens—because according to the Bombay Government in one region there cannot be more than one recognized association—a small trader who trades in the interior of Gujarat, say in Bardoli, Surat or Navsari, and if he wants to sell even fifty bales, he has either to become a member of the recognized association in Ahmedabad or do his transactions through a member of that association and pay him the brokerage. These transactions always take place on the spot and there is no time of wiring or telephoning Ahmedabad, asking somebody to act on one's behalf and do the trading. Is it fair? From this it will appear that these areas are going to be very big. So far as the State of Bombay is concerned there are going to be four areas. And to expect a small trader in the remotest part of the area to trade only through that association is an argument that will not hold good.

The third argument which was advanced was that the Bombay Act of 1947 has worked so well that the Central Government need not have any fear about the good functioning of the recognised association. Before this Act of 1947 came into force there used to be the Cotton Control Act and only the East India Cotton Association was recognized under that Act. And it is my proud privilege to say that if any association has fulfilled the requirements and carried out the spirit of that Act it is the East India Cotton Association. When the Act of 1947 came into being the Bombay Government immediately started enforcing that Act. In the course of five years they have been able to apply this Act only to two more commodities, and those two commodities are bullion and oilseeds.

Let us examine what has happened with regard to those two commodities. As soon as this bullion exchange was recognized there was a big fluctuation. Very often they declared emergencies, prices were cut, outstanding businesses were squared up, and for almost every settlement there used to be some suit in the Bombay High Court, injunctions were got and litigation went on. At one stage the Bombay Government was bold enough to suspend the board of that association. Perhaps the old Members of this House will remember that

the unfortunate Mudgal Enquiry was the result of the happenings in this association.

Take the other association, which is the 'Bombay Oilseeds Exchange Limited. What has happened there? In March 1952 big fluctuations took place there and ultimately the Association was compelled to fix a price and square up the business. Some litigation about the validity of the contract run by that association is pending before the High Court. The matter being *sub judice* I would not say more about it. But if this is going to be the 'satisfactory' working of these associations, Sir, God forbid!

**Mr. Deputy-Speaker:** Will not this objection apply equally to those associations which deal with transferable specific delivery contracts?

**Shri Bhawanji:** It is suggested here by some Members that where a recognized association exists, the working of these non-transferable specific delivery contracts should be entirely entrusted to that association and that those associations are working satisfactorily. I am showing to what extent these associations are working 'satisfactorily'.

In spite of five years of existence of this Act the Bombay Government have been able to bring only two more commodities under this Act. In many other commodities speculation is going on rampant. The Bombay Government in spite of its anxiety, is not able to curb speculation and bring more associations under the control of that Act. And the working in respect of these two commodities which they have brought under the control of the Act is not satisfactory. That being the position, to ask the Central Government that they should accept the position that where a recognized association exists, non-transferable specific delivery contracts should not be entrusted to any other body is an argument that will not appeal to anybody.

There is a lot of criticism about controls in this country. We know that at present there is no alternative for the Government but to have some sort of control, because in our planned economy we need control. But why are controls unpopular? Controls are unpopular because they are not worked properly. In the present case also this Bill is a necessity. We are enacting it. But we should not rush in a way that we are not in a position to

work the control efficiently in the interests of the consumers and the agriculturists. That is why I would appeal to the hon. Minister in charge of the Bill that even when this Bill becomes an Act he should hasten slowly and with care.

**Shri T. T. Krishnamachari:** I am afraid the discussion on the motion before the House baffles all attempts at classification. Some hon. Members have condemned the measure out of hand which, in my humble opinion, in cases where such condemnation has been made for *bona fide* reasons, arises out of a misconception of the scope and utility of the measure. There are yet a few others who gave halting support to this measure. And in supporting the measure they had reservations in regard to the small trader and also in regard to the primary producer. Of course, the big guns of the Opposition—I see that the guns are conspicuous by their absence—Mr. Tulsidas Kilachand and Mr. Chatterjee, focussed their attention on clause 18. The House must have heard with great interest the views expressed by Mr. Tulsidas Kilachand. It is well known that he has infinite experience of forward markets and I am also told that his knowledge was reinforced by the arrival of expert advisers from Bombay in order to brief him for the purpose of opposing clause 18 in the measure before the House. Mr. Chatterjee, on the other hand, opposed clause 18 with disinterested motives. One cannot but admire him for his performance, his deep legal erudition, and his understanding—minute understanding of human nature—were all brought to bear on this particular provision in the Bill. To the very informed but nonetheless critical support given by several hon. Members, Mr. Gandhi, Mr. Heda, Mr. Altekar, Mr. Bansal, Mr. Raghabachari, Mr. Thomas and lastly the speaker who has just concluded. Mr. Bhawanji Khimji, I am deeply grateful. I am rather loath to touch on a personal note. I think Mr. More will laugh. Accepting Mr. More's concern, with him I would like to measure all swords, verbally of course.

**Shri S. S. More (Sholapur):** We are all non-violent.

**Shri T. T. Krishnamachari:** But I do hope my hon. friend from Travancore, Mr. V. P. Nayar, has no expectations of a reply from me.

**Shri V. P. Nayar (Chirayinkil):** Why? Yes. I do expect a reply.

**Shri T. T. Krishnamachari:** Well, I have been given permission, Sir, to reply but I do not propose to take advantage of it. He has been very assiduous in finding printed support for all that he has had to say before the House. The only regret is that so much labour has been spent in such an infructuous manner. We have all been in the Opposition and—you would permit me to include the Chair along with myself—we have measured swords with probably more men who were as hard as steel but I do not think that there were many occasions when we had to use vituperative language. We had plenty of arguments. Vituperation only comes when a person is bereft of arguments. I do not want to complain against the hon. Member in that pretty language. In fact, my only regret is that even for purposes of using vituperative language, he has to use it second-hand, using the language used by my very distinguished predecessor in this office on a previous occasion. We are all getting on in years and I think my hon. friend would not mistake me as being in any sense patronising when I tell him he has a long way to go in politics and I do hope that as time goes on his vituperation will gather greater strength and he could depend less and less on second-hand material.

The hon. Member used a very picturesque phrase in regard to the working of the Commerce and Industry Ministry—which I see has been quoted by the gallery also—that the grievances of the public have their appropriate place in the waste paper basket of the Ministry. I can assure my hon. friend that my waste paper basket is an extremely small one. There are no niches in it. Often times these grievances go into files but he must understand that the response to such grievances communicated to Ministries in the Government of India is more or less in inverse ratio to the hon. Member's party's capacity to manufacture them.

My hon. friend Mr. Raghuramaiah from Madras had something to say about advisory committees. I thought I made it very clear at the time that I moved this motion for consideration, what the duties of this Advisory Committee were, at any rate, as far as I contemplated it. The Forward Markets Commission would be a limb of the Ministry. As such the question whether the advice that it offers is one that the Government has to accept or not does not really arise. The membership of the Forward Markets Commission is limited. The most we could expand it is

three. Now I felt that we are embarking on a measure about the operation of which one cannot foretell either in the scope or in the nature of it. For the moment let it associate with the vested interests and the general public in some kind of consultative capacity. The Advisory Committee referred to in clause 25 is of this nature. The composition of this Committee has to be evolved and has been left to the rule-making powers of the Government. Surely I do not think that any hon. Member will say that it is wrong to have an Advisory Committee of, say, 15, 20, as the case may be, associating people who are in the trade, who are engaged in operations in forward markets and others who ask for our advice in regard to particular commodities. I cannot see why anybody should dovetail this Advisory Committee into the Forward Commission and say one is redundant. I am afraid it arises out of the fact that my capacity for elucidating facts is not adequate. I recognise my limitations but one limitation is recognised. I do hope the hon. Members of this House understand what the purpose of this Advisory Committee is. I hope they will not object to it.

3 P.M.

I shall first deal with the criticism of Mr. N. C. Chatterjee. I think that it would perhaps be better if I restate the position now, though, I think I am almost guilty of repeating my arguments. The Bill of 1950 closely followed the recommendations of para. 5 of the Expert Committee's report. My hon. friend who spoke before me mentioned this. The Bill of 1950 specifically stated that Chapters III and IV shall not apply to non-transferable specific delivery contracts, which was the first recommendation of the Expert Committee in regard to such contracts.

The second recommendation of the Committee was that while the Bill should apply to all futures contracts, transferable specific delivery contracts as well, the Government should have the power to exempt transferable specific delivery contracts where the inclusion of such contracts is likely to cause unnecessary hardship and inconvenience to the trade concerned. In the 1950 Bill, this was sought to be done by the provision of clause 26 of the Bill. That was the exemption clause. In the present Bill, it is clause 27. The Select Committee in examining this particular clause—I mean the present Select Committee—felt that it

would give greater confidence to those interests which had pressed for such an exemption if such an exemption be put in so many words in the body of the Bill, and provision in clause 18 (2) is the result.

The third recommendation of the Expert Committee was that Government might impose such regulation or control as it may deem fit on non-transferable specific delivery contracts where there is positive evidence that their exclusion from the section has encouraged practices likely to defeat the purpose of the measure. This provision was made by sub-clause (2) of clause 18 of the original Bill. The House knows, the change which the Select Committee of 1951 made. The specific exemption of non-transferable specific delivery contracts was taken out and substituted by imposing an obligation on the Government viz., as soon as a notification under clause 15 had been issued, to issue a like notification defining the area in which a recognised association may also regulate and control non-transferable specific delivery contracts, and so on. If the Government does so, the provisions of Chapters III and IV shall apply to non-transferable specific delivery contracts only in such area or areas and only to such goods or class of goods as are mentioned in the notification. Naturally, sub-clause (2) of the original Bill became inoperative after the insertion of this provision. There was another sub-clause—sub-clause (2) to clause 18 as reported by the first Select Committee—which provided that if the Government felt that it was expedient to regulate and control non-transferable specific delivery contracts in any area to which the provisions of this Chapter and Chapter III do not apply, it may issue a notification. The point that I would like hon. Members to note is this. Sub-clause (2) of clause 18, as it stood when the Bill was sent to the Select Committee, contemplated something far beyond what was necessary. If the Government felt that it was expedient to control and regulate all non-transferable specific delivery contracts in any area to which the provisions of Chapters III and IV did not apply, it may by notification declare that all or any of the provisions of these Chapters would apply to such areas as are notified. That is something outside the range of the Bill itself, because the Bill is circumscribed by the provisions of clause 18. This went far beyond what the purpose of the Bill was. It was not made very clear. I said before when I commenced to speak

on the motion to consider the Select Committee's report that there are some misgivings in this matter and I was not inclined to alter the provisions, at any rate of clause 18 (2) merely because it has been approved by a duly constituted Select Committee of a House which is the predecessor of this House. Of course, the contention is that this provision should have been maintained intact and no change should have been made. None of the hon. Members who spoke on why this provision should have been maintained intact, really adverted to the point. What was the significance behind clause 18 (2)? Neither the hon. Mr. Tulsidas nor the hon. Mr. Chatterjee made any reference to it. With this background, I would like to say a few words in regard to what Mr. Chatterjee said. Because, on the merits of the case, of the two speeches made in this connection, Mr. Chatterjee's is a positive contribution whereas my hon. friend Mr. Tulsidas was just quoting this and that, and quoting my own words, which is merely tight rope dancing.

In dealing with Mr. Chatterjee's speech, I would like to express my gratitude at the very outset for the very eloquent support that he gave to general principles of the Bill. I think with his very lucid analysis of the position, he must have convinced all doubting Thomases—I do not mean my hon. friend Mr. Thomas—in this House about the need for a measure of this nature. As other hon. Members have also underlined what he said, he made it extremely clear that as we are today in an economy which may be called mixed economy, where the market economy comes in, some such Bill is necessary in order to regulate forward contracts, and that is all that this present measure seeks to do. In regard to his opposition to clause 18, I would like to mention them *seriatim*. One was that the Bombay Act was different and so why the Central Act should be, something else. Of course, the 1951 Select Committee changed the pattern from the Bombay Act. He found no reason why another Select Committee should change it again. He also said that no complaints have been received about the working of the Bombay Act or at any rate, about the difficulties in the working of the Bombay Act. Of course, it is a pity that he did not wait to listen to the speaker who spoke before me, Mr. Bhawanji. So far as clause 18 (3) is concerned, which puts the same power in the hands of the Government as was conceived by clause

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18 (2) as it originally stood, he just dismissed it casually. Of course, you, Sir, know that lawyers dismiss casually any opposition which is inconvenient as being window dressing. Give the dog a bad name and hanging follows suit.

**Shri Gadgil** (Poona Central): Not necessarily.

**Shri T. T. Krishnamachari:** He raised doubts whether vested interests had something to do with the change. I would like to say this to the House—I hope it would be reported, at least some portions of it, and he may read it, if he reads newspapers as I have to do—I had no knowledge that vested interests were moving powerfully on both sides. It has been a flanking movement on both sides.

**Shri Gadgil:** It seems a hedging contract.

**Shri T. T. Krishnamachari:** It is hedging and not a hedged contract.

Of course, vested interests are never alone. They are in legion, and they act in different directions. It did seem to me that vested interests had acted both ways, and unfortunately, it seems that the vested interests on his side are more powerful because they raised the largest amount of noise. I am still at a loss to understand, still unable to recognise in actual practice so far as this measure is concerned, the difference between an obligation on the part of the Central Government to define the area in which an association recognised under clause 15 may regulate and control non-transferable specific delivery contracts, and a provision giving Government permission to put non-transferable specific delivery contracts in the same category as other types of forward contracts in respect of certain areas where the provisions of Chapters III and IV are already applicable. I humbly maintain that in essence, if the Central Government is willing—and I believe it ought to be willing—to be guided by the needs of each locality in which Chapters III and IV would apply, the difference that is sought to be made between the provisions of clause 18 (1) as it originally stood and clause 18 (3) as it now stands, is a difference between tweedleum and tweedledee.

My hon. friend Mr. Chatterjee referred to instances where compulsion has been exercised by associations making members square up non-transferable specific delivery

contracts long before the due date on terms not advantageous to the parties to the contract and so on. It only seems to indicate that no matter what you do, whether you put them inside the pall of the association or outside it, powerful vested interests will act in their own way. The instances he cited seem to be almost in support of the plea that non-transferable specific delivery contracts should not be included within the purview of an association, because an association, by virtue of its corporate strength, and the authority and the sanction that Government gives to it—though it is not as far as my hon. friend Shri Thomas would like to give it—exercises a certain amount of undue influence. I do not know what he had in mind. Perhaps, if I had raised this point, he would have said "That is exactly my case", because I remember an instance which used to be retailed very often in Madras of a very brilliant lawyer who, after lunch, was a little unsteady, and argued the case for the other side. When the Judge pointed out to him: "Mr. Grant, you are arguing the case for the other side", he said "That is exactly my point. I was telling your Lordship that the case for the other side was only this, and now I shall begin my own case." So, that is the difficulty when laymen like myself have to deal with lawyers of repute. Very possibly, if he had been here, he would have said: "That is precisely my point".

**Mr. Deputy-Speaker:** I suppose in this case, the lunch would not have had any effect!

**Shri T. T. Krishnamachari:** One never knows. One can never tell. Coming back again to his arguments, I have said before I am unable to take the arguments of my hon. absent friend Shri Tulsidas Kilachand as seriously as those put forward by Mr. Chatterjee. Of course, I have all praise for that well-prepared speech. For that, I had also to prepare my speech, but my trouble is that if I say something, it might be quoted against me again. So, I thought I had better put down my ideas in dealing with a clause which seems to have evoked so much controversy, and about which, even though my hon. friend Mr. Heda is surprised at my assumptions of modesty, I cannot but be modest where I am comparatively ignorant.

There is one point which I would like to say in this regard. Mr. Tulsidas referred to the evidence tendered before the 1951 Select Committee by

various bodies, and emphasized the importance that should be attached to such evidence. I grant it, and I think the House will also grant, that the evidence was very important particularly when I mention the names of persons who tendered the evidence. I do not want to join issue with him at all on the question of the importance of the evidence tendered before the 1951 Select Committee. In fact, the representative on behalf of the Federation of Indian Chambers of Commerce before that Select Committee was the hon.—then he was not hon.—Mr. Tulsidas Kilachand himself, and can you say that his evidence is not important? It was important.

**Dr. Lanka Sundaram** (Visakhapatnam): What did he say then?

**Shri T. T. Krishnamachari:** He said then exactly what he said now. He has now practically got it by heart. So, he has not got to change.

Mr. Ramdas Kilachand represented the Bombay Oilseeds Exchange. Can I say his evidence is not important? Mr. Devji Rattanji represented the Grain & Oilseeds Association and presented an opposite point of view. Two associations from Ahmedabad also came and presented their evidence. The bullion trade was also represented—and honestly, Mr. Deputy-Speaker my one regret is that, in bringing this measure before the House, I did not put in there a provision empowering Government to ban forward contracts in certain commodities, because I do happen to know that there is no need at all for forward trading in bullion. It is not grown anywhere, the quantity is not augmented; business wants gold for very limited purposes, and there need be no speculation. If somebody had pointed out to me....

**Mr. Deputy-Speaker:** And import should also be regulated.

**Shri T. T. Krishnamachari:** That I had not taken power in this measure to ban forward contracts in certain commodities, I should have got up and pleaded guilty and even taken the punishment that was assigned to me, but, unfortunately, hon. Members have been less vigilant.

I do not want to bore the House any more in regard to these provisions. Much has been said on both sides, and, of course, my hon. friend Mr. Tripathi said something about planned economy, and ending forward contracts, and all that sort of thing. It is true that a planned

economy which is completely planned from beginning to end, does not need forward contracts. I agree. But, unfortunately, even the planned economy we are visualising leaves a private sector. The primary producer himself finds that a forward market is of some use. When I was in Bombay recently, it was the cotton growers who were very keen that there should be hedge trading because they said it gives them steadiness in price. It cannot be that the producers of these commodities which are cash crops are such nitwits. They know the market very well. The villager is not a fool. I think Mr. More will.....

**Shri S. S. More:** I am very happy you have realised it.

**Shri T. T. Krishnamachari:** I can assure my hon. friend that my education is growing at a very fast pace now-a-days, and every day I get more and more educated in these matters.

**Shri Gadgil:** By friends like Mr. More who mislead.

**Shri T. T. Krishnamachari:** The point that I really wanted to make is this, that with a private sector, it was surprising to me how they could be benefited, and it was proved to me by the growers' representatives that hedge market would help them. So, unless the economy is completely planned from beginning to end, in which case the Government will dictate everything—that is what my hon. friend Mr. V. P. Nayar wants; then there is no need for these things, I agree but, so long as we have what we call a mixed economy—whatever the percentage of the mixture is; whether it is 95 per cent. water and five per cent. milk—it is rather difficult for us to say that it is not necessary. It seems to be necessary. People who are in the trade want it. Who am I to deny it to them?

May I once again say how grateful I am to the hon. Members who have participated in this discussion, and if I have not been able to provide an answer to all that they said, I might tell them that I shall certainly re-read the proceedings when they appear in print. As I have said, it is an initial measure, and we will probably have to amend it as time goes on and as we gather greater experience.

**Pandit Thakur Das Bhargava** spoke about certain aspects of the measure, and he had also tabled an amendment. Unfortunately my knowledge of Hindi is extremely inadequate,

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and my knowledge of Urdu is non-existent, and I could just see the trends because I know my hon. friend well, we have been together, and I know how his mind works. We must do something about it in course of time, but not yet. I certainly recognise what the hon. Member has said, that we have to control, and that the control must be more effective, and if he agreed with the minute of dissent tabled by my hon. friend Mr. C. C. Shah, I must say that I did not disagree with it; only, I felt that I was not equal to it at the moment. If we can distinguish between a wagering contract and a forward contract and if we could go into the intentions of it—of course, a lawyer knows how far one can go into the intentions of things—then we can perhaps put in a provision, if not exactly on the lines of what he wants, but at least on similar lines. But I may say, not yet. Let us start this measure, and as time goes on, we might be able to put the noose round tighter and hold these people in check. But at the moment I think this is about as far as I could possibly go.

**Mr. Deputy-Speaker:** The question is:

"That the Bill to provide for the regulation of certain matters relating to forward contracts, the prohibition of options in goods and for matters connected therewith, as reported by the Select Committee, be taken into consideration."

The motion was adopted.

**Clause 2.—(Definitions)**

**Pandit Thakur Das Bhargava:** I have tabled an amendment of which I gave notice only this morning, and I do not know whether I will be right in moving it. At the same time judging from what has fallen from the hon. Minister I think he is not going to accept it. Therefore, I would not ask for an opportunity from you for moving it, but with your permission I should like to say a word.

**Mr. Deputy-Speaker:** The hon. Member knows very well the conventions of the House.

**Pandit Thakur Das Bhargava:** I am not moving it.

**Shri T. T. Krishnamachari:** I would like to say that I am quite prepared to accept the proposition that I have got notice fairly early, but unfortunately I would not be able to accept the amendment with the same alac-

rity that I would accept my hon. friend's right to move the amendment.

**Pandit Thakur Das Bhargava:** I know the rules and conventions of the House, and I am not asking for leave to move the amendment when the hon. Minister is not in a position to accept it. But I only want to speak on the clause. I am very sorry that my hon. friend could not follow me, but could get only the general trends in my speech, and I am really sorry that I did not realise this at the time I was speaking.

**Shri B. S. Murthy:** Has that amendment been accepted?

**Mr. Deputy-Speaker:** The hon. Member has not been following the proceedings evidently. Any hon. Member has a right to speak on the clause, and while speaking on the clause, he may say that this clause must have included this or that, and so on. Incidentally he can refer to his amendment. He may neither move his amendment nor will it be placed before the House. But all the same he can say, the sponsors of the Bill must have included the wagering contract in the Bill, given a definition of such contracts, and also put in a provision for avoiding such wagering contracts.

**Pandit Thakur Das Bhargava:** As I submitted in my speech earlier, in my humble opinion, this Bill does not even realise the full effect of the evil which is rampant today in the country. It is true that this Bill is intended to regulate and control forward contracts. But forward contracts as such are not objected to by any person. It is only the evil part of it, the speculative element which ruins people, to which the people object. In so far as this Bill goes, it seeks to control such forward contracts in big cities by recognised associations by authorizing certain persons only to conduct the business of forward contracts or through them. But so far as the rest of the country is concerned, where such recognised associations are not there, nothing has been done by the Government to stop the speculative element of forward contracts. It is common knowledge that in the whole of the country, in small towns and also big towns and villages even, we find that the spirit of gambling is rampant. I wish that the Government could devise some means to prevent such practices. I realise it is very difficult to control such practices, but all the same, anything in a law of this nature that such contracts were regarded as wagering contracts or that such contracts were illegal, if not penal, would have had

the desired effect. When a provision in law can exist, even though it cannot be fully enforced, the moral effect of the existence of such a provision as this would act as a deterrent for many people. I therefore wished that the Government could, at least on this occasion when it is going to initiate a law of this kind, have come forward with a measure in which we could have some kind of a moral influence over people, and keep under restraint at least such people as want to evade the law. This could be implemented even by having a declaratory sort of provision that such contracts are wagering and therefore void. Even today according to section 30 of the Indian Contract Act, all wagering contracts are void. Previously when *tejimandi* etc. contracts went to courts, some of the courts held that these contracts as such were not valid, because they were regarded as wagering contracts. My humble submission is that any contract in which there is no intention of delivery is a kind of contract which the law should not countenance. If a provision like the one I have suggested were there in law, then it could have been regarded as an improvement upon the present position. But I know the Government thinks that there is administrative difficulty in having such a kind of control or in making a provision of this nature which cannot be enforced. But as I submitted, if a provision were there in law, the moral effect of it would be there, and a precept would be provided by way of a guide to the people in general.

In regard to these wagering contracts, I do not know, what will be the effect of section 30 of the Indian Contract Act, even after the present Bill is passed into law. In my humble opinion, so far as my interpretation of that section is concerned, section 30 will be of the same effect as now, even after the passing of this Bill into law. It may be that the courts may take this view, and they may conclude that section 30 shall continue to have full effect, and therefore such contracts, even such forward contracts, non-transferable specific delivery contracts, and even ready delivery contracts, in which this element of wagering is there, may be regarded as not good or void. If that is the interpretation, I think the people will come to know that it will not be good to enter into such contracts. I know that there is even among thieves a kind of morality, and many kinds of contracts do not come to courts. In those cases in which only the party that can not fulfil the contract or against whom the contract is not fulfilled has to go to the

courts, the courts regard these contracts as wagering. If that is the law, I think there is still some room for hope for people who think like me. But if the interpretation of the law is different, and if after the enactment of this law it may be argued that as a matter of fact since a specific law is there, the general law will not be effective, then I think this law will have gone to a certain extent in intensifying the evil rather than checking it. This is the aspect of the question that I wanted to urge upon the hon. Minister.

**Shri T. T. Krishnamachari:** I have said that this goes a little beyond the scope of the measure in the sense that this measure is regulatory. It is not altogether divorced from ethical principles, but it is not *per se* an ethical measure. The morality of wagering and all that does not come into it straightforwardly. It comes incidentally. In any event, the orbit of this measure does not include such a wide scope as my hon. friend envisages. That has to be done by a different measure altogether.

**Shri Gadgil:** It is the first step.

**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.

Clauses 3 to 10 were added to the Bill.

**Clause 11.- (Power of recognised association etc.).**

**Shri N. P. Nathwani (Sorath):** I am not moving my amendment, Sir, but I want to say a word on sub-clause (3).

**Mr. Deputy-Speaker:** Clause 11(3)? Yes.

**Shri N. P. Nathwani:** The sub-clause provides that an association may specify the bye-laws the contravention of which shall make a contract entered into otherwise than in accordance with the bye-laws void. Now, this is left to their discretion—to specify or not to specify—whereas I understand that the intention is that the association must specify certain bye-laws which are considered as of major importance and which are considered vital from the point of view of regulating the business. For instance, there are bye-laws which prescribe whether certain contracts shall be made orally or in writing; there are bye-laws which prescribe a

[Shri N. P. Nathwani]

certain standard form of contract which must be complied with; and there are certain bye-laws which govern the clearing house machinery. All these bye-laws are considered as of major importance. But all the bye-laws of an association should not be given equal importance and the breach of any bye-law which is to be considered of trivial or insignificant importance should not render the contract void. That is why it has been left to the association to specify only certain bye-laws, the contravention of which would entail the consequence of rendering the contract void. But it cannot be doubted that the association has got to specify certain bye-laws as of major importance. Therefore, instead of leaving it to the option of the association, it should have been provided that the association shall specify the bye-laws which are of such major importance. I say this because I know of one instance under the Bombay Act. There is a similar provision in the Bombay Act of 1947, but I know that the association, which is a very leading association, has not so far specified the bye-laws which are considered of importance, and the contravention of any one of which would render the contract illegal or void, with the result that the members are not bound to comply with the bye-laws regarding the making of contracts or the clearing rules. That is why I think that if the intention is that the association must specify the rules, then sub-clause (3) should have been suitably amended as to make compliance of certain rules necessary on the part of the members. I hope the hon. Minister will consider this aspect of the matter and deal with it in a manner which he considers fit and proper.

**Mr. Deputy-Speaker:** Is not this covered by clause 12 where power is given to the Central Government to make or amend bye-laws?

**Shri T. T. Krishnamachari:** That is true.

**Shri N. P. Nathwani:** My contention was only this, that if specification of certain bye-laws is to be made obligatory, then why leave it to the Government or to the Commission to intervene? Why should it not be provided in the Act itself that they shall be specified? That is all.

**Mr. Deputy-Speaker:** They shall be specified? The difficulty arises because there are hundreds of bye-laws of varying importance. That is

impossible in the working of the measure.

**Shri N. P. Nathwani:** It is for the associations to specify. The association may make a hundred bye-laws. It may consider some of them of such importance that contravention thereof would render the contract void, whereas if other bye-laws are infringed, they would only invite penalty or some disciplinary action on the part of the association. These are the two categories of bye-laws.

**Shri T. T. Krishnamachari:** The position is this. My hon. friend sent this amendment yesterday and I sent it to my legal adviser, and the advice that I have got is that it is not necessary. In any event, if we say: 'The bye-laws made under this section shall' instead of 'may'—if that is what the hon. Member wants—the association may specify one or two bye-laws and may not specify about seven or eight of them which are very necessary. So the obligation of the association to specify will be discharged if it specifies only one.

**Mr. Deputy-Speaker:** A minor one.

**Shri T. T. Krishnamachari:** A minor one. So it does not mean that my hon. friend is getting anything very substantial by putting an obligation on the association. 'Please specify'. It may say 'yes' and specify one, and the obligation is discharged. And as the Chair very rightly pointed, it may be a minor one. In fact, I might tell the House that it was suggested to us that we should put a provision saying that the Government will make draft bye-laws and send them out. Well, I do not think a provision like that is necessary. We can send draft bye-laws to these associations, unless it be that a particular trade finds that changes have to be made. But, as the Chair very rightly pointed out, clause 12 gives the power to Government that after all the Government need not accept these bye-laws. So I think what my hon. friend contemplates is very correct in that very limited sphere, but in actual application it does not matter whether we say 'shall' or 'may'. It can equally be ignored by the association, unless the Central Government is going to be vigilant. The whole thing rests on the Forward Markets Commission and the operation of clause 12 not on putting an obligation on the association which can easily be avoided by specifying a minor bye-law the contravention of which will merit a certain amount of punishment. So I think in the present context it is not necessary and, therefore, the hon. Member would forgive me and I would rather not accept it.

**Mr. Deputy-Speaker:** He has not moved it.

**Shri N. P. Nathwani:** I have not moved it.

**Mr. Deputy-Speaker:** The question is:

"That clause 11 stand part of the Bill."

The motion was adopted.

Clause 11 was added to the Bill.

Clauses 12 to 17 were added to the Bill.

**Clause 18.—(Special provisions etc.)**

**Shri N. C. Chatterjee (Hooghly):** I beg to move:

For clause 18, substitute:

"18. Chapters III and IV to apply to non-transferable specific delivery contracts only in certain cases.—(1) Where a notification under section 15 has been issued in respect of any goods or class of goods, the Central Government shall, by a like notification, define the area in which a recognised association may regulate and control non-transferable specific delivery contracts in respect of such goods or class of goods and the provisions of this Chapter and of Chapter III shall apply to non-transferable specific delivery contracts only in such areas and only in respect of such goods or class of goods.

(2) Notwithstanding anything contained in sub-section (1), if the Central Government is of opinion that in the interest of the trade or in the public interest it is expedient to regulate and control non-transferable specific delivery contracts in any area to which the provisions of this Chapter and of Chapter III do not apply, it may, by notification in the Official Gazette, declare that all or any of the provisions of the said Chapters shall apply to non-transferable specific delivery contracts, in such area and in respect of such goods or class of goods as may be specified in the notification, and may also specify the manner in which and the extent to which all or any of the said provisions shall so apply."

I am still pleading for the restoration of the original clause 18 of the Bill and it means practically that the recommendation of the Select Committee on the previous Bill of 1950 should be accepted by the House. When there is a common form of contract and an association regulating the same, if it is felt that by roping in those non-transferable specific

delivery contracts any hardship would be created for the small traders, then, I submit that immediately you allow these associations to be recognised and to regulate them, other difficulties will arise. Generally, in transactions between members of an Exchange or association there is scope for speculation and undesirable trading. Even small traders in any important city will have to be at the mercy of the big powerful industrialists who will invariably be members of the Exchange and when the Exchange would regulate, the effect will be that the smaller trader would be nowhere. He will have to go to the big trader or the influential merchant who will be able to manage the association and thereby the purpose of this Bill would be defeated. I have already made my submissions on clause 18. I am still pleading that the decision of the old Select Committee was right and proper and nothing has been really put forward which should induce this Parliament to go back on that decision and the original clause as introduced by the hon. Minister should stand. I know the fate of my amendment because the Minister has already declared that he would not be in a position to accept it. I am still hoping and wishing and praying that better judgment will prevail and the decision of the Committee over which you presided, Sir, will be accepted.

**Mr. Deputy-Speaker:** Amendment moved:

For clause 18, substitute:

"18. Chapters III and IV to apply to non-transferable specific delivery contracts only in certain cases.—(1) Where a notification under section 15 has been issued in respect of any goods or class of goods, the Central Government shall, by a like notification, define the area in which a recognised association may regulate and control non-transferable specific delivery contracts in respect of such goods or class of goods and the provisions of this Chapter and of Chapter III shall apply to non-transferable specific delivery contracts only in such areas and only in respect of such goods or class of goods.

(2) Notwithstanding anything contained in sub-section (1), if the Central Government is of opinion that in the interest of the trade or in the public interest it is expedient to regulate and control non-transferable specific delivery contracts in any area to which the provisions of this Chapter and of Chapter III do not apply, it may, by notification in

[Mr. Deputy-Speaker]

the Official Gazette, declare that all or any of the provisions of the said Chapters shall apply to non-transferable specific delivery contracts, in such area and in respect of such goods or class of goods as may be specified in the notification, and may also specify the manner in which and the extent to which all or any of the said provisions shall so apply."

**Shri Punnoose:** As the provision now stands, non-transferable specific delivery contracts are not included. Mr. Chatterjee would like them to be included in the scope of the Bill. I do not find my way to accept that change. The other day, when this Bill was discussed here, my friend Shri V. P. Nayar was stating that we oppose the principle of the Bill itself. I believe that has been to a certain extent misunderstood and distorted also. Shri A. M. Thomas was telling today that forward contracts are, to a certain extent, very much necessary in the interests of our agriculturists and producers etc. And some people seem to think that forward contracts and capitalism are inseparable and a certain amount of speculation is absolutely necessary.

Well, it may appear strange that we who oppose the very principle of the Bill should support the exclusion of non-transferable specific delivery contracts. The position is that capitalism, as we have known in the past, is always based on speculation. Speculation, this sort of bull and bear dealing with the market, creation of artificial scarcity and all that have been there throughout the history of capitalism. But those were days of *laissez faire*. Let us remember that our Government claim that they are out to build up a welfare State and not a capitalist State. I suppose they claim that they are not going to be led by those blind forces that rule the capitalist economy but that they are going to have planning. This morning we were discussing about labour productivity and there also they intend bringing about a plan. In the Five Year Plan it is clearly said that wages shall not be increased for the next five years, because that will lead to inflation. Therefore, if you stand by planning, then the correct thing to be done is that this sort of speculation should be completely rooted out, because otherwise market will be dominated by speculation and all your planning will become meaningless. Your plans will be converted into thin vapour. There is the more dangerous claim of those saying that our peasants and farmers are asking

for speculation. As a matter of fact, today, to a certain extent, some amount of help is being received by our farmers, agriculturists etc. But can this Government arrange credit facilities for our agriculturists? That is the question. When our peasants go in for these forward contracts, they do so at great cost.

Two months back, there was a conference of arecanut growers in Cochin, in the constituency from which Mr. Iyyunni is returned—I also attended that conference. One of their very important demands was that this sort of forward contract in that particular commodity should be stopped because when once this money is received by the poor peasant, then all sorts of irregularities and anomalies come in, in the trade, even in measurements, and heights, because our peasant being poor is placed at the mercy of the trader. Advancing money on forward contracts has become a sort of money lending with all its bad features. Therefore, to argue that forward contract is helpful to our agriculturists or the ordinary peasants is wrong. It is like the blackmarketeer claiming that when there was a great scarcity of food, he acted as the saviour of the people because he was giving them food although at a very high cost.

[**PANDIT THAKUR DAS BHARGAVA** in the Chair]

Therefore, the argument in favour of forward contract that it is helpful to the peasants is incorrect and misleading. If the professions of the Government regarding planned economy are true, then they must supply long term and short term credit to the peasants. They should start agriculturists' cooperative and marketing societies. Through them they should supply the raw materials to the mills and also arrange the marketing of the finished goods produced by the mills.

You will find that most of this forward contract and gambling is prevalent in the export trade where foreign interests are strongly entrenched. By passing this Bill, I do not hope for a moment that we can regulate this forward contract. You have heard from this side of the House that there are a hundred and one ways through which one can jump over this fence. These sections and sub-sections will not prevent the gamblers and speculators from doing havoc to our people. What we on these benches complain of is that the provisions of this measure are not sufficiently strong to prevent gambling. But we do not want the inclusion of the non-transferable

specific delivery contract because as a result of this Bill what this House is going to do is to legalise monopolies. There are monopolists even now, but through this Bill we are going to give them legal status. Then there is the question of the small trader, the indigenous trader who, I admit, is also making his own contribution to the mischief. But we do not say that these giant monopolies should be given the uncontested sway over the situation. Therefore, we support the exclusion of the non-transferable specific delivery contract. At the same time, we would state in very unmistakable language that we do not believe that even if this Bill is passed as it is, it will in any way prevent gambling or speculation, or that it is going to be helpful to the peasant or to the broad masses of our people. We do not even believe that the exclusion of the non-transferable specific delivery contracts will prevent the domination of the market by the monopolies. If there is to be any sort of certainty in our production and distribution and if there is to be any planning in our economic life, what is demanded is that gambling and speculation and all the rest of it should be banned completely.

**Shri Heda (Nizamabad):** Before I express my views on some aspects of clause 18, I would like to say a word about what the previous speaker has said. So far as their particular type of economy is concerned, it is quite true that there is no speculation, and as I said in my earlier speech, even in the free or mixed economy which we have chosen for our country the less speculation there is the better it will be for us. But in this economy some speculation there is bound to be. But the primary duty of Government should be to control and regulate it, and that is exactly why this Bill has been brought forward.

My hon. friend stated that in spite of all this, he did not want to include the non-transferable specific delivery contracts. In one breath he says that the Government is not extending its full control as it should and in the other he says that Government should not extend its control to the so-called non-transferable specific delivery contracts.

Now, I will only deal with clause 18 (1). As I said earlier during this debate, the difference between the original clause 18 and the present clause 18 is only a difference of approach. There the clause contained the control and the proviso the exception; here the clause contains no control but the proviso refers to cases where we may control. The proviso to sub-clause

(1) serves our purpose admirably. It reads thus:

"Provided that no person shall organise or assist in organising or be a member of any association in India (other than a recognised association) which provides facilities for the performance of any non-transferable specific delivery contract by any party thereto without having to make or to receive actual delivery to or from the other party to the contract or to or from any other party named in the contract."

I would like here to refer to two things. The words "in India" are ambiguous and I would support the amendment given notice of by my hon. friend Mr. Venkataraman in this connection. It makes the position very clear. What is the specific intention of Government? Take Bombay. Where the association is recognised—whatever its area may be—Bombay City or Greater Bombay—for transferable specific delivery contracts and their regulation and control, should we allow any other association also to work in the same area for the non-transferable specific delivery contracts? If we desire it, then let us make the wording very clear. If we do not desire it, even then let us make it clear. I want the hon. Minister to read the last three lines carefully: "by any party thereto without having to make or to receive actual delivery to or from the other party." This means there is a possibility of an organisation to give and take delivery. My apprehension is that some association will come forward and say, "Under our rules delivery is to be given and taken" and therefore it will start functioning in spite of this Bill and speculation will go on. I will give an example. Suppose A has sold some goods to B and the date of delivery is after a month or two, and in the meantime again B sells to A. Naturally there is no question of giving and taking delivery. The matter is settled between themselves. Take another example. Suppose A has sold to B and B has sold to C and C again has sold to A. Where is the question of giving and taking delivery? They will have to settle the matter ultimately between themselves. This gives rise to an apprehension in my mind that the speculation will not be stopped. The reason why I want to curb speculation is because I do not want that the prices of commodities in the course of a year should vary to a very great extent as they do now. I would not mind it in the present context when the money market is tight if the prices vary between 15 per cent.

[Shri Heda]

and 20 per cent. but if they vary between 25 per cent. and 60 per cent. as they have been doing during the last few years, then we will be harming the producer and the grower. Therefore, my request is that if it is the Government's intention that there should be another association which would look after the regulation and control of non-transferable specific delivery contracts, then let it be made very clear and let it be specifically stated. If that is not their intention, I request the hon. Minister to reconsider the matter and if possible delete the last three lines of the proviso to clause (1) beginning from "by any party" and ending with the words "named in the contract". If Mr. Venkataraman's amendment is accepted the meaning of this proviso will become clear and the proviso with sub-clauses (2) and (3) will read cogently and I am quite certain that to a great extent it will serve the purpose of original clause 18.

4 P.M.

**Shri Raghbir Sahai** (Etah Distt.—North East cum Budaul Distt.—East): I rise to oppose the amendment that has been moved by my hon. friend Mr N C. Chatterjee. During the last three days this Bill has been discussed threadbare, in the course of which several criticisms were levelled against clause 18. In fact, if we see the whole Bill we will find that it closely follows the original Bill which was introduced by the hon. Minister during the last session of Parliament, excepting for a big change in clause 18. Mr Chatterjee's amendment amounts to this that the original clause as it appeared in the previous Bill when it was introduced in the last session, should be restored.

Now, Sir, with your permission I would like to dwell on this point as to why the present Select Committee was obliged to make this big change. In the Bill introduced in August last in clause 18 it was provided that Chapter III and Chapter IV would be made applicable to non-transferable specific delivery contracts in certain areas. In the Select Committee this clause has undergone a change, inasmuch as it has been provided that nothing contained in Chapter III or Chapter IV shall apply to non-transferable specific delivery contracts for the sale or purchase of any goods.

Now, everybody in this House knows that Chapter III relates to recognised associations and Chapter IV relates to forward contracts and option in goods. It means that non-transferable specific delivery contracts can be entered into without forming any recognised as-

sociations. The question which at this moment arises is: why this change at all? Now it is a fact that the Bill of 1950 did contain a clause that these two Chapters, namely III and IV, should not apply to non-transferable specific delivery contracts but in the Select Committee then formed to consider the Bill, it underwent a change and it was provided that these two Chapters should apply to non-transferable specific delivery contracts as well. This Bill which was introduced in the last session was based on the recommendations of that Select Committee. But the present Select Committee did make this change that the non-transferable specific delivery contracts were put aside from the operation of Chapters III and IV. The only factor that guided the present Select Committee was the opinion of the Expert Committee which was referred to by my hon. friend from Bombay in the course of his speech before lunch.

It has been said more than once in this House—including the hon. Minister himself—that most of us are laymen and this is very technical subject. The Select Committee of this Bill was guided by the opinion of the Expert Committee because in a matter like this it was better to be guided by experts, and to be wrong with them than to be right with laymen. I suppose, though Mr Chatterjee is a very distinguished lawyer, he is a layman so far as forward contracts are concerned. As many of the Members of this House have said repeatedly we know very little about this intricate subject.

Moreover, why should there be so much of apprehension about this change? The Government has taken full powers in its hands to rectify any error or meet any situation which may arise, because if we look to the provisions of this clause as it is has been ended by the present Select Committee, we shall find that there is sub-clause (3) to clause 18 which runs thus:

"(3) Notwithstanding anything contained in sub-section (1), if the Central Government is of opinion that in the interest of the trade or in the public interest it is expedient to regulate and control non-transferable specific delivery contracts in any area, it may, by notification in the Official Gazette, declare that all or any of the provisions of Chapters III and IV shall apply to such class or classes of non-transferable specific delivery contracts in such area and in respect of such goods or class

of goods as may be specified in the notification, and may also specify the manner in which and the extent to which all or any of the said provisions shall so apply."

Had this sub-clause not been there, there was reason for some apprehension, but since it was so prominently included in this clause there should be no ground for any misapprehension whatsoever. I submit that the clause should be retained as such. Moreover, this Bill has not been claimed to be a very comprehensive Bill on the subject of forward contracts. It has been claimed to be only an enabling measure, as a first step in the right direction. Let us watch the working of this Act, and after sufficient experience we can come to the conclusion whether any amendments are necessary. So, my submission is that the clause should be retained as it is and I oppose the amendment moved to this.

**Shri T. T. Krishnamachari:** I think it is hardly necessary for me to speak again, because we seemed to be doing nothing else for the past two days except to discuss clause 18. It is not in any spirit of obstinacy that I have to oppose the amendment of my hon. friend Mr. Chatterjee. From the numerous arguments that have been put forward in this House, it would be clear that clause 18 should stay as it is. In any event, the purpose that he has in mind will certainly be served by invoking the provisions of sub-clause (3) of clause 18. There seems to be a misconception that if clause 18 is changed in the manner the hon. Member wants to change it, the smaller people's interests will be safeguarded. I am afraid just the reverse may happen. The smaller people that enter into what you call specific delivery contracts, do it for their business and it is the bigger people who are likely to speculate. Wherever possible, in areas where this type of contracts are not likely to be misused, we could leave them free. Then, I think the small man will be protected and he will be able to carry on his business in the normal way. Therefore, I am afraid, I would not be able to accept the amendment moved by my hon. friend Mr. Chatterjee.

In regard to the remarks that fell from my hon. friend Mr. Heda, one of them is correct. I thought I would refer to it when Mr. Venkataraman moved his amendment. While technically it is quite correct to say that no organisation shall be organised all over India in respect of transactions covering non-transferable specific delivery contracts, it

seems somewhat anomalous when clause 15 will specify the areas in which the big fish will be roped in, namely the people who deal in forward contracts and transferable specific delivery contracts. When they will be roped in only by an express declaration or notification under clause 15, why should we rope in all people who deal in non-transferable specific delivery contracts and perhaps have a club or an association to deal with them? So I think that the point made by Mr. Heda is quite correct that the area in which the proviso will operate must be co-terminus with the area in which a notification under clause 15 will also operate. That amendment I think could be accepted.

But in regard to the last three words, the trouble about this language is that the lawyer has his own way of putting it and sometimes we people find it a little difficult actually to accept the import of it. But I can assure my hon. friend that it does not seek to allow any escape from the grasp of this proviso and it means nothing more than what it says, and there is no other intention in those words. It will operate against anybody dealing in non-transferable specific delivery contracts as an association, anybody organised as a group. As it says, if non-transferable specific delivery contracts change a few hands in a casual way without there being any association, naturally there is no intention and no idea really that we should go and penalise those people. But if there is some kind of place of business, with or without a board, a table, a clerk, some records kept and so on, in effect it will be a bucket shop. Anybody who organises a bucket shop for dealing with this type of contracts in a place where clause 15 is, in operation, well, he will come within the mischief of the law. That is the intention.

Therefore, I am very grateful to the hon. Member and to Mr. Venkataraman for making the application of the proviso and the application of any notification under clause 15 co-terminus. And that is quite right. That is a very useful amendment. Otherwise, there is nothing. I think, to fear in regard to the wording of this particular proviso.

**Mr. Chairman:** The question is: For clause 18, substitute:

"18. Chapters III and IV to apply to non-transferable specific delivery contracts only in certain cases.—  
(1) Where a notification under section 15 has been issued in respect

[Mr. Chairman]

of any goods or class of goods, the Central Government shall, by a like notification, define the area in which a recognised association may regulate and control non-transferable specific delivery contracts in respect of such goods or class of goods and the provisions of this Chapter and of Chapter III shall apply to non-transferable specific delivery contracts only in such areas and only in respect of such goods or class of goods.

(2) Notwithstanding anything contained in sub-section (1), if the Central Government is of opinion that in the interest of the trade or in the public interest it is expedient to regulate and control non-transferable specific delivery contracts in any area to which the provisions of this Chapter and of Chapter III do not apply, it may, by notification in the Official Gazette, declare that all or any of the provisions of the said Chapters shall apply to non-transferable specific delivery contracts, in such area and in respect of such goods or class of goods as may be specified in the notification, and may also specify the manner in which and the extent to which all or any of the said provisions shall so apply."

The motion was negatived.

**Shri Venkataswami (Tanjore):** I beg to move:

In page 20, line 46, for "in India" substitute "in any area to which the provisions of section 15 have been made applicable".

I find myself in a very happy position in which the hon. Minister has advanced all the arguments that I wanted to make in favour of this amendment. Since he is accepting it I do not want to make a speech on this.

**Mr. Chairman:** Amendment moved:

In page 20, line 46, for "in India" substitute "in any area to which the provisions of section 15 have been made applicable".

**Shri Barman (North Bengal—Reserved—Sch. Castes):** I think the House will excuse me if I ask for some clarification from the hon. Minister. I think there is some confusion. I would first of all ask the hon. Minister whether by acceptance of this amendment it is meant that only in the case of persons who are outside the recognised association this restriction will apply, that is they will not be allowed to deal even in non-transferable specific delivery contracts, but in the case of

members of a recognised association they would by this amendment be allowed to deal in non-transferable specific delivery contracts? If they are not, is it meant that people who are outside the organisation are allowed to make such kind of contracts? I am rather confused. By clause 18 sub-clause (1) without the proviso, it is meant that even in a notified area any person, whether a member of a recognised association or not, is exempted from the operation of Chapters III and IV, that is, he is free to deal in non-transferable specific delivery contracts as he likes. And then the proviso is added afterwards. Does the proviso qualify the main clause.....

**Shri T. T. Krishnamachari:** Always. All provisos do.

**Shri Barman:** So, after this amendment, is it meant that people who are outside the recognised association within the notified area are precluded from dealing in non-transferable specific delivery contracts unless they act through the recognised association, and that it does not apply to such people outside the notified area? The language is rather confusing.

**Mr. Chairman :** May I also enquire whether the purport of the amendment is that in respect of areas which will be outside the notified area under clause 15, the organisation of any association of this nature will be allowable?

**Shri T. T. Krishnamachari:** So far as this particular amendment is concerned, it merely says that the organisation of an association for dealing with non-transferable specific delivery contracts, from being wrong all over India, will be wrong only in those areas which are specified in a notification issued under clause 15. If that is understood, the alteration merely circumscribes the scope of the proviso, and nothing more: instead of all over India, it will be Bombay, Ahmedabad, Ujjain, Hapur, Lucknow, Calcutta, Nagpur, Madras, Alleppey, Cochin and so on. These are the areas where clause 15 will probably operate. This proviso will also operate in those areas. That is fairly clear.

So far as the purport of the proviso, as it stands now without the amendment, is concerned it will mean this: any association which deals in forward contracts and transferable specific delivery contracts outside the area covered by a notification or notifications issued under clause 15, will be out of the scope of this particular measure. The provision in regard to

by-laws, conduct of the association, the punishment that the association will draw upon itself for any infringement, all that will not apply; it can apply only if there is a notification. What would happen if the proviso is left without Mr. Venkataraman's amendment is that while associations could be formed anywhere—of course subject to the doubtful legality of their transactions—and they could carry on this sort of satta or legitimate trading or contracts, they could not do it in regard to what is practically a peccadillo, namely non-transferable specific delivery contracts, which in many cases happens to be their normal type of business. What Mr. Venkataraman has done is to show that we have slightly missed the main point of the scope of the Bill when we put the words 'in India' and he has sought to correct it.

Mr. Barman says there is a little confusion. I do not think there is any confusion at all. You control associations dealing in transferable specific delivery contracts and other types of forward contracts only when you issue a notification under clause 15. Since I say that it will come within the purview of clause 15, then there can be no association which is unrecognised to deal with any transferable specific delivery contracts or non-transferable specific delivery contracts. Other types of forward contracts, I have to put them in another notification under sub-clause (3) of clause 18 to bring in all non-transferable specific delivery contracts. Supposing I do not do it, then I prevent anybody from forming an association because non-transferable specific delivery contracts are outside the scope of clause 15. By means of declaration under clause 18(1) anybody is permitted to deal with them but what I am refusing permission to is that no association shall be formed for that purpose. As I said before that association will be in the form of a bucket shop. I do not want that thing to happen. Mr. Barman asks whether normally a recognised association, whether or not we assign to them the right to deal with non-transferable specific delivery contracts under a notification under clause 18(3), can deal with any non-transferable specific delivery contracts. That is where we make a distinction. A recognised association can, but there is no obligation on the part of the people who enter on non-transferable specific delivery contracts to deal through an association. That obligation is not there but the permission is there. That is why we have put in those words in brackets "not being a recognised association".

The point really is that Mr. Venkataraman's amendment circumscribes the scope and makes it co-terminus with the scope of clause 18 and nothing more. So far as the ability of a recognised association dealing in non-transferable specific delivery contracts even without a notification under clause 18(3) is concerned, it is permitted to do it and that enabling provision is there by the words "not being a recognised association". I would like to accept, if the House permits, the amendment of Shri Venkataraman.

**Mr. Chairman:** The question is:

In page 20, line 46, for "in India" substitute "in any area to which the provisions of section 15 have been made applicable".

The motion was adopted.

**Mr. Chairman:** The question is:

"That clause 18, as amended, stand part of the Bill".

The motion was adopted.

Clause 18, as amended, was added to the Bill.

Clause 19 was added to the Bill.

Clause 20. (Penalty etc.)

**Mr. Chairman:** May I enquire from the Minister what is the position with regard to the words "on conviction"? They appear twice, in lines 39 and 43 and seem to be redundant.

**Shri T. T. Krishnamachari:** On conviction be punished.

**Mr. Chairman:** A person who behaves like this shall be punished.

**Shri T. T. Krishnamachari:** That is being redundant. There cannot be punishment without conviction. Anyway I must say, being a layman, I am guided in this matter by the Legal Adviser.

**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 28 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Enacting Formula were added to the Bill.

**Shri T. T. Krishnamachari:** I beg to move:

"That the Bill, as amended, be passed."

**Mr. Chairman:** Motion moved:

"That the Bill as amended be passed."

**Shri M. S. Gurupadaswamy (Mysore):** The hon. Minister of Commerce

[**Shri M. S. Gurupadaswamy**] and Industry in his reply began with rhetoric but ended in abuse. He said that some of the Members who criticised the Bill used vituperative language. He himself ran into that and said that one Member here did not depend upon himself for his facts but depended upon second hand information. It was rather undignified. I am sorry that such a remark has come from his mouth. I said that the Minister was rhetorical in his speech and whenever he becomes rhetorical I always feel that I should quote one or two anecdotes to counterbalance his rhetoric.

**Shri T. T. Krishnamachari:** Needs to become 'anecdotte'.

**Shri M. S. Gurupadaswamy:** It is better than being rhetorical.

**Shri T. T. Krishnamachari:** Nothing wrong. I have read rhetoric in my time.

**Shri M. S. Gurupadaswamy:** Once three friends, a lawyer, an engineer and a doctor came together. A quarrel arose among them as to who was supreme, more important than the others. Then all the three agreed that each should make out a case for his supremacy. The engineer said, in the beginning of the world, there was only chaos prevailing, and the engineer brought cosmos out of chaos and so the engineer is supreme. Then, the doctor said, "I am responsible for the continuation of the world and for the health of the human race and so I am supreme". Then at last the lawyer friend said.....

**Shri A. M. Thomas:** Was this not stated here once?

**Shri M. S. Gurupadaswamy:** I did not; that was another. You are suffering from forgetfulness.

The lawyer friend said "who created chaos in the world? Without chaos you people would not have come forward and worked; I was responsible for chaos and so I am supreme." The story goes that the lawyer won.

**Dr. Lanku Sundaram:** Are you not?

**Shri M. S. Gurupadaswamy:** Now, the position of the lawyer is taken by the speculator and the speculator in India has created chronic confusion in the money market and in the economic field. So these speculators should not only be controlled, but eliminated from the body politic. The present Bill tries to control the speculative proclivities of merchants. It is good so far as it goes. I support the Bill; but, my support is a qualified support. I feel that it does not go far enough; it is not very radical. If the Commerce

Minister had brought a Bill to eliminate speculation from the Indian soil completely, then, it would have been more welcome to all the sections of the House.

I have got great misgivings about how far this Bill can be workable or can succeed in actual working. You are aware, Sir, as an experienced man and you are also a lawyer yourself, that though there is the income-tax law in force, many people escape the provisions of that law. My hon. friend Mr. T. T. Krishnamachari was referring to bucket shops. Are you not seeing daily how many people are betting illegally and how many bucket shops are existing? Have the Government succeeded in curbing down this bucket shop business? Have Government controlled the speculation that is going on in imports and exports? They have failed miserably. We have got the latest instance of food controls which have not yet succeeded at all. So, by looking at all these past experiences, I feel rather doubtful whether the Commerce Ministry will succeed in implementing this limited Bill. I call this Bill as limited because it tries only to regulate speculative enterprises; it tries to interfere within limits. Even to that extent, I am doubtful whether Government as it is constituted today will succeed. We have to wait for the results. Any way, till now I was only witnessing that speculators were controlling the Government. But now the Government is trying to control the speculators. Each is controlling the other. In this mutual controlling both of them may drown; that is my fear. That should not happen. Government should be more able not only to control them but ultimately to eliminate all speculative enterprises in the land.

The party to which I belong, the Praja Socialist Party, visualises a perfectly planned economy where we do not find any room for any sort of speculation. I am sure the common man today welcomes this planned economy and he is not very much enamoured of the mixed economy or mixed up economy that the present Government is following. And, planned economy does not in any way give room for anybody to exploit the common man for his own monetary benefit. Here, the Bill is based on the assumption that speculation does exist, that it is normal and it is necessary. Somebody said—and Mr. Bansal was quoting extracts from some books on American economics—that speculative business has got its own social benefits. It is just like saying that even prostitution has got some social benefits. I am

sorry that this speculative business is sought to be justified by quotations and by analogies. I must tell the House straightway that this speculative enterprise is foreign to us. It has been an exotic growth and if you allow it to grow for long, the vicious circle of trade cycle which is hampering the economics of Western countries may also hit us hard. You might be aware that speculation is mostly responsible for depression, recession and the boom—I hope the hon. Commerce Minister will agree with this—and unless speculation is completely rooted out, there is no future for India. And if you allow the futures market to thrive, the future of India will be doomed. So, while advocating complete elimination of speculative business in the land, I give my qualified support to this Bill. It is a step in the right direction, I must say, and if the hon. Minister implements the Act honestly and thoroughly and if he does not allow anybody to escape from the provisions of the Act, to that extent, he will receive our praise and admiration. And after the success of this measure he may give more thought to the problem of complete elimination of speculation itself.

There was lot of controversy about clause 18 and the proviso to that clause. So far as I am concerned, I endorse the provision of the Bill as it stands now. The small traders should be protected against big traders. Non-transferable specific delivery contracts are relatively genuine. And there is little room for misuse in these contracts. They are almost in the same position as ready delivery contracts. So, I do not see any reason why they should not be left out from the purview of the Bill as far as possible. If these non-transferable specific delivery contracts are also brought within the ambit of this Bill, then the small businessmen may have to undergo lot of difficulties.

**Mr. Chairman:** I do not want to interfere with the arguments of the hon. Member, but I would remind him that at this stage, he can only refer to the general character of the Bill and give his arguments either in support or against it. At this stage, when we have already finished clause 18, it will not be right to refer to the arguments in favour of or in rejection of or against clause 18 in details.

**Shri M. S. Gurupadaswamy:** I referred to it only in a general way. That is all. I will take care not to mention the clause in question hereafter.

As I was saying, the small fish should be protected against the big fish. The present Government is wedded to capitalistic economy—they may call it

mixed economy, but it is still capitalistic—and in a capitalist structure, the only way of meeting the situation is by protecting the small man against the exploitation of the big and that is justice according to the capitalist order. So, I commend this provision of the Bill. I do not see any reason in the argument that this should be included. In my opinion the argument that non-transferable specific delivery contracts should be brought within the ambit of this Bill does not sound so well and reasonable. The Commerce Minister wants to give a fair trial to non-transferable specific delivery contracts, and if they are misused, then there is a provision in the Bill which can be applied, and the situation can be brought under control.

So, in a limited way, the Bill is good. So, I give my limited support, and hope for a better and more radical Bill in future.

**Shri Barman:** With apology to the House, I would again point out to the hon. Minister that to my mind clause 18, as amended is rather incongruous in this sense, that first of all by the main clause we say that non-transferable specific delivery contracts ...

**Mr. Chairman:** I am afraid I have to intervene. Clause 18 is now closed. We cannot go into the merits of clause 18 now. Only general arguments for rejection or in support of the Bill can be given at this stage. The hon. Member is referring to the details of clause 18.

**Shri Barman:** I am not really referring to the details, but only mentioning that this whole clause, even after amendment, is not clear, and is rather incongruous. I would submit simply that by sub-clause (1) we have excluded non-transferable specific delivery contracts, but by the proviso, even after amendment, it means that those persons who want to deal in non-transferable specific delivery contracts even outside an organisation, will have to be a member of the organisation. And Chapters III and IV are excluded at the very beginning by the very main clause. If at a subsequent time or any time we want to rope in others also who are outside the organisation and apply this Bill even in the case of non-transferable specific delivery contracts, sub-clause (3) of clause 18 is quite sufficient for the purpose. I hope that the matter will be further clarified by the hon. Minister.

**Mr. Chairman:** The question is:

"That the Bill, as amended, be passed".

The motion was adopted.

### INDIAN POWER ALCOHOL (AMENDMENT) BILL

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): I beg to move:

"That the Bill to amend the Indian Power Alcohol Act, 1948, be taken into consideration."

The measure before the House falls into two parts. Clause 2 seeks to extend the enactment to Part B States. It was all along only applicable to Part A and Part C States. Clause 3 seeks to impose a declaration as to the expediency of control by the Union. Clause 4 validates certain acts, provides indemnity in respect of any defect in any action taken by Government that might ensue because this declaration has come into operation only on the 8th of May, 1952, by virtue of the fact that power alcohol is a scheduled industry under the Industries (Development and Regulation) Act, 1951.

The position is this. Entry 34 in List I of the Seventh Schedule to the Government of India Act before its amendment in 1948, reads as follows:

"34. Development of industries where development under Dominion control is declared by Dominion law to be expedient in the public interest."

The Indian Power Alcohol Act, 1948, was passed with reference to this particular Entry. And Section 2 of that Act contains the following declaration, viz.

"that it is hereby declared that it is expedient in the public interest that the Central Government should take under its control the development of power alcohol industry".

Under our Constitution, the relevant entry is Entry 52 in the Union List, the language of which is somewhat different from the language employed in the corresponding entry in the Government of India Act. Entry 52 reads:

"Industries, the control of which by the Union is declared by Parliament by law to be expedient in the public interest".

It is no doubt true that all existing laws have been continued in force after the commencement of the Constitution by article 372 (1), but it is somewhat doubtful whether the old declaration contained in Section 2 of the Power Alcohol Act continues to be

effective after such commencement. As I have said, Entry 52 requires that the declaration should be by Parliament by law. And it is understood that this Entry was cast in its present form advisedly, the object being that in respect of every industry, Parliament should be required to exercise its discretion. It will also be noticed that where an existing declaration has to be continued in force without any further action, specific provision has to be made for the purpose, as for example the entry in regard to Ports. It reads:

"27. Ports declared by or under law made by Parliament or existing law to be major ports, . . . . ."

It is rather unfortunate that when we scrutinised the Lists, we unintentionally used language which sought to import a distinction between two items. In fact, today lawyers will say that while there has been a specific intention shown in regard to the Entry as respects ports where an existing law has been mentioned, no such mention has been made in regard to industries generally. But, I must admit that, as one of those who should have scrutinised this particular provision, there is a lapse, on my part, but all that does not save the present situation.

As I said before, the Industries (Development and Regulation) Act of 1951 now includes power and industrial alcohol in the Schedule. After the commencement of the Act which was brought into force on 8th May 1952, it is fairly clear that power alcohol is in the Union List. But the action taken from the commencement of the Constitution until the 8th May 1952 has to be saved. And this is what is being done by clause 4 of this particular measure. Opportunity has been taken to recast the declaration in conformity with the Entry in List No. I. It is not altogether something new for us, for Government has taken this kind of step on previous occasions. A similar difficulty was felt with reference to certain inflammable substances which were being regulated before the Constitution came into force, under section 30 of the Petroleum Act. Parliament enacted a law called the Inflammable Substance Act (Act XX of 1952) declaring certain inflammable substances to be dangerously inflammable within the meaning of Entry 53 in List No. I, the Union List, making the Petroleum Act formally applicable thereto.

I would like to say a word on what has been done under this Act. Though in actual fact this Act is more than four years old, it has not been applied to any area until this year. On 1st March 1952, it was made applicable to

19 tehsils in the Punjab. Just a few days back it has been applied on the 15th November to four more tehsils in the Punjab. Uttar Pradesh had an Act of its own, but this Act has been made applicable to Uttar Pradesh on the 1st October 1952. On the 1st March 1952, again, his Act was made applicable to four places in Vindhya Pradesh, and on 7th April to two more places in Vindhya Pradesh, and on 17th May, to one place. It would therefore be evident to the House that the Act itself has been made applicable at the earliest date of March 1st, 1952, and what we seek to validate now is in respect of acts between 1st March and 8th May 1952 virtually.

A point might be raised by hon. Members that if the Act of 1948 was not valid then this particular industry would fall within the State List, and so the States are the persons to deal with the matter. But unfortunately the States cannot validate an Act of this nature, and naturally the Centre has to do it. If it is maintained that any great mischief has been done, I would at once like to assure the hon. Members that the mischief that has been done is next to nothing. It might be maintained by some hon. Members that this is something which is extraordinary, something against constitutional law and usage. Well, we will hear all those arguments, and I do not want to prejudge the issue at the moment. As I said, so far as the Central responsibility is concerned in this matter, it comes only on the 1st March, for progress has been made in regard to power alcohol industry in the various States. I think on previous occasions I had given by way of replies to questions tabled by the hon. Members of this House, details in regard to the production of power alcohol. If any Member should require it again, I should be prepared to give the information.

**Mr. Chairman:** Motion moved:

"That the Bill to amend the Indian Power Alcohol Act, 1948, be taken into consideration."

**Shri N. C. Chatterjee (Hooghly):** I would like to point out to you that the Bill as framed violates article 20 of the Constitution, which impose a constitutional limitation on the power of Parliament itself to pass *ex post facto* or retrospective criminal law. Our Constitution makers have deliberately followed the American Constitution which says that no *ex post facto* law shall be passed. And our Constitution says:

"No person shall be convicted of any offence except for violation of

a law in force at the time of the commission of the act charged as an offence, nor be subjected to a penalty greater than that which might have been inflicted under the law in force at the time of the commission of the offence."

You will recall that the Supreme Court of America in *Calder vs. Bull* has said that every law that makes action done before the passing of the law *ex post facto* punishable is illegal. Our Constitution makers have not used the words *ex post facto*, as in the American Constitution but it is even clearer. Therefore, although a sovereign Parliament or Legislature has power to enact both prospective as well as retrospective laws, this article has consciously set a limitation upon the law-making power of Parliament and said that no legislative authority in India can enact a criminal law *ex post facto*. The present clause 4 in the Bill violates, therefore, this article 20 of the Constitution, which although it does not use the expression *ex post facto*, still clearly enumerates the consequences that such criminal law will be void if it is intended to have any retrospective effect.

Now clause 4 of the present Bill reads:

"All acts of executive authority, proceedings and sentences which have been done, taken or passed with respect to, or on account of power alcohol during the period commencing on the 26th day of January 1950, and ending with the commencement of the Industries (Development and Regulation) Act, 1951 (LXV of 1951), by the Government or by any officer of the Government or by any other authority in the belief or purported belief that the acts, proceedings or sentences were being done, taken or passed under the Indian Power Alcohol Act, 1948, shall be as valid and operative as if they had been done, taken or passed in accordance with law. . . ."

I submit that this is a clear infringement of the mandatory provision of article 20 of the Constitution. It cannot be said that although a law was not valid on that date, still any sentence passed under that law will be treated as valid and operative as if that law had been passed validly at that time. This is clearly an infringement of the prohibition of retrospective criminal law being passed, and I ask the hon. Minister to seriously consider this aspect of the matter. I submit that clause 4 requires drastic alteration.

**Shri T. T. Krishnamachari:** I recognise that coming as it does from an authority of the eminence of the hon. Member who has just spoken, the point requires consideration. But I think the point has been raised at the wrong forum. The proper forum to raise this point is, after the Act is passed.....

**Shri N. C. Chatterjee:** No, Sir, this is the proper forum and time. I am asking Parliament and the hon. Minister not to pass a law which would be clearly repugnant to the Constitution.

**Shri T. T. Krishnamachari:** I humbly submit that I am only following the usages of this particular House as laid down by the hon. Speaker of the House. What my hon. friend has referred to deals only with regard to the provision of article 20 (1), that—

"No person shall be convicted of any offence except for violation of a law in force at the time of the commission of the act ..."

5 P.M.

That provision will apply only in regard to sentences passed, which are sought to be indemnified and validated under clause 4 of this Act. It will be perfectly open to my hon. friend after

this Bill is passed and made into law, should any person complain that he has been charged for violating a provision of the Power Alcohol Act 1948 and sentenced to imprisonment, to go to the court and get him released.

**Shri N. C. Chatterjee:** May I draw the attention of the hon. Minister to article 13 (2) of the Constitution?

"The State shall not make any law which takes away or abridges the rights conferred by this Part and any law made in contravention of this clause shall, to the extent of the contravention, be void."

You know, Sir, State is defined in this Part of the Constitution as meaning Parliament and the Legislatures. Therefore, it says: Parliament of India shall not make any law which takes away or abridges the Fundamental Rights.

**Shri T. T. Krishnamachari** rose—

**Mr. Chairman:** Order, order. It is already past five. The House will now stand adjourned.

*The House then adjourned till a Quarter to Eleven of the Clock on Tuesday, the 25th November, 1952.*