COMMITTEE ON PETITIONS

(FIFTH LOK SABHA)

SEVENTH REPORT



LOK SABHA SECRETARIAT NEW DELHI

December, 1972 Agrahayana, 1894 (Saka)
Price: Rs. 1.45

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COMPOSITION OF THE COMMITTEE ON PETITIONS (1972-73)

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SECRETARIAT

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Shri B. K. Mukherjee-Deputy Secretary.

Shri J. R. Kapur—Under Secretary.

SEVENTH REPORT OF THE COMMITTEE ON PETITIONS (FIFTH LOK SABHA)

INTRODUCTION

I, the Chairman of the Committee on Petitions, having been authorised by the Committee to present the Report on their behalf, present this Seventh Report of the Committee to the House on the following matters:—

- (i) Representations from Shri Anil Basu, General Secretary and others of Akhil Bharatiya Swarnakar Sangh, Delhi and Secretary, Dakshina Kannada Chinnada Kelasagarara Sangha, Mangalore, re grievances and demands of goldsmiths;
- (ii) Representation from Shri Shiv Nand, Ramesh Nagar, New Delhi, re investigation in the murder case of Shri Sada Nand, Ramesh Nagar, New Delhi;
- (iii) Representation from Shri P. D. Ahuja, President, Rotary Club and M/s. Ashok Hotel, Jabalpur, regarding airlink for Jabalpur;
- (iv) Representation from Shri J. P. Behani, President, Industrial Area Manufacturers' Association, Jaipur, re. higher price of vanaspati in the North and East Zones as compared to South and West Zones;
- (v) Representation for re-introduction of the system of banderolling of Match Boxes; and
- (vi) Representations inadmissible as Petitions.
- 2. The Committee considered the above matters and adopted the draft Report at their sittings held on the 24th July and 24th November, 1972.
- 3. The observations/recommendations of the Committee on the above matters have been included in this Report.

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- REPRESENTATIONS FROM SHRI ANIL BASU, GENERAL SEC-RETARY AND OTHERS OF AKHIL BHARATIYA SWARNA-KAR SANGH, DELHI, AND SECRETARY, DAKSHINA KAN-NADA CHINNADA KELASAGARARA SANGHA, MANGA-LORE, RE. GRIEVANCES AND DEMANDS OF GOLD-SMITHS.
- 1.1. Shri Anil Basu, General Secretary and others of the Akhil Bharatiya Swarnakar Sangh, Delhi, submitted a Memorandum (Appendix I) regarding grievances and demands of goldsmiths in the country. Subsequently, Shri G. Y. Krishnan, M.P., forwarded another representation (Appendix II) from the Secretary, Dakshina Kannada Chinnada Kelasagarara Sangha, Mangalore, on the same subject.

A. Petitioners' Demands

- 1.2. In their representations, the petitioners had made, inter alia, the following demands:
 - "(i) That the certified goldsmiths be permitted to purchase 'Standard Gold' or 'Old Gold Ornaments' to manufacture new ornaments for their customers on orders.
 - (ii) That the certified goldsmiths be permitted to employ other goldsmiths to assist them in their day-to-day work.
 - -(iii) That the certified goldsmiths be exempted to keep their books of accounts on the prescribed forms which is at present. They may also be permitted to keep their accounts in their traditional way and system.
 - (iv) Goldsmiths have been classified hypothetically, unpractically and unscientifically. That 'Artisan' system be abolished. Goldsmiths who are at present working as artisans, be provided each with certificates.
 - (v) That no restrictions be imposed on the possession on Primary Gold (on quantity) by the certified goldsmiths.
 - (vi) That the stock of gold ornaments for sale be controlled.

- (vii) Gold ornaments manufactured in one State be not permitted to be sent out to a different State for sale.
- (viii) That gold or gold ornaments received from the customers for the purpose of repair manufacture and held by the certified swarnakars be not seized and confiscated.
 - (ix) That the present system of 'Trial of Swarnakars' is unscientific, undemocratic and outdated and as such the whole act be amended so as to empower the Civil Court to judge such cases against the Swarnakars. The swarnakars be also permitted to prefer appeals if necessary against the judgement in the High Court and in the Supreme Court.
 - (x) That there should be no time limit for the issuance of certificates to the goldsmiths and for their coming generation.
- (xi) That loanees should be provided with the certificate by removing the time limit for applying the same.
- (xii) That those swarnakars who have been granted rehabilitations loans but who have not been able to find new avenues to earn their livelihood be exempted for repaying the amount of loans.
- (xiii) That the goldsmiths from Pakistan, Bangla Desh, Burma Ceylon and other places outside India be recognised and issued with certificate if they so desire.
- (xiv) That free education should be provided for the children of swarnakars and 'Reservation' be made for admission in schools or other educational institutions. Reservations be also made and first preference be given in all Government and Semi-Governmental Establishments for the employment of the children of swarnakars, swarnakars, be recognised as 'Backward Community' and all facilities be provided accodingly.
 - (xv) That the Government recognitions be accorded immediately to the 'Akhil Bharatiya Swaranakar Sangh.'

B. Comments of the Ministry of Finance (Department of Revenue and Insurance

1.3. The representation was referred to the Ministry of Finance (Department of Revenue and Insurance) for their comments. In

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their reply, the Ministry of Finance (Department of Revenue and Insurance) stated as follows:—

"In the memorandum submitted by the Akhil Bharatiya Swarnakar Sangh to the Speaker of the Lok Sabha, two resolutions said to have been passed at the General Council meeting of the Sangh in June 1971 have been reproduced. Resolution No. (1) is of a general nature and deals with the removal of the gold control as far as the goldsmiths are concerned. Reference has been made therein of an assurance said to have been given by the Prime Minister in her statement made before the House on 2nd September, 1966 to the effect that all restrictions under the Gold (Control) Act would be removed so as to give relief to swarnakars. The relevant extract of the above Statement is as follows:—

'All the restrictions on making gold ornaments of more than 14 carat imposed under the Gold (Control) Order will be withdrawn. This will give relief to a large number of goldsmiths and substantially meeting the criticism voiced, and suggestions made in this House and outside.'

The statement of the Prime Minister has been referred out of context. The Prime Minister's statement was in the context of the removal of restrictions on the manufacture of ornaments of purity exceeding 14 carats and it was in this context that she had stated that this measure will give relief to a large number of goldsmiths. The working of gold control has been examined on more than one occasion and the decision to continue gold control in its present form remains unchanged.

Most of the points listed in Resolution No. 2 enclosed with the petition to the Speaker, Lok Sabha were earlier put up by the Akhil Bharatiya Swarnakar Sangh before the Prime Minister in March, 1970, and, after careful consideration of all their demands, a reply was sent to President of the Sangh. A number of demands from the goldsmiths which could be met without prejudice to the over all gold policy of the Government have already been acceded to. A list of the concessions given to them from time to time is enclosed for the information of the

Committee on Petitions, Lok Sabha. (See Appendix (III)

Even though the Government have done their best to meet their legitimate grievances, the Akhil Bharativa Swarnakar Sangh has continued to agitate for meeting their demands in toto which in effect is an agitation for abandonment of the Gold Control policy itself. An interview was given to them by Minister for Revenue and Expenditure on 7-11-1971 and by Finance Minister on 10-11-1971 and, on the basis of the discussions during these interviews, the Government are examining how far it is possible to accommodate their demands without jeopardising the implementation of the Gold Control Policy. Despite this, the Sangh staged a demonstration in Delhi in support of their demands on 15-11-1971. They have presently suspended their agitation to press their demands in view of the National Emergency. It may be added that the problems of goldsmiths are scheduled to be discussed at length at the meeting of the Consultative Committee of Parliament to be held on the 15th December, 1971."

1.4. In a subsequent note, dated the 18th February, 1972, the Ministry of Finance (Department of Reveune and Insurance) have stated as follows:—

"The demands listed in Resolution No. 2 have been carefully considered. It has not been possible to permit goldsmiths to buy and sell gold and gold ornaments keeping in view the fact that they are subjected to the minimum possible control and the fact that they come from a comparatively less-educated strata of society and would not be able to shoulder the same obligations which are laid upon the licensed gold dealers. Similarly, the other demands of the Sangh that the goldsmiths may be exempted maintaining prescribed accounts also could not accepted because the accounts already prescribed are the most elementary and cannot be dispensed with. The Sangh has contended that the artisan system should be abolished. An artisan is a goldsmith who instead of closing to work as a self-employed goldsmith by obtaining a certificate chooses to serve as an artisan under a gold dealer. Such a person is always at liberty to obtain a certificate and cease to be an artisan. There being no rationale in this demand, it could not be accepted.

The next demand of the Sangh is that goldsmiths may be permitted to possess primary gold without limit. Considering that certified goldsmiths are self-employed goldsmiths, they were initially permitted to possess only up to 100 grammes of primary gold as their working gold. All that they do is to receive old ornaments from their customers and re-make them and in this process they need some extra quantity of working gold which is recovered back while giving the finishing touches to the ornaments. This limit was raised to 200 grammes from 1-11-1967 and was further raised to 300 grammes under the Gold (Control) Act. It is not proposed to relax this limit any further as it is considered to be quite adequate.

Another demand of the Sangh is that the gold belonging to an innocent customer should not be seized and confiscated, if any fault is committed by the goldsmiths. Section 71 relating to confiscation was amended in June, 1971 in which a safeguard has already been provided that an innocent owner's gold which becomes liable to confiscation for an act or omission of another person will, if the owner's innocence is proved, not be ordered to be confiscated. In such cases, gold has no doubt to be seized for a prima facie contravention of law, but it is subsequently released if the owner thereof is innocent.

Another demand of the Sangh which could not be accepted is that cases against goldsmiths should be settled in civil court. The Gold (Control) Act provides for departmental adjudication in which relief against the original decision by filing an appeal, and thereafter revision application, is also provided. This system is more economical and less time-consuming. Serious cases of violations are no doubt taken to a court of law on a criminal complaint.

Relief to the certified goldsmiths has been given on a number of points as a result of the recent review made by the Finance Minister. Minor children of a certified goldsmith have now been permitted to assist him in his day-to-day work so that they may receive training in the craftsmanship. Secondly, those major children of a certified goldsmith, who are at present not eligible to apply for a certificate, have now been made so eligible. Thirdly, goldsmiths who had obtained rehabilitation assistance

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were required to repay the loan within three years from the date of obtaining the certificate failing which their certificate was liable to cancellation. The period of repayment of loan has now been extended to five years. Lastly, goldsmiths who had taken rehabilitation assistance could apply for grant of certificate initially only up to 28th February, 1969. In 1970, this period was extended upto 23rd April, 1971. This period has now been further extended upto 31st December, 1972. Notifications giving the above four concessions have already been issued.

The Sangh had contended that repatriates who were goldsmiths in other countries should also be granted certificates. Since this concession was already given in 1970, this demand has no substance.

It is not possible to accede to the demand of the Sangh that those goldsmiths who have obtained rehabilitation loans and have not been able to repay it should be exempted from paying the loans. A period of nearly 12 years at low rates of interest has been provided for repayment of loans. A substantial amount of loans has already been paid and it would be discriminatory to exempt the others from repaying the loans. Moreover, the distribution of the loans to individual goldsmiths and its recovery are the province of the various State Governments and the Union Territory Administrations. Irrecoverable loans can be written off by the State Governments but, in such cases, the loss is shared equally by the State Government and the Central Government.

The Sangh also wanted that reservations in colleges and in services should be made for children of goldsmiths on the same basis as is made for the backward classes. Since it is not possible constitutionally to accede to this request, it could not be accepted. The Sangh has also requested that free education should be continued. Children of goldsmiths who applied for educational assistance upto 31st March, 1966 are given such assistance till they complete a particular course.

The Sangh has made certain demands which affect the interests of the gold dealers. One of these is that inter-state

sale of ornaments by dealers through their travelling agents should be stopped. It has now been decided to withdraw this concession so far available to licensed gold dealers."

- 1.5. In reply to Unstarred Question No. 2203, dated the 7th April, 1972, in Lok Sabha, the Minister of State in the Ministry of Finance for Revenue & Expenditure (Shri K. R. Ganesh) stated inter alia as follows:—
 - "On consideration of the demands put forth by the two Organisations (Akhil Bhartiya Swarnakar Sangh and Maharashtra Prædesh Swarnakar Sangh), Government have granted certain concessions to the goldsmiths under the Gold (Control) Act. The concessions given are:—
 - (i) Minor children of a certified goldsmith can assist him in his day-to-day work;
 - (ii) Major children of a certified goldsmith have been made eligible to apply for the grant of a certificate to become certified goldsmiths.
 - (iii) A goldsmith who had obtained rehabilitation loan and wanted to revert to the profession could do so provided that he applied for the grant of a certificate before 1st March, 1969, but he had to repay the loan within 2 years from the date of grant of the certificate.

The period for making the application was extended in 1970 upto 23rd April, 1971, and has now been further extended upto 31st December, 1972.

The period for repayment of loan was extended in January, 1971 from two to three years, and has now been further extended to five years.

It has not been possible to accede to the other demands of the two organisations directly pertaining to the goldsmiths such as permitting certified goldsmiths to buy and sell gold and gold ornaments, abolition of artisans, exemption from maintenance of statutory accounts, removal of ceiling on holding of primary gold by certified goldsmiths, exemption from repayment of rehabilitation loans etc."

C. Observations of the Committee

1.6. The Committee note that a number of demands of the goldsmiths, which could be met without prejudice to the overall gold policy of the Government, have already been acceded to by the Government. The Committee feel that in view of the concessions and facilities already given by the Government to the goldsmiths, the matter does not require any further intervention by the Committee. REPRESENTATION FROM SHRI SHIVA NAND, RAMESH NAGAR, NEW DELHI, RE. INVESTIGATION IN THE MURDER CASE OF SHRI SADA NAND, RAMESH NAGAR, NEW DELHI

A. Petitioner's Grievances

2.1. Shri Shiva Nand, Ramesh Nagar, New Delhi, submitted a representation on the 8th July, 1970, in which he stated that his son, Shri Sada Nand, had been murdered by some persons and his dead body was found in a well near Tilak Nagar (New Delhi) on the 1st March, 1970. The petitioner had alleged that the police were not pursuing the case actively and were treating the matter as closed. He had requested for referring the case to the Central Bureau of Investigation and get him justice.

B. Factual comments of the Ministry of Home Affairs

- 2.2. The representation was referred to the Ministry of Home Affairs for furnishing their factual comments for consideration by the Committee on Petitions. In their reply dated the 29th August, 1970, the Ministry of Home Affairs stated *inter alia* that the case was still under investigation. The suspected persons were stated to have been interrogated by the local police as well as by the C.I.D. Crime Branch but nothing useful had come out. The Ministry of Home Affairs had added that every effort was being made to trace the culprits.
- 2.3. Subsequently, the Ministry of Home Affairs furnished a copy of the letter, dated the 22nd February, 1972, received by that Ministry from the Delhi Administration in which it was stated that 'despite efforts, no clue of the culprits could be got. The investigation has, therefore, been closed as untraced for the present'.

C. Recommendation of the Committee

2.4. The Committee, while taking note of the above position stated by the Ministry of Home Affairs, are greatly concerned on the

failure of the Police authorities to trace the culprits of a heinous crime like murder in the capital of the country. The Committee desire that the Ministry of Home Affairs may entrust the investigation of the case of murder of Shri Sada Nand to the Central Bureau of Investigation.

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REPRESENTATIONS FROM SHRI P. D. AHUJA, PRESIDENT, ROTARY CLUB AND M/S. ASHOK HOTEL, JABALPUR REGARDING AIRLINK FOR JABALPUR

3.1. Shri P. D. Ahuja, President, Rotary Club, Jabalpur, and M|s Ashok Hotel, Jabalpur submitted representations for providing an airlink for Jabalpur.

A. Petitioners' Grievances

- 3.2. In their representations (See Appendix IV), the petitioners stated inter alia as follows:
 - "Jabalpur, which lies in the heart of Madhya Pradesh, the biggest State in the country, is today one of the leading cities of the country. But somehow, this city has been denied one of the most essential pre-requisites for realising its growth potential and contributing to the general development of the State and to the happiness of the country. Our petitions to Government through various forms have not led us to any final conclusion. Through this petition Sir, we wish to request that Jabalpur may be placed on the air map of the country.
 - . . . In terms of population, Jabalpur ranks the second town of the province, next to Indore. It is a budding city rapidly advancing in all kinds of industrial and other activities. The population is nearly 5,32,000 and the town is growing every day. There should be no doubts regarding aerial traffic, as we are personally discussing this matter with several people coming down from Bombay and Calcutta every day and stopping at our Hotel. Their difficulties regarding the time involved in coming by train can well be imagined.
 - . . . Jabalpur has the distinction of being a leading Military Station. There are many important defence production factories.
 - ... Jabalpur is the seat of the High Court of Madhya Pradesh.

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- ... Jabalpur has the distinction of being one of the biggest education and research centres in the country. There are two big universities in the city. There are also 24 colleges affiliated to these universities. Top educational experts and researchers, teachers, and professors from within the country and abroad visit Jabalpur quite frequently.
- ... Jabalpur is today surging with industrial activity. Besides a large number of small and medium scale industries that have sprung up during the past about 20 years, a large number of hig industrial units which involve investment of tens of crores of rupees have been set up in Jabalpur.
- ... Jabalpur is an excellent tourist spot, with vast potentials all round. The world renowned Marble Rocks in Jabalpur are one of the unique tourist attractions of the country. Thousands of tourists visit this picturesque lake every year.
- . . . The country can thus earn lot of valuable foreign exchange from the tourists, if Jabalpur can be linked by air. Some more tourists spots can be developed, which would help generate more employment opportunities also.
- . . . Already a landing ground is in existence. This is held by the Director General of Civil Aviation. However, it is inoperative because it is not being maintained. The cost for expanding the existing aerodrome facilities will be very nominal.
- . . . Even a preliminary traffic survey will convince the authorities concerned that it would be most lucrative to put Jabalpur on the air map."

B. Factual comments of the Ministry of Tourism and Civil Aviation

- 3.3. The Ministry of Tourism and Civil Aviation, in their factual comments on the matter, have stated as follows:
 - "The matter has been examined in consultation with Indian Airlines and Director General of Civil Aviation.
 - Although there is favourable traffic potential for operation of air services to Japalpur, extensive repairs and improvements are required to be carried out to make the airfield fit for regular operations. Indications are that the work

will be completed during the Fourth Plan period and steps in this direction are being taken."

C. Observations of the Committee

3.4. The Committee would like to urge that the necessary repairs and improvements of the airfield at Jabalpur should be completed as early as possible with a view to putting Jabalpur on the air map of India. The Committee expect that the job will be completed according to a fixed time schedule well before the end of the Fourth Plan period.

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REPRESENTATION FROM SHRI J. P. BEHANI, PRESIDENT, INDUSTRIAL AREA MANUFACTURERS' ASSOCIATION, JAIPUR, REGARDING HIGHER PRICE OF VANASPATI IN THE NORTH AND EAST ZONES AS COMPARED TO SOUTH AND WEST ZONES

4.1. Shri J. P. Behani, President, Industrial Area Manufacturers' Association, Jaipur, submitted a representation regarding higher price of vanaspati in the North and East Zones as compared to South and West Zones.

A. Petitioner's Grievance and Prayer

- 4.2. In his representation, Shri J. P. Behani stated as follows:-
 - "A great injustice is being done to the people of North and East Zones in as much as they have to pay almost three to four rupees more for a tin of 16.5 kgs. of vanaspati than the consumers of South and West Zones. In the year 1971, the prices prevailing on the following dates were as under:—

	23-7-1971	23-11-71	Per tin	of 16.5	Kgs.
North Zone	Rs. 82.61	Rs. 80.96	Per tin	of 16.5	Kgs.
South Zone	Rs. 79.07	Rs. 77.42	Per tin	of 16.5	Kgs.
East Zone	Rs. 83.16	Rs. 81.51	Per tin	of 16.5	Kgs.
West Zone	Rs. 80.60	Rs. 78.95	Per tin	of 16.5	Kgs.

It may be seen from the above that the consumers in the North and East Zones were penalised for no fault of theirs.

In case of wheat and wheat products, though the wheat is mostly grown in North Zone, still the price of wheat and wheat products is uniform all over the country. Any difference in Vanaspati price will, therefore, give rise to agitation in the minds of common people and will lead to path of dis-integration of the country."

4.3. The petitioner requested that the Ministry of Agriculture (Department of Food) might be asked to equalise the price of vanaspati in all the Zones of the country by the incorporation of suitable percentage of imported oil which was available to Government.

B. Factual comments of the Ministry of Agriculture (Department of Food) (Directorate of Sugar and Vanaspati)

- 4.4. The representation was referred to the Ministry of Agriculture (Department of Food) for their comments for consideration by the Committee on Petitions. In their reply, the Ministry of Agriculture (Department of Food) (Directorate of Sugar and Vanaspati) have stated inter alia as follows:—
 - "The representation seeks to question the propriety of Government's action in fixing comparatively higher prices for vanaspati sold in the North and East Zones as compared to the South and West zones, and apleads for a uniform price being fixed for the product in all the four zones.
 - Prices of vanaspati are statutorily controlled by Government under the provisions of the Vegetable Oil Products Control Order, 1947. The prices are fixed on a zone-wise basis-there being four zones covering the four geographic regions. The prices for each zone are determined with reference to the weighted average purchase price of indigenous raw oils (like groundnut, cottonseed and sesame) of the factories situated in the respective zones during the preceding fortnight, and of cheaper imported oils (like soybean) at the permitted level of incorporation. To this is added a fixed margin covering processing and packing costs, freight and return on capital for arriving at the price of vanaspati. It is true that, as a rule, prices of vanaspati are higher in the North and East zones than in the South and West zones. But this is purely a reflection of the higher prices of indigenous raw oils prevailing in the former as compared to those in the latter.

The price of raw vegetable oils accounts for more than 80 per cent of the cost of production of vanaspati. In view of this, the price of vanaspati is largely governed by the price of raw oils from which it is made. That is why, both under controlled conditions as well as during periods of de-control, vanaspati prices invariably follow the level of groundnut oil prices (the main indigenous raw oil used in its manufacture) prevailing locally—any rise or fall in oil

prices being accompanied by a corresponding rise or fall in vanispati prices.

Prices of groundnit and other vegetable oils are not controlled by Government, and these fluctuate widely, not only from season to season, but also from region to region. Groundnut oil prices are substantially lower, by Rs. 100—300 per tonne, in the South and West zones where this oil is mainly produced, than in the North and East zones. A statement (See Appendix V) showing the month-ending prices of groundnut oil at Delhi, Madras, Calcutta and Bombay during 1971 and 1972 (up to May, 1972) is attached. The variation in the oil prices between the different zones are naturally reflected in the prices of vanaspati in these zones. However, an effort is being made, to the extent practicable, to contain the differences in the zonal prices of vanaspati within reasonable limits.

Given the widely varying nature of raw oil prices from region to region, vanaspati prices could be made uniform by one of two methods:—

- (i) Averaging out the raw oil prices in the different zones, and determining a uniform vanaspati price starting from the average raw oil price so obtained. Since the processing, distribution and other costs are also not uniform in the different zones, these too will have to be averaged out. The uniform price so fixed would be wholly uneconomical, particularly for the high-oil-price North and East zones, as it would not cover their oil costs, while at the same time conferring a fortuitous gain on the low-oil-price South and West zones.
- (ii) Neutralising the high oil cost of the North and East zones through release to these zones of the requisite quantity of imported oil, which is cheaper than indigenous oil. This presupposes availability of large supplies of imported oil which is now a thing of the past. Even otherwise, the use of imported oil in selected cases or regions for achieving such an artificial end, would be discriminatory in nature, and inconsistent with the purpose for which oil is imported viz. to augment oil supplies and stabilise oil prices in the country as a whole, rather than on a selective basis.

Apart from these practical difficulties, as explained earlier, any attempt to make variaspati prices difform throughout

the country would create an unnatural situation, wholly out of consonance with the normal pattern of behaviour of vanaspati prices.

It may not be out of place to draw attention to the fact that Shri J. P. Behani is the (Managing) Director of Mis. Premier Vegetable Products Ltd., Industrial Area, Jhotwara, Jaipur, a vanaspati factory situated in the North zone. During February to March, 1972, some controversy had developed between the factories in the North and East zones on the one hand, and those in the South and West Zones on the other, in regard to the quantum of differentials that might be appropriately maintained between vanaspati prices in different zones with a view to obviating excessive despatches of product from the low-price zones (South|West) to the high-price zones (North|East) which, it was feared, may adversely affect the interests of the latter. As already indicated above, and keeping this view, an effort is already being made by Government to contain the differences in the zonal prices within reasonable limits without serious prejudice to the normal pattern of inter-zonal oil price differentials. In the circumstances, the matter does not appear to merit further consideration by the Committee."

C. Observation of the Committee

4.5. The Committee, while taking into note of the above factual comments furnished by the Ministry of Agriculture, feel that the matter does not require any intervention by them. The Committee hope that the differences in the Zonal prices of vanaspati will be contained within reasonable limits, as stated by Government.

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REPRESENTATIONS FOR RE-INTRODUCTION OF THE SYSTEM OF BANDEROLLING OF MATCH BOXES

A. Petitioners grievances and prayer

- 5.1. Sarvashri C. Kesaviah Naidu and C. Anjaneyulu Naidu, of Narasingapuram, District Chittoor (Andhra Pradesh), had submitted two separate representations (Appendices VI and VII) dated the 30th March and 27th April, 1972, respectively, counter-signed by Shri P. Narasimha Reddy, M.P., on the subject noted above. The petitioners had *inter alia* stated as follows:—
 - "Long time back, banderoles on match boxes—a fool proof method—was introduced in India (i) to avoid leakage of revenue, when the Excise Officials and the factory managers collude; (ii) to avoid heavy establishment charges on the staff; and (iii) the purchaser of the match box feels proud that no match stick is removed from it by the retailer. Banderolling of match boxes has been discontinued from 1968, mainly, because the press at Nasik, which prints banderoles is not able to cope with the demand. The cost of printing and distribution of banderoles amounting to Rs. 80 lakhs and the foreign exchange involved is nothing compared to the evasion of duty in crores. The consequences of dispensing with the banderolling system should be realised. In due course, it will create unhealthy competition in the trade and the industry will be ruined. In fact, the trade wants re-introduction of the banderolling system.
 - It is, therefore, prayed that banderoles on match boxes may be re-introduced and the same system, which is fool proof may be introduced on other commodities also."

B. Comments of the Ministry of Finance

- 5.2. The Ministry of Finance (Department of Revenue and Insurance), to whom the representations were referred for factual comments have, in their comments (Appendix VIII), stated *inter alia* as follows:—
 - "Since the introduction of excise duty on matches, duty was collected by requiring the manufacturers to affix around

each box or booklet of matches issued from the factory for home consumption, a banderole of a value appropriate to the rate of duty. These banderoles were printed at the India Security Press, Nasik and supplied to the Treasuries Sub-Treasuries from where the manufacturers of matches used to purchase these on payment of cash. . . Over the years, this system of collection of excise duty was, however, not found to be fool-proof as instances of use of forged banderoles and once-used banderoles came to notice. . . The India Security Press, also expressed their difficulty in undertaking the work of printing and distribution of match excise banderoles.

In 1968, Government took a major policy decision, viz., to dispense with physical control over factories producing excisable goods and this was given effect in respect of a large number of commodities, including matches, from 1st June, 1968. Under this new procedure known as Self Removal Procedure, the manufacturers of excisable goods permitted to assess to duty their products themselves, based on the tariff classification approved by the Central Excise Officers and the duty due by raising debit in the Personal Ledger Account maintained by them with Department and thereafter clear the goods without any supervision by Central Excise officers. In this scheme of excise administration, the system of banderolling which required the physical check and presence of Central Excise Officers at different stages, was not found compatible with either the letter or spirit of S.R.P. Banderolling also involved an expenditure to the Government for printing distribution etc. to the extent of Rs. 80 lakhs apart from the burden of about Rs. 25 lakhs on the industry itself each year. Taking all these factors into consideration, a decision was, accordingly, taken to discontinue banderolling from 1st October, 1968.

After the introduction of S.R.P. and abolition of banderolling several representations received particularly from Sivakasi area were examined in detail. The statistics of production revenue collected and clearances did not corroborate the allegations of large evasion of duty though some fluctuations were noticed in the revenue realisation in some of the factories in the South. While the possibility of some evasion of duty in the small scale sector of match industry was always there even prior to the introduction of S.R.P.

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and withdrawal of banderolling, the new system was not found to have materially altered the position . . .

Last year, the Finance Minister announced the appointment of the Central Excise (S.R.P.) Review Committee to go into the entire question of possible evasion of excise duty after the introduction of S.R.P. with a view to suggesting improvements. The point whether abolition of banderolling in the case of matches and introduction of Self Removal Procedure have also affected the collection of revenue of matches, will also be looked into by this Committee. The Committee have recently commenced special study of the problem of matches excise and is expected to submit their interim recommendations. The S.R.P. Review Committee will be taking evidence of individuals and Trade Associations and Chambers of Commerce. The petitioners will have the opportunity to present their views and suggestions before this Committee."

C. Observations of the Committee

- 5.3. The Committee have noted that the Government have appointed the Central Excise (Self Removal Procedure) Review Committee to go into, inter alia, the question of banderolling of matches, who would be taking evidence of individuals, Trade Associations and Chambers of Commerce and that the petitioners would also have an opportunity to present their views and suggestions before that Committee.
- 5.4. The Committee desire that the Government might inform the Committee in due course of the final decision taken in the matter.

REPRESENTATIONS INADMISSIBLE AS PETITIONS

- 6.1 During the period under report, the Committee have considered eleven other representations and letters addressed to the House, the Speaker or the Committee, by different individuals, which were inadmissible as petitions.
- 6.2. The Committee observe that through their intervention, the petitioners have been provided expeditious, partial or complete relief or due redressal of their grievances, or that the Ministries Departments concerned have explained satisfactorily, the grounds for not being able to remove the petitioners' grievances (See Appendix IX).

NEW DELHI;

ANANT PRASAD SHARMA,

Dated the 24th November, 1972

Chairman,

Committee on Petitions.

APPENDIX I

(See para 1.1 of the Report)

Memorandum on the Gold Control Act, 1968-presented by Akhil Bharatiya Swarnakar Sangh, 1626, Dariba Kalan, Delhi-6.

THE RESOLUTIONS ADOPTED UNANIMOUSLY AT THE THIRD CONFERENCE OF THE "AKHIL BHARATIYA SWARNAKAR SANGH" DURING THE PERIOD 27TH TO 30TH DECEMBER 1969 AND THE GENERAL COUNCIL MEETING AT BHAGALPUR (BIHAR DURING THE PERIOD 25TH TO 27TH JUNE, 1971,

AS AMENDED ARE AS UNDER:-

Resolution No. 1

This Conference and the General Council meeting of the 'Akhil Bharatiya Swarnakar Sangh' having considered the 'Gold Control Act' 1968, have come to the conclusion that the whole objectives of the Gold Control Act-1968 under which it was enacted have been proved to be an utter failure. Neither the smuggling of the Gold has been stopped nor the price of the Gold has been brought down. On the contrary the price of the Gold has gone up high so as smuggling, particularly after passing of the said Act.

The Government has been forced from time to time to amend the Gold Control Act on several occasions due to pressure forced on the Government by launching mass movements of the 'Swarnakars'. But the changes carried out so far have not been of much help to the unfortunate Swarnakars. They were assured by the Hon. Prime Minister on the Floor of the House of Parliament on 2nd September, 1966 that all restrictions contained in the Gold Control Act would be removed so as to give relief to the Swarnakars.

The Gold Control Administrator is empowered to frame RULES under the Gold Control Act but these Rules enacted under the above Act and instead of giving relief to the Swarnakars, they have been put into additional restrictions and burdens. The Sangh feels that the Gold Control Administrator should have consulted the Representatives of the Sangh before issuing such Rules.

The Gold Control Act has utterly failed to achieve the purpose for which it was passed. The whole Act contains many discripancies and consequent thereof the unfortunate Swarnakars are being harassed right and left by the Officials.

The policy of the Government has been formulated hypothetically and unscientifically to rehabilitate the Swarnakars and have given such as Rs. 200|-, Rs. 500|-, Rs. 1000|- and the like amount by way of rehabilitation Loans which are repayable with interests. The unfortunate and poor Swarnakars compelled to agree with the terms and conditions laid down by the authorities. At present the Government has been taking steps to realise the amount of loan together with interests from the Swarnakars by various oppressive measures such as 'Failure to Repay the Loans' have been resulted in imprisonment and confiscation of moveable properties of these poor and unfortunate Swarnakars.

'Akhil Bharatiya Swarnakar Sangh' strongly feels that the Government has adopted an indifferent and harsh attitude towards the Swarnakars inspite of innumerable representations at various levels for the miserable plight of the Goldsmiths on account of the said Act and of various steps taken by the Government thereof.

This Conference strongly urges the Government to reconsider the whole issue afresh in the light of our Demands.

This Conference further believe that there is no Gold Control in the Country at present. The Govt. have imposed 'Goldsmith Control' in the name of Gold Control. This Conference urges upon the Govt. to abolish this type of Control forthwith.

Resolution No. 2.

This Conference while strongly protesting against the Policy regarding 'GOLD CONTROL', hereby urges the Govt. to abolish the Control on the Goldsmiths, in view of the horrible conditions thrust upon the Goldsmiths by conceding the following demands:—

- (1) That the certified Goldsmiths be permitted to purchase 'Standard Gold' or 'Old Gold Ornaments' to manufacture new ornaments for their customers on Orders.
- (2) That the Certified Goldsmiths be permitted to employ other Goldsmiths to assist them in their day-to-day work.
- (3) That the certified Goldsmiths be exempted to keep their 'Books of Accounts' on the prescribed Forms which is at present. They also be permitted to keep their accounts in their traditional way and system.
- (4) Goldsmiths have been classified hypothetically, unpractically and unscientifically. That "ARTISAN" system be abolished. Goldsmiths who are at present working as Artisans, be provided each with Certificates.

- (a) That no restrictions be imposed on the possession on PRIM-ABY GOLD (On Quantity) by the certified Goldsmiths.
 - (6) That the stock of Gold Ornaments for sale be controlled.
- (7) Gold Ornaments manufactured in one state be not permitted to be sent out to a different state for sale.
- (8) That Gold Or Gold Ornaments received from the customers for the purpose of Repair Manufacture and held by the Certified Swarnakars be not seized and Confiscated.
- (9) That the present system of 'Trial of Swarnakars' is unscientific, undemocratic and outdated and as such the whole Act be amended so as to empower the Civil Court to judge such cases against the Swarnakars. The Swarnakars be also permitted to prefer appeals if necessary against the judgement in the High Court and in the Supreme Court.
- (10) That there should be no time limit for the issuance of Certificates to the Goldsmiths and for their coming generation.
- (11) That Loanees should be provided with the certificate by removing the time limit for applying the same.
- (12) That those Swarnakars who have been granted Rehabilitation Loans but who have not been able to Find New Avenues to earn their livelihood be exempted for repaying the amount of loans.
- (13) That the Goldsmiths from Pakistan, Bangla Desh, Burma, Ceylon and other places outside India be Recognised and issued with certificate if they so desire.
- (14) That FREE EDUCATION should be provided for the Children of Swarnakars and RESERVATIONS be made for admission in schools or other Educational Institutions. RESERVATIONS be also made and First Preference be given in all Government and semi-Governmental Establishments for the Employment of the Children of Swarnakars. Swarnakars be recognised as Backward Community and all facilities be provided accordingly.
- (15) That the Government Recognitions be accorded immediately to the 'AKHIL BHARATIYA SWARNAKAR SANGH'.

MEMORANDUM

IN SUPPORT OF THE DEMANDS' PRESENTED BY "ARHILL" BHARTIYA SWARNAKAR SANGH" IN CONNECTION WEFH THE GOLD CONTROL ACT, 1968.

We beg to draw your kind attention to the 'Gold Control Act' and its effect on the petiable condition of the poor Goldsmiths, who have been the victim of the said Act. We strongly hope that you will please take pity on the victimised Goldsmith numbering about 20 lacks spread throughout the country and concede to the demands enumerated above as a benevolent gesture on your part sympathising with a petiable lot.

When this 'Gold Control Act' was enacted on the 9th January, 1963 with the main object of manufacturing ornaments out of 14 carat Gold instead of 24 carat. It was done with a view to fix the "quality control" of the standard. This measure was not in accordance with the Social and Economic standard as well of the people at large therefore it was opposed by the entire populace. In the year 1963 the Government removed the ban of 14 CARAT standard from the ornaments manufactured out of the stuff of old ornaments, and in the year 1966, the system of 14 CARAT was completely run away with.

The Goldsmiths (Swarnakars) all over the country had also opposed the imposition of 14 carat standard but our opposition was based on different angle from those of the others. The people in general did not approve the fixing up of '14 CARAT STANDARD' because it was down-grading of the worth of Gold with the result that they stopped getting the ornaments manufactured and our work was completely stopped and we the Goldsmiths of the country numbering about 20 lacks were rendered unemployed. Being highly up-set due to this unemployment, thousands became beggers and about 200 persons committed suicide. Our opposition to this 14 CARAT system was based mostly due to our being rendered unemployed. Needless to say that the main source of employment of these 20 lacks families is only 'GOLDSMITHY' and no other whatso-ever. We always wanted to carry on this trade peacefully and unhindered.

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With this object in view, the 20 lacks Goldsmiths in India organised themselves into a 'AKHIL BHARATIYA SWARNAKAR SANGH' and launched a country-wide movement under aegis of this August Organisation with a view to save our ancestral profession and rehabilitate ourself. Our Hon. Prime Minister Smt. Indira Gandhi took pity on us and on 2nd September, 1966, removed the 14 CARAT BAN and assured us that Goldsmiths of India would not face any hardship in their work henceforth. Acting on this assurance, Akhil Bhartiya Swarnkar Sangh discontinued. 'ANTI-GOLD CONTROL ACTIVITIES' and the agitation was stopped on 3rd September, 1966.

The Prime Minister empowered the 'Gold Control Administrator' to do the needful in this connection with the result that the Fourth Amendment to the Gold Control Act was carried out in the year 1968. But this also miserably failed in giving any relief to the Goldsmiths and problems of their maintenance etc. remained unsolved. Instead of softening the Act, it became still rigid and the Goldsmiths are being harassed more miserably. The Prime Minister wanted to be generous but her humanitarian view point instead of being implemented, was completely ignored. The main reason being that the Gold Control Administrator did not think it worthwhile to consult the Representatives of 'Akhil Bharatiya Swarnakar Sangh' nor did he care to go through the demands of the Sangh. Whatever he did was of his own and almost against the interest of the Goldsmiths.

It is the firm belief of all the Goldsmiths of India that the Gold Control Administrator was not promoted with a view in solving the problem of unemployment of this class of people. On the contrary whatever he did was to harm us. In our opinion the Gold Control Administrator was not at all sympathetic towards the unfortunate plight of lacks of these unemployed Goldsmiths-the victims of Gold Control Act, is further confirmed by the fact that he (Gold Control Administrator) expressed his opinion before Shri Sachindra Chaudhary-the then Finance Minister of the Government of India in the month of June, 1967 that he was not at all in favour of giving any relief to the Goldsmiths or allowing them any exemption from the bindings as enumerated in the said Gold Control Act. only this but he recommended as Secretary of the official committee that exemptions already granted according to the announcement of Shri T. T. Krishnamachari-the than Finance Minister of Government of India on 22nd September, 1963, be also withdrawn. It would not be out of place to mention that this report was put up

before the LOK SABHA on 2nd September, 1966 and the Prime Minister Smt. Indira Gandhi has assured in the Parliament that it would be sympathetically dealt with but this soothing assurance did not touch the heart of the Gold Control Administrator at all and flouting the announcement, he went his own way undeterred with the result that unfortunate and poor Goldsmiths were completely deprived of the relief promised under that announcement.

"PRAYER"

"With this background of the unfortunate plight in which we the Goldsmiths of India are plunged, we the humble Petitioners respectfully approach the Government to reconsider this Gold Control Act, 1968 suitably on this light."

We submit that:-

- I. Neither the problem of Gold has been solved nor the object of controlling the Gold has been properly dealt with under the present Gold Control Act. Instead carrying out Gold Control Activities, the act provides the "Control of Goldsmiths" with the result that they have been rendered unemployed and their dependents and children are being starved to death for no fault of theirs. The chief trade of the Goldsmiths, is manufacturing of the ornaments. People go to them either to get new ornaments made or to repair their old ornaments. But the present enactment deprives the Goldsmiths from purchasing the Gold old or new for the manufacture of ornaments for their customers. This has resulted in the brisk trade in "SARAFA BAZAR" (Gold Dealers Shops). The customers go to the 'Saraf' (Gold Dealers) and the Goldsmiths have to depend upon his mercy. The enactment has reduced Goldsmiths a slave to Gold dealers
- 2. The Prime Minister had removed the '14 CARAT' condition from the ornaments with a view to allowing goldsmiths to earn their bread and butter in full scope but under the Gold Control Act, the Goldsmith is not allowed to even touch new gold. On the other hand the 'SARAF' is being permitted to stock 24 CARAT Gold to any extend, also to stock ready-made ornaments, in addition. He can also purchase old ornaments and he has the right to convert it in new ornaments and can sale the same. Thus when the Goldsmiths are being starved, the dealers in Gold (SARAF) are enjoying brisk trade at the cost of these poor Goldsmiths. The Prime Minister's assurance have fallen flat on the ground.
- 3. The manufacturing of ornaments is an 'Art' in itself. An ornament before it is declared ready, has to pass through various stages and all these stages have the techniques of their own. One

man is not expected to know all these techniques, therefore an ornaments passes in various stages through various hands, hence it is impossible for a man to keep regular accounts but in the Gold Control Act. "Accounts keeping" is made compulsory for all gold-smiths which is not possible and not necessary. The Goldsmiths mostly are illiterate as such they cannot keep the accounts as prescribed. Therefore, they are subjected to harassment by the authorities concerned.

The division of goldsmiths as self employed goldsmith and artisan is unnatural and unscientific and is at the root.

- 4. The Art of Manufacturing of Gold ornaments has been passed on generation to generation since immemorial past. The children of the Goldsmiths get training from ancestor. It is in their blood. This Art have received world wide appreciation from far of countries. But how regretable it is that this is old, "respectable Art" has received deadliest blow in the recent years. By putting a stop to this trade the Gold Control Act has deprived the children of Goldsmiths from learning his "Precious Art" by working-over shops where their forefathers used to sit and work. India is already facing gravely the problem of unemployment and the best talents of the country is being drained-out of it due to this unemployment. This Gold Control Act is further aggravated the outrageous devastation and this "Precious Art" is also dying fast.
 - 5. The present Gold Control Act has given unlimited powers to the present Gold Control Administrator. He is totally authorised to dealt with anybody in any way he likes and is issuing everyday a new circular imposing curbs as and when he likes.
 - 6. The citizens of India have full recourse to law but the Gold Control Act deprives the Goldsmiths from his 'legitimate rights' as well. They have been thrown at the mercy of the Deputy Collectors—central excise and appeals against their orders lie only with the Gold Control Administrator. Can justice be administered through this process? Is it not a 'mockery of justice'? As a citizen of India, the Goldsmiths as well deserve protection of law which is at present denied to them.
 - 7. The question of rehabilitation also deserves a mention. The fate of thousands of Goldsmiths, have been sealed for good on the plea of rehabilitation. Akhil Bhartiya Swarnakar Sangh has been repeatedly stressing upon the Government to reconsider the process of rehabilitation. Some meagre amounts were loaned-out to the Goldsmiths and they accepted these amounts as they were starving with the result they could not be rehabilitated. They are now not

in a position to return back with interest the amount loaned-out to them with the result that they are facing attachments, confiscations of properties and its auctions and finally the imprisonment as a result of non-payments of the amounts due. This has further unnerved thousands of Goldsmiths and innumberable families has been consigned to lead the life of hell.

- 8. Thousands of Swarnakars has further subjected to harassment on various pleas, such as—accounts, weighment, stock of ornaments with them and such other triflings. This has promoted corruption. The officers make money by blackmailing their victims or threatening them to be prosecuted on some protext or the other.
- 9. The Gold Control Act has, instead of checking the smuggling of Gold has given it a lift. With the ever increasing trend in black-marketing and hoarding etc. the 'storing the Gold underground' has also become the order of the day. This tendency has further developed due to devaluation of Indian coins. Black money is the main root cause of it.

Before Gold Control Act, Gold was available at Rs. 110-per tola but now it is difficult to get gold for less than round about Rs. 240-per tola.

Before Gold Control Act was brought into being, the Government had given assurances that all attempts would be made to bring the cost of Gold at par with 'International price level', though 9 years have elapsed still the Government have failed to redeem its promise so far. This has resulted in brightening of poverty-grip almost ten fold with the increased in Illicit trade and ever growing corruption. The smugglers have enriched themselves four time more in the income and corrupt officials have gone ten times higher-up.

10. Smuggling of black-marketing of gold is not confined to India alone. It has grown tremendously wide as has assumed international magnitude. Gold Control Act does not provide any check to it. The Bullion-Market publicise the market price of Gold in papers, while everyday rises by leaps and bounds without any sign of his coming down.

Who is at the bottom of this intriguing situation? Certainly those who are at the helm of affairs in the Gold market. This shows that the Government have failed miserably in controlling the situation.

Akhil Bharatiya Swarnakar Sangh had placed before the Govt. the following proposals for consideration, through a resolution, which was unanimously approved by the Jaipur Session of the Sangh:—

"This Session of Akhil Bharatiya Swarnakar Sangh request the Government to recognise the profession of Goldsmithy as a cottage industry, import Gold and arrangements should be made to sale it in national market at the price of Rs. 100 - per tola get the ornaments manufactured here and export the locally manufactured ornaments for sale in the foreign market."

This step would have put a stop to the illegal hoarding and sale of gold and Gold ornaments in the country, checked smuggling and solved the problem of unemployment in addition to the earning foreign currency.

But the vested interests shelved this suggestion, rather did not pay any heed to this suggestion.

All these facts go to prove to the hilt that the Gold Act has failed to control the Gold and the country has served as the effective instrument of "Controlling the Goldsmiths" and their trade. It has proved to be vicious role and therefore needs to be reconsidered.

Governments intensions of exercising control over gold is not objected to by the Swarnakar Sangh, what is objectionable is the "control of Goldsmiths" instead which is highly deterimental and needs be removed without any delay.

OUR DEMANDS

The Akhil Bharatiya Swarnakar Sangh, therefore formulates the following Demands in view of the hardships faced by the Goldsmiths of India, as a result of the Gold Control Act, 1968.

(1) That the certified Goldsmiths be permitted to purchase 'Standard Gold' Or 'Old Gold ornaments' to manufacture new ornaments for their customers on Orders.

This demand needs be treated as the MUST because if this facility is denied to the Goldsmiths, then the Customers shall not come to their shops to manufacture ornaments.

Customers on the other hand have also been deprived of the right of purchasing the FRESH GOLD from the Market for getting their orders executed. They have in their possession Old Ornaments only and the Goldsmiths are permitted to manufacture only out of that old ornaments, not by new gold. Where from will he get the Gold for the Ornaments that they wants to get manufactured. They, therefore, instead of going to the Workshop of a Goldsmith,

shall go straight to the Shop of a SARAF (Dealer of Gold and Gold Ornaments) where he will have objects of his choice in abundance. This has resulted in feeding that of a particular group of Capitalists at the expense of a toiling labourers who are completely ruined.

And this is in a Socialistic Democratic Country, where it has been declared times and often that "Labour shall be given all profection, it shall not be sacrificed at the alter of Capital."

In addition to this, there are other reasons also which will lead a customer to the shop of a SARAF (Jeweller) instead of going to a Goldsmith. A Goldsmith, under the present circumstances, is allowed to repair old ornaments and can manufacture out of old ornaments only, but if during the operation, some gold is needed to complete the work in hand, it cannot be purchased from anywhere, and if by chance, after the Completion of the order, the Swarnakars finds that the Article on weighing is found to be less than what is aught to have been, under this circumstance neither goldsmiths has the right to purchase the rest gold nor he can return it to his customers from whom he got the gold in old form, because he is not authorised to purchase fresh Gold even a RATTI from the Market.

The customer under these circumstances will not like to bother and therefore instead of purchasing a Headache, he would prefer going to the Jeweller's Shop instead of a Swarnakar.

Due to these and so many other difficulties, the Swarnakars have lost Clientale completely and have been reduced to apatting worstly. On the other hand those big Guns who belong to this trade are roaring in wealth. Thus the entire bulk of swarnakars have been thrown in the all devastating Jaws of Exploiters, who have literally consumed thoroughly.

In view of all this, the first and foremost demand of Akhil Bharatiya Swarnakar Sangh is that Swarnakars be permitted to procure Gold for manufacturing the Ornaments for their Customers. This would be in perfect consonance with the assurances held-out by our Prime Minister Smt. Indira Gandhi in 1966.

Our demands No. 2, 3 and 4 be bracketted and should be considered as a whole. Demands No. 2, 3 and 4 are given below:—

- 2. "That the Certified Goldsmiths be permitted to employ other Goldsmiths to assist in their day-to-day work".
- 3. "That the Certified Goldsmiths be exempted to keep their Books Of Accounts' which is at present on the prescribed Forms, they, be permitted to keep their accounts in their "Traditional way and system"."

4. "That the Goldsmiths have been classified hypothetically unpractically, and unscientifically and that the "Artisan" system be abolished Goldsmiths who are at present working as 'ARTISANS' be provided each with Certificates.

In support of these DEMANDS, it would suffice to say that this "Art of manufacturing Ornaments" art of Gold is a Centuries' old one and has been handed-over from Father To Son, since Prehistoric Age. It would have in fitness of things, that a thorough investigation been made and full knowledge regarding this "ART" had been obtained before taking a bold step to legalise and control the manufacturing of Ornaments. There are various processes and stages through which an "ARTICLE" has to pass, before it is declared to be FINISHED and approved to be fit for delivering to the Customer. All these stages through which an ARTICLE are Specialised Ones and are handled by experts and no one person can claim the Mastery of all. All the ARTISANS at these levels are termed as Swarnakars. So the 'term' "Goldsmithy" is a very wide term and includes all the branches as 'DHALAI', LAI', 'MINAKARI', 'PACHCHIKARI', 'JADAI', so on and so forth... Therefore the divisions and sub-divisions attempted to be made by the Government are not based on Scientific System.

Secondly all goldsmiths has no direct contact with the customers whether he is a saraf or a general public. Only few goldsmiths has this relation and they only received the orders to manufacture ornaments. Other swarnakars get works from this type of goldsmiths. So every one has no need to keep account, or not it is possible for all due to their nature of work and maximum number of goldsmiths are illiterate. So, if our these demands conceded then govt. also may get account and the poor goldsmiths will be saved from the unnecessary harassments by the officials.

DEMAND NO. 5:—That no restrictions be imposed on the possession of PRIMARY GOLD (On Quantity) by the Certified Goldsmiths.

This Demand is supported by the following REASONS:—'Under the Gold Control Act, a Swarnakar is not entitled to convert the Gold of the used and Old Ornaments that he receives from his Clients, into PRIMARY GOLD weighing more than 200 Grams at a time as required.

The word "Primary Gold", under the Statute is used for the metal in its Crude Form (Lump of Gold) and thereafter converted into a finished article. The work in hand of a Swarnakar varies according to the size and design. Some work is finished soon.

some takes longer duration. In the same way there may be some Articles for which PRIMARY GOLD required weighs more than 200 Grams. Specially during Marriage Season Swarnakars get more work and they have to complete the work within the time limit as required by the customers and so at a time there may be more primary gold in their possession. It also should be considered that goldsmithy is a seasonal work. So in season time they get more work and require more primary gold at a time. Therefore this ban on keeping upto 200 grams of Primary Gold is not only impracticable but unreasonable also. Because as has already been mentioned above, an Ornament has to pass through various stages during the operation period. If the ARTICLE in question is entrusted to another expert, will the other man remain idle till it comes back to him for the remaining unfinished work to be finished?

The whole conception on which this has been imposed is rediculous and therefore should be removed.

DEMAND NO. 6:—That the stock of Gold Ornaments for Sale be controlled:

Gold-smithy is classed amongst 'FINE ART'. If this Art flourishes its credit goes to the 'Artisans'—the Swarnakars—on whose talents its success lies. The SARAFS, usually known as Jewellers deal in PRIMARY GOLD. They are Capitalists and keep stock of Ready-Made Ornaments in bulk quantity. They get these Ornaments made at throw away prices and earn major portion of profit as middle man for doing nothing. This is a clear exploitation of the workers at whose expenses they are triving and feeding fat. Does it not amount to assassination of the principles of Socialism in this Socialist State?

DEMAND NO. 7:—"That the Gold Ornaments manufactured in one State be not permitted to be sent out for sale in the different States."

Recently a new order entitled as "SUPPLIERS" has come on the Surface whose only business is to get finished material from mass scale production system dealing in wholesalé business and supply it to the Sarafs and dealers in different parts of the country. This business is mostly carried on "Sight System" that is on Credit. This serves as the biggest hinderance for the Artisan, who earns his bread by the sweat or his brow.

When the Saraf got ready made ornaments on credit and stock the same than the market flooded with finished goods, they ig-

nore the artisans and Local Swarnakars became idle without work and starved. Thus those, who toil suffer heavily. Swarnakars, no belong to the Artisan Class are the worst sufferers and are almost uprooted, due to the systems of "MASS SCALE PRODUCTION" and "SUPPLIERS AGENCIES".

It has been declared time and often and found to be factual that there is no guarantee of either 'PURITY' OR 'STABILITY' in the Articles, manufactured on 'Mass Scale Production' basis with the result that the public is being defrauded in open day light but the Govt. has closed its eyes to this type of fraudulent business.

Besides, the Govt. has never cared to find out how and from where these wholesale dealers of Gold Ornaments and Jewellers get Primary Gold? Is there any check on such a tendency? Swarnakars are not allowed to keep even a 'RATTI' of new and primary Gold, to manufacture new ornaments for their customers on the other hand there is no curbs on the activities of these Capitalists, whose entire business is based on exploitation of Masses and conducting in dark.

DEMAND NO. 8:—That the Gold or Gold Ornaments received from the Customers for the purpose of repair|manufacture and held by the Certified Goldsmiths, not be seized and confiscated.

It has become an every day routine with the officials of Excise and Customs Department to raid Shops (Workshops) of the Swarnakars, in season and out of season and make into possession the Gold or unfinished ornaments and other things upon which they lay their hands, seal the same and take their booty in their possession. This "The Confiscated Property" is not delivered to the poor Victims till the FARCE of 'Hearing' is not completed. At times it takes months and years. This annoys the Clients of the poor victims of Official harassment and his career is completely ruined. misunderstanding, suspicion and This creates fear in the mind of customers and customers prefer saraf's shop instead getting ornaments manufactured by Swarnakars and thus goldsmiths are isolating from their customers day-by-day.

DEMAND NO. 9:—"That the present system of 'Trial Of Gold-smiths' is unscientific, outdated and undemocratic and as such the whole act to be so amended as to empower the Civil Court Judges to try the cases filed against the Swarnakars. The Swarnakars be also permitted to prefer appeal, if necessary against the judgement in the High Court and in the Supreme Court.

The oppressed Swarnakers are not protected by the Law of the Country. The thieves, the murderers and robbers have recourse to

law but not a poor Artisan. His fate is to be decided by the person whose department's official's raids his shop, showers insults after insults on him and harasses him only to get something out of him. The appeal is filed to higher ups in the same department, thus from bottom to the top everyone, to whom the unfortunate and horror-stricken Victim approaches for redress of his grievances, he is spurned at because every one says—"It is the question of Prestige for Department."

Every Indian, under the fundamental Rights of our Constitution enjoys protection of Law, but the unfortunate Swarnakars are deprived of this fundamental rights as well. It is therefore high time that the Portals of Justice be opened for this less-privileged group of exploited Masses.

DEMAND NO. 10:—That there should be no time limit for the issuance of Certificates to the Goldsmiths and for their coming Generation.

In support of this Demand, it would be suffice to say that the ART OF GOLDSMITHY has been handed down to the present generation from FATHER TO SON, since times immemorial and it is in this Country only that it has reached at the height of perfection and that has without having received any regular training or receiving diploma from any institution. The Art is there in their blood. To deprive the talented Youths of the Country who are endowed with heavenly gift of Art, is a total injustice, India has always believed in the maxim—"Artists are born and not made". It should not be neglected that the Swarnakars who are trained in the Art since their Childhood and in whose blood the Art has its seeds, should be provided with certificate. If such impediments or obstacles are placed, this Art will vanish and it would not be possible to revive it any more.

This is an age old art of our country which got a world wide fame for its carftsmanships. It is easily understandable that no art can exist without the existence of Artisans. According to present Gold Control Act only the Swarnakars are permitted to work as Goldsmiths those who got the certificate and at the same time provisions have been made that after 1968 no Goldsmiths should be provided with the Certificates. It clearly means after 1968 no new Goldsmiths will be produced in India and so within 10 to 15 years this age old artisan community will be liquidated thus this age old art also will be liquidated.

At present India is facing with a serious unemployment problem.

Thousands and Lacks of young men with sufficient educational and technical qualification knocking door to door for service or work.

Under these circumstances where these children of Swarnakars will get the employment? If the coming generation is not provided with the Certificates or if not permitted to run their hereditary works as Goldsmith than the only way remain to them to commit, suicide.

So we hope the Act should be amended suitably so that age old art, Artisan Community and their children may be survived.

DEMAND NO. 11:—That Loanees should be provided with the Certificates by removing the time limit for applying the same.

As has already been mentioned above, those starving Swarnakars who have received Rehabilitation Loans from the Government could not deposit the same nor could they be rehabilitated with the result that the defaulters are being harassed unnecessarily. These defaulters are witnessing worst days as the 'Gold Control Act' has proved for them as a bolt from blue. They are now out of employment. Over and above Government is trying to realise the Loan amount with interest. Under the present condition it is too much difficult for them to maintain their family members. From where they will get more money to repay the loan? So these loanee Goldsmiths should be provided with Certificate and the time limits which imposed on them to apply for the same should be withdrawn.

DEMAND NO. 12:—"That those Swarnakars who have been granted Rehabilitation Loans but have not been able to find 'New Avenues' to earn their livelihood, be exempted for repaying the amount of Loans."

The much talked scheme of the Govt. of India of the 'Rehabilitation' of Swarnakars has completely failed. Swarnakar has so far could not been Rehabilitated themself by the small amount offered by the Govt. as loan. Those who had applied for Loan, were driven starvation due to the 'Gold Control Act' and there was no other option left to them except either to commit suicide or to get some by any way to prolong their miserable existence for some time more. And then it was not an easy going to get the amount applied for they had to spend a lot, and had to undergo a lot of running after which above their efforts bore fruits and that no area they had to part with substantial proportion out of the amount they got. Whatever was left to them so meagre that as business worth the name could be attempted. No other business could be launched due to paucity of sufficient funds. Some persons tried failed because they had no experience in the line.

Under the circumstances it can be easily understood that to get money amount of such a poor lot is nothing short of 'Squeezing oil out of Sand'. Therefore there is no use of torturing them.

DEMAND NO. 13:—That the Goldsmiths from Pakistan, Bangladesh, Burma, Ceylon and other countries outside India, be recognised and issued Certificates to carry-on their business if they so desire.

Rehabilitating the displaced persons from Ceylon, Bangladesh, Burma and Pakistan are merely tall talks. By giving them assylum in tents or distributing amongst them their daily GRUBS will not solve the problem of displaced persons. There should be serious efforts apace to rehabilitate them permanently, by inviting them to open shops and getting them registered.

DEMAND NO. 14.—That Free Education should be provided for the children of goldsmiths and reservations be made for admission in schools or other educational institutions. Reservations also be made and first preference be given in all Government and semi-Government Institutions and Establishments for employment of Swarnakars and their children. Swarnakars be recognised as Backward Communities and all facilities be provided accordingly.

This does not need any elucidation. India has declared herself as a Socialist Country with equal opportunities for all to develop irrespective of Caste, Creed or Community. In order to bring the depressed and backward classes up to the level of the so-called higher-ups, special facilities are being offered and reservation made in Educational Institutions and Services. In the same way the Swarnakars should also be treated. They should classed amongst the backwards and now since the advent of the 'Gold Control Act', have been rendered jobless. Government have declared that they are keenly interested in rehabilitating them. Now this is the opportunity. They should be accorded the same facilities, as are being enjoyed by other backward class of people.

DEMAND NO 15:—'That the Government Recognisation be accorded immediately to Akhil Bharatiya Swarnakar Sangh.'

The Akhil Bharatiya Swarnakar Sangh is the only Official representing nearly 20 Lacks Swarnakar of the country and which is duly constituted. It therefore deserves to be recognised. The Recognisation should be granted without delay.

Besides the DEMANDS formulated by this Organisation should be looked into sympathetically and steps be taken to implement the same so that thousands of helpless and much harassed Citizens of India may be saved from ruin.

It would be the greatest Humanitarian Act which you will perform, for which the members of this community shall remain grateful.

APPENDIX II

(See para 1.1 of the Report)

Representation from the Secretary, Dakshina Kannada Chinnada Kelasagarara Sangha, Mangalore-1

Dakshina Kannada Chinnada Kelasagarara Sangha Mangalore-1

Felix Pai Bazar,

Mangalore-1.

REQUEST FROM MYSORE STATE GOLDSMITHS

To

The Chairman of the Petitions

Committee of Lok Sabha,

Parliament House, NEW DELHI.

Respected Sir,

Please concede to our 9 points DEMANDS. Minimum requirements of the poor Goldsmiths. We also support and subscribe to the Memorandum submitted by the AKILA BHARATHIYA SWARNAKAR SANGH, DELHI.

OUR DEMANDS ARE:

- 1. Gold policy of the Central Govt. should be reconsidered.
- 2. The Goldsmiths certificate should be issued to all invariably.
- The Goldsmiths should be permitted to purchase old ornaments to manufacture new ornaments for their customers.
- 4. Gold and ornaments should not be seized from Goldsmiths.
- 5. No quantity restriction should be imposed on the possession by goldsmittis.
- Standard Gold should be imported and supplied to ensure employment to goldsmiths.
- 7. The REHABILITATION LOANS should be written off.

- 8. Goldsmiths should be recognised as "Most BACKWARD CLASS".
- 9. Goldsmiths should be exempted from Gold Control Act.

 Sd|- Secretary.

To

Members of Petitions Committee, Lok Sabha, with a request to kindly voice our grievances.

APPENDIX III

(See para 1.3 of the Report)

Concessions given to certified Goldsmiths since introduction of Gold Control

- (a) In September, 1963, the 14-carat rule was relaxed in favour of self-employed goldsmiths, permitting them to manufacture ornaments of more than 14-carat purity from old ornaments of like purity.
- (b) In November, 1966, the 14-carat purity restriction was altogether withdrawn as a result of which even the licensed dealers were enabled to manufacture new ornaments in any purity.
- (c) At the same time, the certified goldsmiths were also permitted to purchase gold in the form of standard gold bars in reasonable quantities so as to serve as their 'working gold' and the quantitative limit on the possession of primary gold by them was suitably enhanced, in November, 1966, from 100 grams to 200 grams, and subsequently in the 1968 Act to 300 grams (of which the standard gold bars could be upto 100 grams).
- (d) Initially the certificate obtained by a self-employed goldsmith was subject to renewal every year. In the 1968 Act, a certificate has been made valid for the life-time of the holder.
- (e) The category of persons who are eligible to apply for grant of a certificate to function as certified goldsmiths, has also been enlarged in the 1968 Act and includes members of the family of a certified goldsmith. A further provision has also been made that when it may become necessary for the continuance and development of the industry of ornaments making, applications may be entertained even from other persons who are suitably qualified to function as goldsmiths.
- (f) After September, 1963, a goldsmith could either obtain a certificate to function as self-employed goldsmith or vail of the benefits of the rehabilitation assistance schemes with a view to settling in alternative vocations. In November, 1966 when the 14-carat purity restriction was withdrawn, the goldsmiths were given the option to revert to their profession provided they first repaid the rehabilitation

loans obtained by them. Under the 1968-Act, the recipients of rehabilitation loans are also eligible to apply for grant of certificates without, having to first repay the loans; they are allowed a period of two years from the date of grant of certificate to them within which they should repay the loan.

- (g) Several other marginal concessions have been made in favour of the self-employed goldsmiths, e.g. (i) permitting them to take the assistance of specialists, like enamellers, die-cutters, stone-setters etc. (ii) in the 1968 Act they have also been allowed to take assistance of a hired labourer and (iii) a certified goldsmith can now accept work not only from the public but also from licensed dealers.
- (h) Under the 1968 Act, the recipient of rehabilitation loans had the option to revert to the profession if they applied for a certificate upto 28th February, 1969. On receipt of representations that several such persons could not apply for a certificate within the above time, en 24th April, 1970 notification was issued by which they have been given further time upto 23rd April, 1971 to apply for a certificate.
- (i) Repatriates who were dealing in gold in the country from which they repatriated to India have also been made eligible to apply for a certificate to w/rk as goldsmith.
- (j) Formerly, only the members of the family of a certified gold-smith were eligible to apply for a certificate. Members of the family of persons who had received rehabilitation loans were not so eligible. By a notification issued on the 29th April, 1970, a member of the family of a goldsmith who had received rehabilitation loans and had assisted such goldsmith in his work in the past, has also been made eligible for applying for a certificate.
- (k) The period for repayment of the loans advanced by the Centre to the State Governments for giving loans to individual goldsmiths for their rehabilitation has been extended from 10 years to 12 years which should enable the State Governments to re-schedule the repayment to them of the loans by the individual goldsmiths.
 - (1) The period for repayment of the loans by the loanee gold-smiths who reverted to the profession of goldsmithy on the condition that they would repay the loan within two years from the date of issue of goldsmith certificate in accordance with the proviso to Section 39(4) (c) of the Gold (Control) Act, 1968, has also been extended from two years to three years.

APPENDIX IV

(See para 3.2 of the Report)

Representation from Shri P. D. Ahuja, President, Rotary Club-Jabalpur, re. airlink for Jabalpur.

THE ROTARY CLUB OF JABALPUR

Jabalpur March, 10, 1972.

President (1971-72)

Rtn. P. D. AHUJA

To

The Chairman,
Committee on Petitions,
Lok Sabha, Parliament House,
New Delhi.

Sir,

I beg to sumit the following petition, on behalf of the Rotary Clubs of Jabalpur, for your kind consideration and favourable directions.

- 2. Jabalpur, which lies in the heart of Madhya Pradesh, the biggest State in the country, is today one of the leading cities of the country. But somehow this city has been denied one of the most essential pre-requisites for realising its growth potential and contributing to the general development of the State and to the happiness of the country. Our petitions to Government through various forms have not led us to any final conclusion. Through this petition, Sir, I wish to request that Jabalpur may be placed on the air map of the country.
- 3. Jabalpur has the distinction of being a leading Military Station. There are many important defence production factories. For example, there is a big Vehicles Factory, a Gun Carriage Factory and two Ordenance Factories. Another such factory has been set up at Katni, which is in the vicinity of Jabalpur. There are two Signal Headquarters at Jabalpur. There is also an Ordnance Officers School.
- 4 Jabalpur is the seat of the High Court of Madhya Fradesh. This speaks for itself that very many high ranking judicial luminaries should be residing at Jabalpur and many such luminaries must be visiting this city for conducting the legal processes.

- 5. Jabalpur has the distinction of being one of the biggest education and research contres in the country. There are two big universities in the city. There are also 24 colleges affiliated to these universities. Top educational experts and researchers, teachers and professors from within the country and abroad visit Jabalpur quite frequently. Valuable time of most of these experts can be saved and considerable valuable human experties and financial resources conserved and diverted to other equality important centres, if quicker means of travel are available to these visitors.
- 6. Jabalpur is today surging with industrial activity. Besides a large number of small and medium scale industries that have sprung up during the past about 20 years, a large number of big industrial units which involve investment of tens of crores of rupees have been set up in Jabalpur. For example, a gigantic Galatine producing factory, massive pottery works, a large number of big brick kilns have been set up. A big industrial estate is brimming with industrial activity. Besides, there is a big telecommunication factory and many other factories of the Posts and Telegraphs Deptt. All these facts are well known to the Ministry of Industry.

The industry and trade is feeling rather chocked in the absence of quick means of travel to clear their schemes with New Delhi and other important places in the country.

7. Jabaipur is an excellent tourist spot, with vast potentials all round. The world renowned Marble Rocks in Jabalpur are one of the unique tourist attractions of the country. Thousands of tourists visit this picturesque lake every year. In the vicinity of Jabalpur there is the well known Kanha Animal Sanctuary, which is one of the pride attractions of the country. Still another feather in the cap of Jabalpur is the great attraction of White Tigers in the Rewa Forests which are located at a stone's throw from Jabalpur. All these great attractions are located on motorable roads around Jabalpur. In fact Khajuraho can also be linked with Jabalpur to provide still greater opportunities to the tourists. There is also a Hill station named Pachmarhi very close by to Jabalpur which provides for salubrious climate and enchanting surrounding of Darjeeling and Nilgris.

The country can thus earn lot of valuable foreign exchange from the tourists, if only Jabalpur can be linked by air. Some more tourists spots can be developed, which would help generate more employment opportunities also.

8. Jabalpur today is a 'B' class city with a vast agro-industrial complex around a large potential for further development.

- 9. In this connection, we wish to submit that already a landing ground is in existence. This is held by the Director General of Civil Aviation. However, it is in-operative because it is not being maintained. The cost of expanding the existing aerodrome facilities will be very nominal.
- 10. We are most certain that even a preliminary traffic survey will convince the authorities concerned that it would be most lucrative to put Jabalpur on the air map.
- 11. We would wish that all the concerned Ministries of the Government, particularly those of Defence, Agriculture, Law and Justice, Education & Social Welfare, Industrial Development and the Tourism and Civil Aviation may be consulted on the submissions made by us. They would, perhaps, be too anxious to recommend an air linking of Jabalpur.
- 12. We would even venture to submit that the Committee on Petitions may pay visit to Jabalpur and the surrounding areas to see for themselves the over-brimming agro-industrial activity and also the places of tourist attraction to assess for themselves how essential it is to provide an air link for Jabalpur to New Delhi and other important places in the country.

Thanking you,

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Yours faithfully, Sd|-P. D. AHUJA, President.

APPENDIX V

(See para 4.4 of the report)

Statement showing the month-ending prices of groundmut oil at Delhi, Madras, Calcutta and Bombay, during 1971 and 1972 (upto May, 1972)

Month-ending prices of groundnut oil (Rs. per tonne)

Month ending	Delhi	Madras	Calcutta	Bombay
January 1971	4450	4450	4700	4400
February 1971	4400	4350	4550	4400
March 1971	4300	4070	4550	4300
April 1971	4250	3830	N.R.	4075
May 1971	4350	3950	4400	4200
June 1971	4000	3510	N.R.	3930
July 1971	4450	4000	4500	4375
August 1971	4500	N.R.	4650	4325
September 1971	4250	3730	4400	4100
October 1971	4150	3730	N.R.	4000
November 1971	3850	3430	4250	3750
December 1971	4050	3750	4050	3900
January 1972	4100	3800	4250	3970
February 1972	4080	3620	4000	3920
March 1972	4100	3540	3900	3880
April 1972	3950	3370	3850	3730
May 1972	3850	3380	385 0	368 0

N.R. — Not reported.

APPENDIX VI

(See para 5.1 of the Report)

Representation from Shri C. Kesaviah Naidu, Distt. Chittor for reintroduction of the system of Banderolling of Match Boxes

То

Lok Sabha, New Delhi.

The humble petition of Shri C. Kesaviah Naidu, Chittoor Disstrict, A.P.

SHEWETH

Long time back, it is on the suggestion of the Petitioner, banderoles on match boxes—a fool-proof method—was introduced in India, (i) to avoid leakage of revenue, when the Excise Officials and the Factory Managers collude; (ii) to avoid heavy Establishment charges on the staff; and (iii) the purchaser of the match box feels proud that no match stick is removed from it by the retailer.

- 2. When the banderoles were removed in 1968, I wondered and referred the matter to the Central Excise Department and there is no response.
- 3. The Petitioner has gone through the news under the caption "NO RETURN TO BANDEROLE SYSTEM FOR MATCHES: EXCISE BOARD'S STAND" in the Hindu dated 3-3-72 and meeting all the points, a letter under the Caption, "EXCISE EVASION IN MATCH INDUSTRY" appeared in the Hindu, dated 24-3-72, which is self-explanatory, is reproduced below:—
 - I was surprised at the report that "the Central Board of Excise and Customs have no intention to comply with the demand of the match factories at Sivakasi, Sattur, Kavilpatti and Sankarankoil in Tamil Nadu for re-introduction of the banderole system, which was abolished in 1968". The Central Board had argued that there will not be large scale evasion due to abolition. They are not able to say there will be no evasion. What might appear small on all-India basis will be 100 per cent evasion in some area considered in isolation. The Board say that "match factory production is carefully regularised through the controlled supply of the essential raw material, potassium

ahlorate, under licences issued by the Government". RE-CENT CASES OF UNAUTHORISED SALE OF CHICA-RATE UNDER FALSE NAMES OF CUSTOMERS CHALLENGES THIS STATEMENT. Further Potassium chlorate is not used by the match industry only. It is used for textile dyeing, printing, fireworks and explosives. The use of potassium chlorate varies from 5.5 kilos to 8 killos for 100 gross of boxes and thereby gives scopes for illicit manufacture of matches or sale of potassium chlorate by dealers and manufacturers.

Then comes their argument on growth of output and revenue. The output in and around Sivakasi rose from 2.59 crore boxes in 1967-68 to 2.96 crores in 1970-71, which works out to a 14 per cent increase in 3 years, i.e., 4.3 per cent annual growth. The production in the whole country has gone up from 5.8 crores gross boxes in 1967-68 to 6.4 crores gross boxes in 1970-71, which work out to 11 per cent increase in 3 years, i.e., 3.6 per cent annual growth. The Excise Revenue has gone up from Rs. 25.67 crores in 1967-68 to Rs. 28.47 crores in 1970-71, which works out to 10.3 per cent i.e., 3.4 per cent annual growth. The trend of the growth rate of matches prior to 1967-68 and the growth of other commodities in the subsequent period suggest that the growth of matches should be at least 30 per cent both in production and revenue. We apprehend a loss of 20 per cent revenue in this period. The Board's satisfaction over the growth in revenue is not in any way justifiable.

Let us examine the market position for proof of evasion. The manufacturing cost of one bundle of 5 gross boxes of matches is Rs. 14. The duty on the above bundle is Rs. 18.75 for 'D' class factories and Rs. 21.50 for 'B' class factories at the factory site. A bundle of matches is now available in the market for even Rs. 25|-. How is it possible to sell at this price, if duty is paid on the matches?

It is argued that none of the other 116 excisable commodities were banderolled and no other country has this banderolling system. The duty on one gross of match boxes costing less than Rs. 3|- is Rs. 3.75 for 'D' class and Rs. 4.30 for 'B' class, which works out to about 150 per cent. Which other commodity carries such a high percentage of excise duty and which other country in the world is making hand-made matches and in such large quantities? This cottage industry has grown by the protection given by the banderole system. Otherwise it would have died long ago due to competition by unscrupulous people and from the mechanised sector.

Another vital and important point raised by the Board is the cost of printing and distribution of banderoles costing Rs. 80 lakhs and

the foreign exchange involved. The cost of 80 lakhs is nothing compared to evasion of duty in crores. As for foreign exchange, the match industry is prepared to earn foreign exchange by export of matches. This cottage industry is employment-oriented with small capital, maximum turnover and very low margin of profit. But humble and honest people cannot exist in the trade in the face of competition by duty evaders.

K. A. S. Sankaralingam, Sivakasi. President, Sivakasi Chamber of Match Industries."

- 4. There is some force in his argument and the Petitioner appreciates it. Therefore Shri K. A. S. Sankaralingam may be summoned at Government expense and he or his counsel may be given a chance to examine, cross-examine and re-examine the export of the Central Excise Department and vice versa and the Committee may come to a decision after hearing both sides.
- 5. In foreign countries, when a bill is put in the Parliament, they fight tooth and nail and when it is passed into law, the same person implicitely obeys it. For a Money Order, they won't give a receipt, yet it reaches the payee in time, whereas it is not so the case in India. This is the difference between India and other foreign countries, and accordingly your petitioner prays that:
- (i) banderoles on match boxes may be re-introduced with immediate effect without recurring loss of revenue; (ii) if there is possibility to introduce this fool-proof system for any other commodity within the other 116 excisable commodities in any other way, that may be considered; and (iii) in course of time, import of banderoles may be stopped, when India rises up to that grade and manufactures locally and your petitioner as in duty bound will every pray.

Name of the Petitioner	Address	Signature with date Sd/-C. Kesaviah Naidu 30-3-1972.	
C. Kesaviah Naidu,	Sarpanch, Bhoomavaram Gram Panchayat,		
	Narasingapuram Post, Chandragiri Taluk, Chittoor Distt. (A.P)		

Countersigned by: P. Narasimha Reddy, M.P.

APPENDIX VII

(See Para 5.2 of the Report)

Representation from Shri C. Anjaneyulu Naidu, Distt. Chittoor for re-introduction of the system of Banderolling of Match Boxes

To

Lok Sabha, New Delhi.

The humble petition of Shri C. Anjaneyulu Naidu, Chittor District, A.P.,

SHEWETH

The Banderoles on Match Boxes may kindly be re-introduced expeditiously.

Banderolling of match boxes has been discontinued from 1968 (4 years back) mainly because the press at Nasik which prints banderolls is not able to cope with the demand. The match industry in the country (mostly situated in Tamil Nadu) yielded a revenue of Rs. 28.47 crores in 1970-71. By a moderate estimate, it can be said that there is an evasion of about Rs. 4 crores of duty. Any type of audit or inspection of stock of raw materials and accounts will not bring to light the real state of affairs. The Government might view this as a small amount compared to the revenue from other commodities. But the consequences of dispensing with the banderolling system should be realised. In due course the industry will be ruined. It will create an unhealthy competition in the trade whereand well-established manufacturers will be affected. Gradually the quality of the matches will deteriorate resulting in factories closing down, several thousands of families depending on this trade for generations being adversely affected.

In fact the trade wants re-introduction of the banderolling system. It is hoped the Central Government will consider their request in the interest of supporting a cottage industry which is employment-oriented with small capital and maximum turn-over and a low margin of profit on account of fixation of prices that has never been exceeded at any time and accordingly your petitioner prays that

(1) banderoles on match boxes may kindly be re-introduced without loss of time and

(2) the same system, which is fool-proof may be introduced on

Name of Petitioner

Address

Signature with date

C. ANJANEYULU NAIDU, Land Lord, Sd/- C. Anjaneyulu Najdu
Bheemavaram, 27-4-1972.
Narasingapuram Post,
Chittoor Dis.t. (A. P.)

Countersingned by: P. Narasimha Reddy, M.P.

APPENDIX VIII

(See para 5.2 of the Report)

Comments of the Ministry of Finance (Department of Revenue and Insurance) on the representations regarding re-introduction of the system of banderolling of match boxes.

General Background

Since the introduction of excise duty on matches, duty was collected by requiring the manufacturers to affix around each box or booklet of matches issued from the factory for home consumption, a banderole of a value appropriate to the rate of duty. These banderoles were printed at the India Security Press, Nasik and supplied to the Treasuries Sub-Treasuries from where the manufacturers matches used to purchase these on payment of cash. There was also a provision for the match factories to obtain the banderoles initially on credit and then to pay the price as duty when the matches were actually cleared after banderolling. The pattern of excise control over all excisable goods, including matches, provided in the Central Excises and Salt Act, 1944 and the rules made thereunder, was consolidation of individual excise acts, provided for stationing of Central Excise officers in factories or a group of factories. officers were to see that excisable goods were cleared from factories only after being checked by them and after payment duty due. In the Central Excise Rules in addition to the supervision by Central Excise officers, the special system of banderolling for match industry was continued. Over the years, this system of collection of excise duty was, however, not found to be fool-proof as instances of use of forged banderoles and once-used banderoles came to notice. There were also delays in the printing and supply of banderoles causing hardship to the industry. The Central Excise Re-organisation Committee which examined the question of Central Excise procedures in respect of all excisable commodities recommended that in view of the economies that can be affected, the banderolling system may be dispensed with and alternative system considered. The India Security Press, also expressed their difficulty in undertaking the work of printing and distribution of match excise banderoles. The Department of Economic Affairs accordingly pressed for exploring the scope of introducing a different procedure collection of duty on matches so that the printing of match excise banderole could be discontinued.

- 2. In 1968 Government took a major policy decision, viz., to dispense with physical control over factories producing excisable goods and this was given effect in respect of a large number of commodities, including matches, from 1-6-1968. Under this new procedure known as Self Removal Procedure, the manufacturers of excisable goods were permitted to assess the duty their products themselves, based on the tariff classification approved by the Central Excise officers and the duty due by raising debit in the Personal Ledger Account maintained by them with the Department and thereafter clear the goods without any supervision by Central Excise officers. In this scheme of excise administration, the system of banderolling which required the physical check and presence of Central Excise Officers at different stages, was not found compatible with either the letter or spirit of S.R.P. Banderolling also involved an expenditure to the Government for printing distribution etc. to the extent of Rs. 80 lakhs apart from the burden of about Rs. 25 lakhs on the industry itself each year. Taking all these factors into consideration, a decision was accordingly taken to discontinue banderolling from 1st October, 1968.
- 3. After the introduction of S. R. P. and abolition of banderolling several representations received particularly from Sivakasi area were examined in detail. The statistics of production, revenue collected and clearances did not corroborate the allegations of large evasion of duty though some fluctuations were noticed in the revenue realisation in some of the factories in the South. While the possibility of some evasion of duty in the small scale sector of match industry was always there even prior to the introduction of S. R. P. and withdrawal of banderolling, the new system was not found to have materially altered the position. Instructions were, however, issued for intensification of preventive measures in respect of match excise and subjecting production and clearances from the factories to closer scrutiny and check in order to reduce the scope for leakage of revenue.

A deputation representing match interests led by Smt. V. Jayalakshmi, M.P., discussed the matter when they met the Finance Minister on 18-3-1972 and during discussion the department's views as stated above were explained.

Comment with reference to points raised in the petition(s)

The system of banderolling was an integral part of the scheme of collection of excise duty on matches from the very inception. The reasons cited by the petitioner as the only justification for banderolling are not correct and it did not result in avoidance of establishment charges.

As already explained in Para 3 above, there were several representations after the major policy decision had been implemented in the matter of collection of excise duty under the new Self Removal Procedure Scheme. All the representations were investigated. Last year, the Finance Minister announced the appointment of the Central Excise (S. R. P.) Review Committee to go into the entire question of possible evasion of excise duty after the introduction of S. R. P. with a view to suggesting improvements. The point whether abolition of banderolling in the case of matches and introduction of Self Removal Procedure have also affected the collection of revenue of matches, will be looked into by this Committee. The Committee have recently commenced special study of the problem of matches excise and is expected to submit their interim recommendations.

The S. R. P. Review Committee will be taking evidence of individuals and Trade Associations and Chambers of Commerce. The petitioners will have the opportunity to present their views and suggestions before this Committee.

APPENDIX IX

(See paraté 2 of the Report)

Representations inadmissible as Petitions—Representations on which the Committee's interventions has procured satisfactory replies from the Ministries Deptts, concerned meeting adequately the petitioners' points

Sl. No		Points raised by the petitioner	Facts perused by the Committee
I	2	3	4
			Depit. of Rehabilitation
I	Shri Tolaram Har- chandrai, Block No. B-46/273, Ul- hasnagar-5 (Thana.)	Adjustment of Rs. 1722/46 from CAF No. B/Thana/22221 A/721	The Regional Settlement Commissioner (C), has reported that the casehas been finalised and bill sent to Pay & Accounts Office after carrying out adjustment of Rs. 1722/46 in respect of GBP No. B-46/273, Kalyan Camp No. 5. The recovery schedule will be sent to the authorities concerned after admittance of the bill by the Pay & Accounts Office. In view of the above, the case may please be treated as finalised.
2	Shri Chandanlal Kalumal, H. No. 135, Jaripatka Colony, Nagpur.	Adjustment of claim compensation and issue of conveyance deed.	CAF No. M/N/N/304-IVNT: The claimant is agitating for issue of conveyance deed in respect of GBP No. 135, Jaripatka Colony, Nagpur and finalisation of his CAF. The perusal of the CAF indicates that no adjustment can be carried out as the entire compensation has

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already been paid to the party, partly by adjustment towards loan and partly by cash.

3 Shri Kotumal Pritamdas, 303-A, compensation. Sardarnagar, Ahmedabad. CAF No.B/A/S/ 1088/IVNT of Sh. Kotumal Pritamdas has since been pocessed and the Bill is being sent to the Pay & Accounts Officers after completing the necessary formalities.

4 Shri Naraindas Adjustment of asso-Bhambhomal, 32- ciate claim. A, Udhavaagar bhomal has represented Wadei, Ahmedabad. (M):Sh. Naraindas Bhambhomal has represented for adjustment of Rs.

(M):Sh. Naraindas Bhambhomal has represented adjustment of Rs. 719.34 towards the cost of GBP No. 32-A, Wadej Colony, Ahmedabad. Necessary reference had been made to the Officer I/C the 'No Koliwada, for Refund Certificate, for an amount of Rs. 719.34p. adjusted wrongly. Now the Officer I/C Koliwada, has informed that he is not in a position to furnish the requisite certificate as the party concerned failed to clear the public dues outstanding against him.

5 Sh. Tarachand Sajumal, Plot No. 110, Quetta Colony, Lakadganj, Nagpur.

Appointment of legal heir and payment of compensation.

CAF No. M/N/G/32/XXI (L). On secrutiny of the case file, it has been found that the claimant had already been paid compensation in full and final settlement of this claim verified for Rs. 49,920/-. He has also been provided with the details of payment made to him on 16-3-72. No further action is required to be taken in this case.

Sh. Kewalram Gu- Payment of comlabrai, 132, Panch- pensation in reskuva Sindhi Cloth Market, Ahmedabad-2.

pect of Agricultural land claim in CAF No. B/A/ 11887/887.

The Compensation file bea-No. B/ ring registration A/11887/887/ filed by Shri Kewalram Gulabrai has been examined and it reveals that he has been paid a sum of Rs. 247/16 in detail of The excess. the payments made to the claimant are as under :

Rs. Total assessed value of the claim 135144.00 Compensation due 26047.00 Compensation due on Agr. land claim 1160.00

Recoveries (paid 17624.00 to the claimant 6296.00 by way of ad-714.00 justment) 1012.00 400.00 Total 26046 · co Proportionate mortgage charges on Rs. 14614/recoverable from the claimant 1408.32 Total recoveries 27454.32

Excess paid to the claimant

Total

247 · 16

27307 16

The claimant was requested to deposit Rs. 247/16 exreceived by him vide this office letter dated 17-11-71 but received no reply.

He may please be directed make good the dues his earliest and if he

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is aggrieved he may contact the Asstt. Settlement Officer(P) Jamnagar House, New Delhi. [The petitioner was informed accordingly].

7 Sh. Deoomal Hotumal, C/o Sh. Bakshomal Wadhumal, Hotelwala, Main Bazar, Jaripatka Colony, Nagpur. Finalisation of association amount and payment of balance amount.

Perusal of the file of Shri Decomal Hotumal reveals that it was processed and passed for issue of Statement of Account for Rs. 9089/- in the month of March, 1970. for Rs. The claimant was called two times first on 2-3-71 and secondly on 8-6-71 by the erstwhile office of RSC Bombay for disbursement of Statement of Accounts but he did not turn up. On perusal of the representation of the claimant it appears that he has requested for grant of permission/sanction/approval for ciation of the amount of Statement Account. The requisite adjustment towards cost of properties can not be carried out association after 31-1-70 are not allowed. case of the petitioner may, however, be reprocessed for issue of Bonds, if he so desires. The petitioner was informed accordingly.

Post & Telegraphs Board

8 Sh. K.R. Ganguli, 4/452, Baluganj, Agra-1.

Conversion of Postal Life Insurance Policy No. 31269-C/68682 The request of the petitioner, Shri K.R. Ganguli has since been complied with and a converted policy issued to him. I 2 3 4

The issue of the converted policy was held up due to the existence of certain missing credits in the premium accounts which could be located only after protracted correspondence with the A.G. U.P., Allahabad by the Postmaster General, U.P. circle Lucknow.

In their subsequent communication, dated the 11th September, 1972, the Posts and Telegraphs Board have informed that policy No. 31269-C/68682 duly converted into paid up one has since been received by Sh. K.R. Ganguli on 5-8-1972.

9 Sh. J.P. Saxena C/o Excessive telephone His Tobacoo Co. Ltd., bills. bill 124, Janpath, 11-New Delhi-1. tig:

complaints regarding bills dated 11-2-72 and 11-5-72 have been investigated by the General Manager, Delhi Tele-phones. His phone No. 262258 was placed under observation from 18-7-72 to 29-7-72. During the period in question it was observed that the subscriber had made considerable number of S.T.D. calls, which are metered calls in accoras local dance with the prescribed rates. In view of the frequent use of S.T.D. facility noticed during the period of observation, no abnormality in the rate and pattern of his calling is discernible. There is no justification for revising the bills.

As regards his apprehension that the excess metering could have taken place as a result of some fault or malpractices. The investigation did not reveal any fault or malpractice that could cause excess metering.

Ministry of Education

10 Sh. K. Tahilram, Asstt. Teacher, G-259, Srinivaspuri, New Delhi-24.

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Revision of pay scale of J.V. category teachers in the Directorate of Education, Delhi Administration.

scale of The pay Primary School Teachers with J.V. Training and middle as basic qualifications has been revised along with other left out categories of teachers vide this Ministry's letter No. A.11014/14/72-UT.1 dated the 29th June, 1972 as under :--

Scale of pay prior to 21-12-67

Scale of pay w.e.f. 21-12-67 Scale of pay applicable from 27-5-1970.

Rs. 110-3-121-4-155-EB-4-175-5-180. Rs. 118-4-150-5-160-8-200-EB-8-240-10-270-on completion of 15 years service on 21-12-67 or thereafter. Rs. 165-10-215-15-275-EB-15-350. on completion of 15 years service thereafter.

Ministry of Agriculture

II. Sh. Jagjit Singh
Duggal, 7, Jantar
Mantar Road,
New Delhi-1.

Contract for running of D.Z.P. Canteen The full facts regarding leasing out of the Delhi Zoological Park canteen are as given below:—

On the eve of the expiry on 29-5-71 of the contract with M/s Four Seasons Caterers, the Director, D.Z.P. invited tenders on the 3rd May, 1971 for leasing out of D.Z.P.

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Canteen for the period from 1-6-71 to 31-5-72. Six tenders were received as follows:—

- 1. Sh. Jagjit Singh Duggal Rs. 1,040.00 p.m.
- 2. Sh. Raghu Nath Narula Rs. 771 · 50 p.m.
- 3. M/s. Four Seasons Caterers Rs. 751 o p.m.
- 4. Sh. Kashmir Chand Rs. 750 to p.m.
- 5 Sh. Inderpal Singh Rs. 701 00 p.m.
- 6. Rasika Cafeteria Workers Co-operative Society Ltd. Rs. 701.00 p.m.

Although the highest bid from Shri Duggal was the Director, D.Z.P. did not recommend award of the contract to him as his past record was not good. He had run the canteen during the years 1959-60 and 1960-61 in the name of Shri G.S. Guggal. During the period of his contract there were numerous complaints of serious nature against the Contractor e.g. excessive charges than those fixed, supply of rotten stuff, delayed payments of monthly lease money. dealings with the bad public and the staff etc. there had been a case of litigation and subsequent arbitration also. He had given the highest bid for running the canteen during 1961-62 but

this was not accepted by the Government of India

While the process of examining the tenders was going on, the Tea Board expressed, a desire to run the canteen in the D.Z.P. on 'No-Profit No-Loss' basis.

Since the Board is already running canteens in the House, Yo-Parliament iana Bhavan etc. quite efficiently, the Director, D.Z.P. recommended that the DZP canteen may as well be handed over to the Tea Board and initially the contract be given for a period of one year. From the past experience and the fact that Tea Board Coffee Board and the Annapoorna were running the various canteens in Gosatisvernment offices factorily and at reasonable rates pared to other private caterers, the recommendations of the Directo DZP were accepted and the sanction of the Government of India to the award of contract of the DZP canteen to the Tea Board on 'No-Profit No-Loss' basis and at a nominal rent of Re. 1/- p.m. fer a period of one year was accorded on 24-7-71, with the approval of Ministry of Finance and Ministry of Works, Housing and Urban Development. This course had been adopted

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for the convenience of the public who visit the zoo for recreation purposes.

Shri Amrit-Guglani proprietor M/s Four Seasons caterers, was the third highest and he could not expect renewal of lease beyond 29-5-71 as a matter of right. As a matter of fact, he should have handed over the possession of the canteen immediately after the expiry of the contract period viz., 29-5-71. It is for the Government of India to decide as to how the canteen should be run. Since the occupation of the canteen after 29-5-71 is unauthorised, the present contractor is liable to pay penal rent as laid down in clause 3 of the agreement.

Shri Amrit-Guglani, pro-prietor M/s Four Seasons caterers has refused to vacate the premises, even though he has been asked several times by Director, DZP to the hand over the vacant possession of the canteen premises M/s Four Season Caterers were accordingly declared to be unauthorised occupants of the canteen premises by the Estate Officer of the zoo and a consolidated order passed for eviction and payment of damages Rs. 2,002/per month from 30-5-71

to 29-2-72 under the provisions of the Public Premises (Eviction of Unauthorised Occupants)

Act, 1971.

M/s. Four Seasons Caterrers have since filed two appeals in the Court of the Add/. District Judge, Delhi against the two orders passed by the Estate Officer and obtained 'stay' in both the cases. The appeals are being contested by the Government.

From the position explained above it will be seen that the occupation of the canteen after 29-5-71 by the present contractor is unauthorised and the Government of India is trying to evict him from the premises.

No undue favour has been shown to him and no injus ice has been done to Shri Jagiit Singh Duggal whose tender was The canteen is highest. intended primarily convenience of the public who visit zoo for recreation purposes so that they are provided refreshments at cheap rates. Taking all these factors into consideration, it has already been decided to lease out the canteen to the Tea Board to be run on a 'No-Profit No Loss'

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basis. There is therefore, no question of victimisation and harassment to any party.

In their subsequent communication, dated the 25th October, 1972, the Ministry of Agriculture (Deptt. of Agriculture) have stated as follows:—

"Shri Jagjit Singh Duggel had submitted the tender for running the Delhi Zoological Park Canteen along with the call deposit of Rs. 250/as earnest money as per terms and condi-tions of the tender. After the decision was taken in the matter, the earnest money was released to him and sent to him by the Director, Delhi Zoological: Park, New Delhi vide his letter No. 3-6/71-A/ CS, dated the 4-9-71 through peon along with the earnest money of his His son accepted the call deposit receipt but Shri Duggal rerefused to accept the same. The same call receipt was again sent to him by registered post on 6-10-71. This was also received back as undelivered. Shri. Duggal visited the Office of the Director, Delhi, Zoological Park a number of times thereafter but never asked for refund of the earnest money.

I I 3 4 From the position explained above it will be observed that Shri Duggal has been delibrately refusing the refund. to accept The Director, Delhi. Zoological Park is Zoological however again being asked to make another effort to refund the earinest money to Shri Duggal.

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