

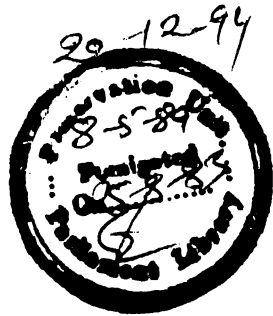


# PARLIAMENTARY DEBATES

(PART I—QUESTIONS AND ANSWERS)

OFFICIAL REPORT

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VOLUME II, 1950

*(14th March to 17th April, 1950)*

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FIRST SESSION  
OF  
PARLIAMENT OF INDIA

1950

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PARLIAMENTARY DEBATES  
(PART I—QUESTIONS AND ANSWERS)  
Friday, 31st March, 1950

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

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

MANUFACTURE OF COACHES IN HINDUSTAN AIRCRAFT FACTORY

\*1260. **Shri Sidhva:** (a) Will the Minister of Railways be pleased to state the total number of railway coaches manufactured in the Hindustan Aircraft Factory, Bangalore, during the year 1949?

(b) How many of these have been delivered to the Railways and are in operation?

(c) When is the order placed with them likely to be completed?

(d) Has any delivery period been guaranteed by the Factory?

(e) What is the cause for the delay in the supply of these coaches?

**The Minister of Transport and Railways (Shri Gopalaswami):** (a) 50 during the year 1949.

(b) 60 upto 15th March, 1950.

(c) and (d). Hindustan Aircraft Limited have promised to complete the present order which is for 100 coaches by July 1950.

(e) The cause of delay in the delivery of coaches by Hindustan Aircraft Limited against this order is partly due to the late receipt of certain material by them and also delay in the delivery of underframes to Hindustan Aircraft Limited by the manufacturers.

**Shri Sidhva:** May I know, Sir, whether the fifty coaches which the hon. Minister stated have been manufactured in 1949, are actually running on any lines and if so on what particular railways they are running?

**Shri Gopalaswami:** They are running on the lines.

**Shri Sidhva:** May I know whether these coaches are distributed over various lines or whether a particular train is composed of these new coaches, running on a particular line?

**Shri Gopalaswami:** There is no single train the whole of which is composed of these coaches. They are distributed amongst a number of trains.

**Shri Kesava Rao:** How many of these fifty coaches are for meter gauge and how many for broad gauge?

**Shri Gopalaswami:** All of them are for broad gauge.

**Shri Rudrappa:** Is there any scope for the increased production of these coaches?

**Shri Gopalaswami:** Yes, there is scope for increasing the production. As a matter of fact, after this order is completed, we have placed another order with the Hindustan Aircraft Factory Ltd. for 150 coaches.

**Dr. V. Subramaniam:** Do they manufacture dining cars?

**Shri Gopalaswami:** They have not yet begun to do it.

#### LOSS OF PETROL BY FIRE

\*1261. **Shri Sidhva:** (a) Will the Minister of **Railways** be pleased to state whether it is a fact that on or about the 30th December, 1949 a whole Goods train carrying a consignment of petrol cans caught fire on the Tapti Valley Railway at Nawabpur?

(b) If so, what is the total loss involved and what was the cause of the fire?

(c) Has any investigation been made and if so, with what result?

**The Minister of State for Transport and Railways (Shri Santhanam):** (a) Not a whole goods train but only one wagon on a goods train caught fire at Navapur station on the Tapti Valley Section.

(b) and (c). The total approximate cost of damage to the wagon and its contents was Rs. 3,625.

An enquiry by a Committee of Officers was held. The finding of the Committee was that the fire was caused by the petrol vapour coming into contact with the flame of a hand signal lamp. The travelling Assistant Goods Clerk who, in contravention of regulations, took the lamp into the wagon, and the Guard of the train who did not object to it were held responsible for the accident and suitably dealt with.

**Shri Sidhva:** Sir, may I know whether this train consisted of coaches containing various other consignments or whether all the wagons contained petrol and only one of them was damaged?

**Shri Santhanam:** It is a goods train. I do not know whether there were also wagons containing other goods. There must have been other goods also.

**Shri Hanumanthaiya:** The hon. Minister said that the persons responsible for the accident were "suitably dealt with." May I know what punishments were awarded to them?

**Shri Santhanam:** The assistant goods clerk is being removed from service. The guard of the train has been permanently debarred from working as a guard.

**Shri Sidhva:** Was there any casualty in this accident?

**Shri Santhanam:** Only some damage.

**Shri Tyagi:** How was the loss so small, Sir? It is petrol . . . .

**Mr. Speaker:** The hon. Minister has given the facts.

**Shri Sidhva:** May I know, Sir, whether it is a fact that one person died from burns and four were injured? Is the hon. Minister quite sure that there was no casualty?

**Shri Santhanam:** I have no information here to that purpose. If the hon. Member wants I can make specific enquiry.

**Shri Sidhva:** Yes, I want that, Sir.

### PORT TRUSTS ACTS

\*1262. **Shri Sidhva:** (a) Will the Minister of **Transport** be pleased to state whether Government have considered the question of further amendment of the Port Trusts Acts as promised at the time of the consideration of my Bills amending the various Port Trusts Acts?

(b) If not, what are the reasons for the delay?

(c) When was this promise made to bring a comprehensive amending of the Bill for this purpose?

(d) What is proposal of the Government regarding taking over minor ports?

**The Minister of Transport and Railways (Shri Gopalaswami):** (a) Yes.—Government propose to introduce comprehensive legislation for the amendment of the existing Port and Port Trust Acts as soon as possible. In fact, the Law Ministry is actually working on the Draft Bill and if time permits it will be introduced in the current session of Parliament.

(b) Does not arise.

(c) It was, I think, in February last year that I spoke to Shri Sidhva about Government's intention to bring forward a comprehensive Amending Bill. The work has been of considerable magnitude and complexity and involved detailed consultation with a large number of authorities.

(d) The Government of India have no proposal under examination regarding taking over any minor ports from the State Governments.

**Shri T. T. Krishnamachari:** Sir, may I ask the hon. Minister if the legislation contemplated would cover the constitution of a National Harbour Board or will there be a separate legislation for that purpose?

**Shri Gopalaswami:** This Bill which is under contemplation now will not contain any provision as regards a National Harbour Board. The present idea is to constitute a National Harbour Board in the first instance without any legislative enactment. After some experience is gained, we shall probably place it on a statutory basis.

**Shri T. T. Krishnamachari:** May I ask, Sir, if the hon. Minister is aware that for the purpose of vesting this National Harbour Board with any authority under the Constitution, some kind of legislative enactment is necessary?

**Shri Gopalaswami:** I am of course, aware of that. But at present we contemplate this National Harbour Board only as an advisory body.

**Shri Joachim Alva:** Sir, was opinion invited from the Bombay, Calcutta and Madras Port Trusts before this legislation was contemplated?

**Shri Gopalaswami:** On the matters which are to be put into this amending Bill we did bring the representatives of all these Port Trusts into consultation. We took their opinion about them.

**Shri Damodra Menon:** May I know, Sir, when Government propose to constitute a Port Trust for Cochin?

**Shri Gopalaswami:** It is separately under examination.

#### IMPORT OF ENGINES, LOCOMOTIVES AND OTHER MACHINERIES FOR RAILWAYS

\*1263. **Seth Govind Das:** Will the Minister of Railways be pleased to state the amount of money spent on imports of engines, locomotives and other machineries for railways during the year 1949-50, and what is the programme for making India self-sufficient in respect of railway requirements?

**The Minister of Transport and Railways (Shri Gopalaswami):** The information required by the hon. Member is contained in Volume I of the Annual Reports by the Railway Board on Indian Railways, copies of which are available in the Library of the House. For the year 1949-50, however, the information is not available yet as the report for this year is expected to be published by about December 1950.

As regards a programme for making India self-sufficient in respect of Railway requirements, arrangements for the establishment of an indigenous locomotive industry are already well advanced and plans for the erection of the new factory for producing all-steel coaches are also nearing finalisation. Many other items of railway equipment are already manufactured in the country and those responsible for the procurement of such equipment are taking steps to extend the range of railway components to be manufactured in India.

**Shri Frank Anthony:** May I know, Sir, if any complaint has been made to the Railway Administration that the new engines are of an inferior type, as regards their castings and because of that, their average life is likely to be much less than that of engines imported before the war?

**Shri Gopalaswami:** We have had no such complaint that they are of an inferior type or that their life is going to be smaller than the engines that they have replaced. Some defects have, of course, been noticed and they are being put right as they appear.

**Seth Govind Das:** Sir, are the engines which are now to be imported going to be of the same kind or of a different kind which may not have those defects which the hon. Minister just referred to?

**Shri Gopalaswami:** I was referring to minor defects. Orders were placed, as the House knows, in a lump. Hundreds of engines were ordered and they are all being manufactured to a particular specification. So the locomotives that are yet to be imported will be of the same type as those imported as a result of the orders which were placed two years ago.

**Dr. V. Subramaniam:** Are we manufacturing spare parts of engines in the existing workshops of the Railways?

**Shri Gopalaswami:** Spare parts are being manufactured in our workshops.

**Syed Nausherahali:** Can we not ask for the rectification of the defects before the new engines are sent to this country?

**Shri Gopaldaswami:** Almost all have been manufactured and they are only awaiting shipment.

**Shri Jhunjunwala:** Are there still orders pending execution?

**Shri Gopaldaswami:** Orders were placed for a number of locomotives and practically the whole of that number has been manufactured. We have received a good many of them and the balance will be received in the course of the next few months.

### PLANT MORE TREES CAMPAIGN

\*1264. **Seth Govind Das:** Will the Minister of Agriculture be pleased to state the number of trees planted as a result of 'plant-more-trees' campaign, and whether adequate arrangements are provided for their after-care, viz., water and fencing?

**The Minister of Food and Agriculture (Shri Jairamdas Doulatram):** Approximately 91.5 lakhs according to reports received from the States. After-care of the trees is ordinarily taken by the State Governments.

**सेठ गोविन्द दास :** जा दरख्त भिन्न प्रान्तों में लगाये जा रहे हैं और जो रिपोर्टें गवर्नमेन्ट के पास आती हैं, क्या वह सब एकसी हैं या अलग अलग तरह की हैं, और यह जो योजना है वह सब जगह एक सी मंजी गई है या स्टेटों को इस बात का अधिकार दे दिया गया है कि वह जो योजना चाहें बना सकें ?

**Seth Govind Das:** Are similar reports being received by the Government with regard to the trees that are being planted in the various Provinces or are they different from one another? Has a uniform plan been supplied to all the States or have they been given the option to evolve whatever plan they like?

**Shri Jairamdas Doulatram:** We have recommended a number of trees but we leave the final decision to the State Governments. Those trees do not belong to one variety but there are different varieties of trees.

**Dr. Deshmukh:** May I know what percentage of the trees planted have died so far?

**Shri Jairamdas Doulatram:** I think it must be a very small percentage. As in the case of human beings, some of those born die soon.

**Dr. V. Subramaniam:** What attempts are being made to plant trees along the roads of National and Provincial Highways?

**Shri Jairamdas Doulatram:** The State Governments have been requested to secure whatever available space is open to them and I think some correspondence was carried on also with regard to the Railway lands but it was found not to be advantageous to have trees by the side of the Railway lines.

**Shri Barmān:** Is it included in the plan to plant fuel trees?

**Shri Jairamdas Doulatram:** We lay special emphasis on these to save cowdung because at present we do not have sufficient organic manure.

**Shri Frank Anthony:** Is there any danger of Delhi reverting to the condition of desert because of the number of trees being cut down?

**Shri Jairamdas Doulatram:** That is a large problem. The scientists say that the desert is encroaching from Cutch to Delhi.

## DISTRIBUTION OF LANDS AMONG LANDLESS PEASANTS

**\*1265. Dr. M. M. Das:** Will the Minister of Agriculture be pleased to state whether it is a fact, that the Government of India are soon going to issue directives to different States to enact laws to enable the respective Governments to distribute cultivable waste lands among landless peasants as a measure for increasing the food production of the country?

**The Minister of Food and Agriculture (Shri Jairamdas Doulatram):** No. But it has been suggested to the State Governments that they should take steps to bring waste land under cultivation by leasing them to those who are able and willing to cultivate it, if their owners are not able to do so.

**Dr. M. M. Das:** May I know whether the Central Government have advised the Provincial Governments to enact any legislation by which this measure can be implemented?

**Shri Jairamdas Doulatram:** We have requested the State Governments to legislate in regard to this matter. As a matter of fact, a number of Governments have such legislation. U.P., Madhya Pradesh, Punjab, Bombay, Madras, West Bengal, Bihar, Mysore and Vindhya Pradesh have passed laws with regard to this matter. Orissa and Hyderabad are contemplating legislation on the same lines.

**Dr. M. M. Das:** May I know whether any State Government has informed the Centre about the difficulty of having such a legislation?

**Shri Jairamdas Doulatram:** I am not aware but if any difficulties are there, they would have to be overcome.

**Dr. M. M. Das:** What is the area of land that the Central Government hope to bring under the plough by this method?

**Shri Jairamdas Doulatram:** No particular estimate has been prepared but we are asking the State Governments to maximise the diversion of waste land to cultivation.

**Shri Rathnaswamy:** Is it the intention of Government to have individual farming or collective farming when this becomes a fact?

**Shri Jairamdas Doulatram:** We do encourage the formation of Co-operative or collective farms but we do not want to postpone the conversion of fallow land into cultivated land simply because of that. Wherever it is possible, the State Governments are considering the matter.

**Shri Tirumala Rao:** May I know whether the Government have information that the State Governments are providing the necessary finances for these landless people to bring lands under cultivation?

**Shri Jairamdas Doulatram:** I do not think the State Governments are able to finance all the agriculturists who want to cultivate these lands because as is known, agricultural finance is one of our difficulties.

**लाला अचिन्त राम :** क्या स्टेट्स को यह हिदायत जारी करते वक्त लिखा गया है कि लैंडलेस लेबरर्स (Landless Labourers) को ज़मीन तकसीम करते वक्त रिफ्यूजीज (Refugees) का खास तौर पर ख्याल रक्खा जाय ?

**Lala Achint Ram:** In issuing instructions to the States has it been put down that special consideration should be shown to refugees in the allotment of land to landless labourers?



**Shri Jairamdas Doulatram:** No special recommendation is made but if landless labourers have bullocks and money, they are also included in the scheme and not excluded.

**Shri Poonacha:** What progress has been made in respect of legislation that has been passed with regard to land reclamation and development in the provinces of Ajmer-Merwara and Delhi?

**Shri Jairamdas Doulatram:** We have asked these Governments to bring uncultivated lands into cultivation.

**Shri Ethirajulu Naidu:** Is it a fact, Sir, that the lands are allotted to peasants for periods of three to five years only and not given away to them permanently?

**Shri Jairamdas Doulatram:** The State Governments have different rules but ordinarily they are leased out for limited periods.

**Pandit M. B. Bhargava:** What progress has been made in the Ajmer-Merwara and Delhi provinces to implement the legislation passed by the Central Legislature on the subject?

**Shri Jairamdas Doulatram:** To be able to give any details, I would require notice.

#### RAILWAY INCOME FROM TOURISTS TRAFFIC

\*1266. **Dr. M. M. Das:** Will the Minister of Railways be pleased to state the average annual income of our Railways from foreign tourists?

**The Minister of State for Transport and Railways (Shri Santhanam):** It is not possible to ascertain the entire earnings of railways from foreign tourists as such figures are not maintained. Figures, however, are available of revenues received from the sale of coupon tickets by recognised tourist agencies to genuine overseas tourists.

On Indian Government Railways, the gross amount received, commission paid and the net amount received during 1948 and 1949 from the sale of the coupon tickets referred to above were as under:

	Indian Government Railways.	
	1948	1949
	Rs.	Rs.
Gross amount received	1,76,053	1,97,301
Commission paid	16,115	19,744
Net amount received	1,59,938	1,77,557

**Dr. M. M. Das:** May I know the measures contemplated by the Railway Ministry for the next Budget year for increasing this income?

**Shri Santhanam:** Development of tourist traffic is not in the Railway Ministry but in the Transport Ministry. They have adopted various measures which are mentioned in the report submitted to this House during the Budget debates.

**Dr. M. M. Das:** Is it a fact that the abolition of bars in big Railway stations has been a cause of persistent annoyance to foreign tourists?

**Shri Santhanam:** It is a matter of national policy and so long as prohibition is the national policy, the Railways have to adopt it irrespective of the consequences.

**Shri Tirumala Rao:** Is there any organization in the Railway Ministry to have a census of foreign tourists who travel in this country from year to year?

**Shri Santhanam:** It is altogether impossible but under the new scheme of the Transport Ministry we propose to issue letters of introduction to all foreign tourists who wish to avail themselves of special facilities to be afforded by us. The number of letters of introduction each year will give a fair idea of the tourists who come to India.

**Shri Kamath:** What specific amenities or attractions have the Ministry provided or has promised to provide for foreign tourists so as to tempt them to travel more in our country?

**Shri Santhanam:** Provision of air-conditioned coaches in the main traffic routes, improvement of retiring rooms and waiting rooms, letters of introduction, special permits for liquor, the right to stay in Government Rest Houses both of the Centre and of the States, helping them to get through the Customs formalities, and such like measures are being taken.

**Shri Sidhva:** May I know how many tourist cars were hired by these tourists in this period?

**Shri Santhanam:** I would like notice of that.

#### RAILWAY LINK OF SINDRI FERTILISER FACTORY

\*1267. **Dr. M. M. Das:** Will the Minister of Railways be pleased to state:

- (a) the length of new Railway line that was constructed between the Sindri Fertilizer Factory and the station on the main line;
- (b) the total cost of this newly constructed line; and
- (c) whether the cost was borne fully by the Railways or it was shared?

**The Minister of Transport and Railways (Shri Gopaldaswami):** (a) The length of the siding connecting the Fertilizer Factory with the Patardih-Pradhankanta branch of the E.I. Railway is 3.88 miles.

(b) Rs. 20.46 lakhs.

(c) Only Rs. 3.34 lakhs have to be borne by the E.I. Railway as their share and the balance of Rs. 17.12 lakhs is debitabale to the Ministry of Industry and Supply.

**Dr. M. M. Das:** May I know who bears the cost of construction of new lines and railway sidings for the benefit of factories, is it the factory owner or the Railways?

**Shri Gopaldaswami:** There are two ways of doing it. One way of doing it is by what are called the 'assisted siding terms'. In the case of assisted sidings, the cost is shared between the factory and the Railway Ministry.

**Dr. M. M. Das:** May I know whether the hon. Minister of Railways is in a position to give this House an idea about the income that will accrue from the Sindri Fertilizer Factory to the Railways?

**Shri Gopaldaswami:** I am afraid I am not in a position to give that information.

**HONORARY OFFICERS UNDER FOOD COMMISSIONER**

\*1268. **Shri Kesava Rao:** (a) Will the Minister of **Agriculture** be pleased to state whether it is a fact that many honorary officers were appointed under the Food Commissioner?

(b) If so, what are conditions of appointment?

(c) How many of them were asked to accept salaries?

(d) What are the educational qualifications and experience of those who were appointed as honorary officers?

**The Minister of Food and Agriculture (Shri Jairamdas Doulatram):** (a) Four honorary officers have been appointed under the Food Commissioner.

(b) The officers are each receiving a token salary of Re. 1 p.m.

(c) No one.

(d) Each one of them has been selected for the knowledge and experience possessed by him in his respective sphere.

**Shri Kesava Rao:** May I know what is the previous experience of these four officers?

**Shri Jairamdas Doulatram:** One Officer has been appointed to advise Provincial Governments to put up schemes for prize competitions. This particular gentleman himself has been a winner for two successive years in prize competitions in the U.P., and was the Adviser to the U.P. Government in regard to prize competitions. He has grown 5,600 lbs. of potatoes per acre. The other three Officers have special experience with regard to publicity.

**Shri Kesava Rao:** May I know whether these people are over-aged for Government service?

**Shri Jairamdas Doulatram:** Some of them may be, but they are useful people and are doing good work.

**Shri Kesava Rao:** May I know whether it is the policy to appoint officers first on an honorary basis and then give them a salary?

**Shri Jairamdas Doulatram:** They have not been offered any salary.

**Shri Kesava Rao:** May I know whether some of these officers were recommended for high jobs in the newly created Planning Commission?

**Shri Jairamdas Doulatram:** I am afraid I have no such information.

**Shri Kamath:** Has any decision been taken by Government about the continuance or abolition of the Food Commissioner's post in view of the present incumbent of that post having been appointed a Member of the Planning Commission?

**Mr. Speaker:** That does not arise out of this question.

**Shri Kamath:** Is it a fact that the Food Commissioner, after his appointment on the Planning Commission, still continues to hold the post of Food Commissioner?

**Mr. Speaker:** This question only refers to honorary appointments. The hon. Member's question does not arise out of this.

**Shri Tyagi:** May I know from which State the other honorary officers have been taken, and whether they are paid any honorarium or not?

**Mr. Speaker:** He has already stated that they get a salary of one rupee per month.

**Shri Tyagi:** Over and above the one rupee, are they given any honourarium?

**Shri Jairamdas Doulatram:** They are not given any honorarium besides that one rupee.

**Shri Tyagi:** Are they given any kind of allowance?

**Shri Jairamdas Doulatram:** They get the usual travelling allowance if they move out.

**Shri Poonacha:** May I know whether any officer who had been appointed to an honorary post was subsequently posted as a full-fledged officer of the Government?

**Mr. Speaker:** This is a general question.

**Shri Poonacha:** I mean in his Ministry.

**Shri Jairamdas Doulatram:** None of these people are drawing more than a rupee per month.

**Shri Kamath:** Is there any proposal to allow the present Food Commissioner to continue in that post in an honorary capacity?

**Mr. Speaker:** Order, order. That question does not arise.

श्री भट्ट: क्या इन आनरेरी आफिसरों का स्टाफ भी रक्खा गया है ?

**Shri Bhatt:** Has any staff been also employed for these honorary officers?

श्री जयरामदास दौलतराम : कुछ स्टाफ भी उन के लिये है ।

**Shri Jairamdas Doulatram:** Yes, some staff is employed for them.

श्री भट्ट . उन की तनखाह कितनी है ?

**Shri Bhatt:** What are their salaries?

**Shri Jairamdas Doulatram:** They are ordinary Assistants. May be getting Rs. 160 or Rs. 180 or something like that.

**Shri Kesava Rao:** May I know whether these officers are given any free accommodation?

**Shri Jairamdas Doulatram:** I am afraid I have no information. I shall make enquiries and let the hon. Member know.

**Prof. Ranga:** May I know whether a list of these honorary officers could be placed on the Table of the House?

**Shri Jairamdas Doulatram:** Certainly. They are Shri Ganga Saran Kisan—Adviser for Competitions, Shri S. L. Mehta—Director of Publicity, Shri V. Pathak—Deputy Director of Publicity, Shri M. M. Lal—Assistant Director of Publicity.

**Prof. Ranga:** Are they given any daily allowance and, if so, is it more than the allowance given to the Members of this House?

**Shri Jairamdas Doulatram:** They are given T.A. and D.A. admissible to Grade I officers which, I believe, is very much less than the allowance given to Members of Parliament.

## POSTCARDS AND ENVELOPES

\*1289. **Sardar Hukam Singh:** Will the Minister of **Communications** be pleased to state:

(a) the number of post cards and envelopes sold during the period from 1st April 1949 to 1st March 1950 and the income derived from that sale separately;

(b) the number of post cards and envelopes sold and the income derived during the period from 1st April 1948 to 1st March 1949 separately; and

(c) the subsidy given to Air Companies during the period from 1st April 1949 to 1st March 1950 for carrying mails?

**The Deputy Minister of Communications (Shri Khurshed Lal):** (a) and (b). A statement is laid on the Table of the House. [See *Appendix VI, annexure No. 12.*]

(c) No subsidies as such are paid for the conveyance of mails but a statement showing the payments made to Air Companies for carriage of internal mails from 1st April, 1949 to February 1950 is laid on the Table of the House. [See *Appendix VI, annexure No. 13.*]

**Sardar Hukam Singh:** May I know what expenditure per month was incurred on carrying mails by surface routes before the all-up scheme was introduced?

**Shri Khurshed Lal:** I am not able to give that.

**Sardar Hukam Singh:** Has the Government been able to effect any economy in expenditure over the carriage of mails after the introduction of this all-up scheme, as compared with carriage of mails by surface routes?

**Shri Khurshed Lal:** I require notice of that.

**श्री भट्ट :** क्या माननीय मन्त्री जी बतायेंगे कि पोस्टकार्ड और एनवेलप की अलग अलग टोटल इन्कम क्या है ?

**Shri Bhatt:** Will the hon. Minister be pleased to state what is the total income, separately, from postcards and envelopes?

**श्री खुरशेद लाल :** इस सवाल में जो पूछा गया था वह तो यह था कि पोस्टकार्ड कितने बिके और लिफाफे कितने बिके। जाहिर है कि जितने लिफाफे और पोस्टकार्ड बिकते हैं उन से पोस्ट बहुत ज्यादा होते हैं, क्योंकि जो प्राइवेट मैन्युफैक्चर ( Private Manufacture ) के लिफाफे और पोस्टकार्ड होते हैं वह भी काफी इस्तेमाल किये जाते हैं। हमारा अन्दाजा है कि सन् १९४८ - ४९ में १०२ मिलियन ( Million ) पोस्टकार्ड और ८०६ मिलियन लैटर्स डाकखानों में डाले गये, और सन् १९४९ - ५० में ८८० मिलियन पोस्टकार्ड और ७९७ मिलियन लैटर्स डाले गये।

**Shri Khurshed Lal:** The information meant to be elicited by this question was with regard to the number of postcards and envelopes sold. It is evident that the number of envelopes and postcards actually posted greatly exceeds the number sold, because envelopes and postcards of private manufacture are

also very largely used. According to our estimate 902 million postcards and 806 million letters were posted in 1948-49 and 880 million postcards and 797 million letters in 1949-50.

**Sardar Hukam Singh:** Is it a fact that we have had to incur extra loss on account of the increase in postcards?

**Shri Khurshed Lal:** Every postcard which is posted costs the Department a little more than it fetches, and therefore if the number of postcards increases, the loss also increases.

**श्री त्यागी :** जो पिछले साल पोस्टकार्डों की तादाद बहुत ज्यादा बढ़ गई है, इस लिये क्या इन के हैंडलिंग चार्ज के औसत में कमी हुई है या नहीं, और अगर नहीं हुई तो क्यों ?

**Shri Tyagi:** In view of the very large increase in the number of postcards last year has there been any corresponding decrease in their average handling charges or not? If not, why not?

**श्री खुरशेद लाल :** जो फिगर्स में ने दिये हैं उन के मुताबिक तो तादाद बढ़ी नहीं है, कम हुई है।

**Shri Khurshed Lal:** According to the figures given by me the number has not increased but decreased.

**श्री त्यागी :** पोस्टकार्ड और लिफाफे दोनों की ?

**Shri Tyagi:** Both in the case of the postcards as well as the envelopes?

**श्री खुरशेद लाल :** दोनों की तादाद कम है।

**Shri Khurshed Lal:** The number in both the cases has decreased.

**Shrimati Durgabai:** May I know what is the estimated loss on account of the concession given recently regarding local delivery?

**Shri Khurshed Lal:** The estimated loss is Rs. 27 lakhs.

**Shri Sidhva:** May I know whether, under the new scheme, the 1½ annas envelopes and ½ anna post cards which are going to be introduced from the 1st of October, will be carried by surface mail or by air mail?

**Shri Khurshed Lal:** The new one and half anna letter will be carried in the same way as envelopes are being carried at present; wherever it is possible by air and where it is not possible by surface mail.

**The Minister of Communications (Shri Kidwai):** There is no scheme to reduce the price of the postcard from the 1st of October. I think the hon. Member is mistaken.

**Shrimati Durgabai:** May I know whether this loss of Rs. 27 lakhs will have an adverse effect on the proposal to open more post offices?

**Shri Kidwai:** The two schemes are quite independent.

LAND UNDER CULTIVATION IN BHARATPUR AND ALWAR

\*1270. **Shri Raj Bahadur:** Will the Minister of Agriculture be pleased to state:

(a) the total area of (i) arable and (ii) barren land in the territory formerly comprising the States of Bharatpur and Alwar;

(b) the area brought under cultivation during the last four years in the said territory; and

(c) the area of land left uncultivated during the course of the last three years out of the arable land in the said territory?

**The Minister of Food and Agriculture (Shri Jairamdas Doulatram):** (a) The total area of (i) arable land and (ii) barren land, excluding area under forests, in the territory formerly comprising the States of Bharatpur and Alwar was 21,80,124 and 5,88,088 acres respectively.

(b) The area brought under cultivation during the last two years was 1,82,692 acres; figures in respect of the two years before that have not been received from the Rajasthan Government and will be laid on the Table of the House when received.

(c) The information required has been called for from the Rajasthan Government and will be laid on the Table of the House when received.

**Shri Raj Bahadur:** May I know whether it will be possible for the hon. Minister to give me figures regarding land cultivated by the refugees during the course of the last two years?

**Shri Jairamdas Doulatram:** These details would be with the State Governments. We do not get all these details.

**Shri Raj Bahadur:** May I know whether the figure regarding arable land given by the hon. Minister includes grass preserves or not?

**Shri Jairamdas Doulatram:** This is land which has been given recently. I believe it includes them.

**Shri R. O. Upadhyaya:** Is it a fact that a portion of the land allotted to the refugees is lying uncultivated as they could not cultivate the lands?

**Shri Jairamdas Doulatram:** I do not know. All these matters are being handled by the State Government. The actual cultivation work in the country is being dealt with by the State Governments. The Central Government is not dealing with these details.

**Shri Raj Bahadur:** What instructions have Government given to see that uncultivated land is brought under cultivation?

**Mr. Speaker:** Order, order. I think the State Government should be credited with that much of sense. Next question.

TRACTORS FOR MATSYA UNION

\*1271. **Shri Raj Bahadur:** Will the Minister of Agriculture be pleased to state:

(a) whether any tractor unit was allotted by the Centre for the then State of Matsya Union;

(b) if so, what was the number of the tractors in that unit and how long it remained and how long it was put to use in that area;

(c) the extent of the area brought under cultivation through the said tractor unit;

(d) the cost of ploughing per acre of the land by means of this unit; and

(e) the maximum and minimum number of tractors used at any one time from this unit in that area together with the reasons why the remaining tractors in the unit remained out of use?

**The Minister of Food and Agriculture (Shri Jairamdas Doulatram):** (a) Yes.

(b) 125 Tractors were sent to Matsya Union on the following dates in instalments as they were received—

48 tractors on 10th July, 1948.

33 tractors on 27th July, 1948.

10 tractors on 17th October, 1948.

34 tractors on 30th November, 1948.

The tractors were used till the 3rd week of November, 1949.

(c) 77,427 acres.

(d) The cost has been calculated approximately at Rs. 25 per acre inclusive of transport and fuel charges.

(e) As explained in reply to part (b) the tractors were received on different dates. The minimum number operating at any one time was 33 and maximum 74. The reasons due to which the other tractors did not work were mechanical break-downs either of tractors or of equipment used with them, fuel supplies not being received in time, want of spare parts and the fact that operations in the immediate pre-monsoon months were not considered desirable on account of the soil being too hard in some parts of the Union.

**Shri Raj Bahadur:** May I know the maximum number of tractors lying unused at any one time?

**Shri Jairamdas Doulatram:** I am afraid I have not got that figure here. I will give that information to the hon. Member. As I explained, these tractors were received from time to time. It was not as if all the tractors were available at one time.

**Shri Raj Bahadur:** May I know how this figure of Rs. 25 per acre compares with the cost of cultivating the land with the ordinary plough?

**Shri Jairamdas Doulatram:** The estimated cost is probably Rs. 12. The Alwar and Bharatpur Governments pressed us to use the tractors because they had then no arrangements for bullocks.

**Shri Raj Bahadur:** What was the total expenditure from beginning to the end of these tractor operations?

**Shri Jairamdas Doulatram:** The operations cost a little over Rs. 16 lakhs.

**Shri R. C. Upadhyaya:** May I know how many of these tractors were sent to Bhopal?

**Shri Jairamdas Doulatram:** These tractors were not sent to Bhopal. The operations in Alwar and Bharatpur were not reclamation operations. We



were not reclaiming the land; we were cultivating. With regard to Bhopal, the tractors which were sent are of a different type; they are heavy reclamation tractors.

**Dr. Deshmukh:** May I know . . .

**Mr. Speaker:** I am proceeding to the next question.

**Shri Raj Bahadur:** I have got one supplementary question.

**Mr. Speaker:** After all, these are matters of detail within the special purview of the State Governments.

**Shri Raj Bahadur:** It refers to the Central Tractor Unit.

**Mr. Speaker:** What is the question?

**Shri Raj Bahadur:** Am I to take it that no tractor out of this unit was sent to Bhopal?

**Shri Jairamdas Doulatram:** So far as my information goes, these tractors are of 25 to 30 horse power, not fit for heavy reclamation. The tractors sent to Bhopal are of round about 100 horse power.

**Mr. Speaker:** Next question.

**Shri Tyagi:** How is it, Sir, that there is a mistake in calculation?

**Mr. Speaker:** There is no mistake.

#### COMMITTEE FOR FOOD GRAINS STORAGE

\*1272. **Shri Raj Bahadur:** (a) Will the Minister of Food be pleased to state whether a committee was appointed to examine the conditions of food grains storage in the various parts of the country?

(b) If so, how far has the work of this committee progressed?

(c) When is the committee likely to submit its report?

**The Minister of Food and Agriculture (Shri Jairamdas Doulatram):** (a) Yes.

(b) and (c). The Committee has so far visited the States of Madras, West Bengal, Assam, Bihar, Orissa, Madhya Pradesh, Uttar Pradesh, Bombay, Punjab, Patiala and East Punjab States Union, Travancore/Cochin, Madhya Bharat, and Vindhya Pradesh and is expected to submit its recommendations by the end of April, 1950.

**Shri Raj Bahadur:** Has any interim report or interim recommendation been received from the Committee and if so, have any steps been taken by Government to implement them?

**Shri Jairamdas Doulatram:** Yes. Some recommendations have been received and action has been taken on those recommendations, sometimes in consultation with the State Governments.

**Shri Raj Bahadur:** What was the nature of these recommendations?

**Shri Jairamdas Doulatram:** I am afraid I have not got all the recommendations here. They relate largely to the improvement of quality, sometimes to the improvement and reconstruction of godowns.

**Shri Raj Bahadur:** Have this Committee given any figures so far about loss incurred on account of defective storage?

**Shri Jairamdas Doulatram:** We have not received any detailed statistics from them.

**Shri Rudrappe:** Have the Committee taken any evidence from ryots with regard to the storage of food grains?

**Shri Jairamdas Doulatram:** I believe they have tried to contact all the parties concerned.

**श्री द्विवेदी :** इस कमेटी के लोगों के नाम क्या हैं ?

**Shri Dwivedi:** What are the names of this Committee's personnel?

**Shri Jairamdas Doulatram:** The Chairman is Pandit Lakshmi Kanta Maitra; the members are, Mr. Kesava Rao, Mr. Himatsingka, Mr. Satish Chandra, Members of this House, and Mr. A. L. Saksena, Member Secretary, an official from the Finance Ministry.

**Shri Sidhva:** May I know whether the attention of the Committee was drawn to the fact that the U.P. Government supplied very inferior grain to Bombay, and if so, whether the Committee made any preliminary report on this matter and what steps have been taken by Government on this?

**Shri Jairamdas Doulatram:** I do not know whether this specific thing has been mentioned by the Committee. We are awaiting the full report of the Committee. I do not think we will be able to supply the details as to what discussions took place between particular State Governments and members of the Committee.

**श्री भट्ट :** इस कमेटी में कोई इंजीनियर मॅम्बर भी है ?

**Shri Bhatt:** Does this Committee include any engineer members?

**श्री जयरामदास दौलतराम :** मैं ने तो मॅम्बरों के नाम आप को पढ़कर सुनाये ।

**Shri Jairamdas Doulatram:** I have already read out the names of the members to you.

**चौधरी रनवीर सिंह :** क्या इस कमेटी में नये वेयरहाउसेज बनाने की सिफारिश की गई है ?

**Ch. Ranbir Singh:** Was recommendation made by this Committee for the construction of new warehouses?

**Mr. Speaker:** That is what he said. In some cases improvements were suggested.

**Ch. Ranbir Singh:** Was any recommendation made for the construction of new ware-houses?

**Shri Jairamdas Doulatram:** Yes. In the case of Calcutta, they recommended that the Cossipore Godown should be improved and remodelled. Those improvements have been carried out. The Committee has not yet completed its work. It has made some interim recommendations, some of a major and some of a minor character. Government would have to await the full report.

**Shri Brajeshwar Prasad:** May I know how much money has been spent by the Committee in touring from one city to another?

**Shri Jairamdas Doulatram:** I require notice of this question.

## RESEARCH ON NUTRITIVE VALUE OF RICE STRAW

\*1273. **Shri Kishorimohan Tripathi:** (a) Will the Minister of Agriculture be pleased to state if any research for improving the nutritive value of rice straw as fodder for cattle has been carried on by Agricultural Research Institute and if so, what are the results?

(b) Have the results been passed on to different parts of the country for being put to practical use and if not, why not?

**The Minister of Food and Agriculture (Shri Jairamdas Doulatram):** (a) Yes. Researches have been carried on in the use of rice straw as fodder.

By the process of washing the rice straw with water alone, the harmful ingredients are reduced to a considerable extent so that the animals show better calcium assimilation and hence better growth rate.

By soaking the rice straw in dilute alkali and then washing it with water, it has been found that (i) the straw is made more palatable and digestible, (ii) its nutritive value is improved, and better assimilation of protein, calcium and phosphorus is obtained, and (iii) harmful substances such as potassium oxalate, etc. are eliminated.

(b) The results are awaiting examination by the Animal Nutrition Committee which will probably meet next month whereafter they will be published and passed on to the State Governments.

**श्री किशोरीमोहन त्रिपाठी :** क्या माननीय मंत्री महोदय यह बतलाने का कष्ट करेंगे कि क्या इन आविष्कारों के जो नतीजे हैं उन का उपयोग पशुओं के मालिक इस तरह कर सकते हैं कि जिस से उन का खर्च न बढ़े ?

**Shri Kishorimohan Tripathi:** Will the hon. Minister be pleased to state if cattle owners can utilize the results of these researches without having to incur any extra cost?

**Shri Jairamdas Doulatram:** I suppose in as cheap a manner as possible they would be utilised. I am not able at present to give the details of that.

**Prof. Ranga:** Is any effort being made to co-ordinate or rather to utilise the researches which are made of the nutritive qualities of straw in other places also apart from the Government of India?

**Shri Jairamdas Doulatram:** What other places?

**Prof. Ranga:** I mean State Governments.

**Shri Jairamdas Doulatram:** I believe some of these researches are being carried on in the States. The work is being carried on in Izzatnagar, Rampur in U.P., Sodepur in West Bengal, Puri in Orissa and Sardarnagar in U.P.

**Dr. M. M. Das:** Is it not a fact that this alkali treatment of rice straw is an old process?

**Shri Jairamdas Doulatram:** I do not know whether it is an old process.

**Prof. Ranga:** Is any effort being made for developing improved methods of stacking rice straw, so that the damage that is sustained now from rainfall and other causes is minimised?

**Shri Jairamdas Doulatram:** I expect that the State Governments will deal with that in a satisfactory manner. If not and if my attention is drawn to it, any specific case I shall communicate with the particular State Government concerned.

### PRODUCTION OF JUTE AND COTTON IN MADHYA PRADESH

**\*1274. Shri Kishorimohan Tripathi:** (a) Will the Minister of Agriculture be pleased to state whether attempts have been made to grow Jute and Cotton in the merged States of Madhya Pradesh and if so, with what results?

(b) If the answer to part (a) above be in the negative, do Government propose to make attempts hereafter?

**The Minister of Food and Agriculture (Shri Jairamdas Doulatram):** (a) and (b). Attempts are being made to expand the acreage and to grow improved varieties of cotton in these areas.

Experimental cultivation of jute has also been undertaken in State farms but its scope is restricted to irrigated tracts. Cultivation of jute substitutes is more promising and attempts are being made to introduce them.

**Shri B. L. Malviya:** In which States is this experiment being made?

**Shri Jairamdas Doulatram:** In Mehrai District in the merged territories, in Drug District, Surguja, Raigarh and in Bastar.

**सेठ गोविन्द दास :** क्या इस प्रकार का कोई प्रयत्न बस्तर स्टेट में भी हो रहा है ?

**Seth Govind Das:** Is any experiments of that kind also being conducted in Bastar State?

**Shri Jairamdas Doulatram:** I just now mentioned Bastar also. There are 56 acres there under cotton now.

### POSTAL SYSTEM OF ACCEDING INDIAN STATES

**\*1275. Shri S. O. Samanta:** Will the Minister of Communications be pleased to lay on the Table a statement explaining the terms and conditions of absorption of postal systems of acceding Indian States and overall financial effect of such absorption on the working of the department?

**The Deputy Minister of Communications (Shri Khurshed Lal):** A statement, giving the required information, is laid on the Table of the House. [See Appendix VI, annexure No. 14.]

**Shri S. O. Samanta:** What is the number of acceding Indian States in which the postal systems have not yet been absorbed?

**Shri Khurshed Lal:** All the post offices will be taken up on the 1st April.

### RAILWAY ADJUDICATOR'S AWARD

**\*1276. Dr. V. Subramaniam:** Will the Minister of Railways be pleased to state whether it is a fact that the implementation of the Railway Adjudicator's Award has not been fully given effect to yet, though it is over two years since the same was published?

**The Minister of Transport and Railways (Shri Gopaldaswami):** The Award has not been given effect to fully but the Adjudicator himself recognised the magnitude of the work and prescribed the time in which the work could and was to be done. This was first accepted by Government but implementation had to be slowed down on account of the pressing need for economy. Government have, however, decided that the last date for implementation prescribed by the Adjudicator i.e., 30th April 1951 should be kept.

**Shri Frank Anthony:** Which of the recommendations have not been implemented?

**Shri Gopalaswami:** It is not possible to categorise the recommendations but some work was done in respect of each recommendation and some effect has been given. While the implementation was still in progress we had to slow it down on account of financial stringency.

**Dr. V. Subramaniam:** When will the rest of the Award be implemented?

**Shri Gopalaswami:** Before the 30th April, 1951.

#### STATES DEFICIT IN FOOD

\*1277. **Shri Alexander:** Will the Minister of Food be pleased to state:

(a) the names of the food deficit States of the Union in the order of their deficit;

(b) the quantity of food estimated to be produced in Travancore-Cochin in 1950;

(c) the quantity required for Travancore-Cochin; and

(d) the quantity allotted to Travancore-Cochin?

**The Minister of Food and Agriculture (Shri Jairamdas Doulatram):** (a) The principal deficit areas are Bombay, Madras, Travancore-Cochin, Bihar, Uttar Pradesh, West Bengal, Mysore, Rajasthan, Hyderabad, Saurashtra, Ajmer, Delhi and Kutch.

(b) The State Government has estimated the production of rice in the State during 1949-50 at 273,000 tons.

(c) The requirements of Travancore-Cochin Government to meet their rationing commitments is estimated at 440,000 tons.

(d) The quantity allotted for 1950 is 300,000 tons.

**Shri Alexander:** What was the quantity or quota applied for by the State Government?

**Shri Jairamdas Doulatram:** They have asked for 40,000 more tons.

**Shri Alexander:** May I know whether it is a fact that the ration per head has now come to eight ounces and there is every prospect in the Travancore-Cochin State of the ration being cut down still further?

**Shri Jairamdas Doulatram:** There has been a reduction in the rice quota of the ration and we are trying to see that that is avoided by additional local procurement.

**Shri Alexander:** May I know whether in the light of this fact the Central Government propose to allot a larger quota to the Travancore-Cochin Government?

**Shri Jairamdas Doulatram:** As I said, they have asked for 40,000 tons more. This matter is being considered. I do not know whether it would be possible in an open House like this to discuss the reasons why this or that particular State should get a certain quantity of food grains. These are matters for careful consideration. We have suggested to the Travancore-Cochin Government to increase their local procurement, for which there is some scope.

**Sardar B. S. Man:** May I know how far in the State of Madras tobacco-growing instead of growing of foodcrops is responsible for the food deficit in that area?

**Mr. Speaker:** That is going beyond the scope of the question.

**Shri Kesava Rao:** Will Government consider the question of increasing the cultivation of tapioca to make up the deficit in food grains in Travancore-Cochin State?

**Shri Jairamdas Doulatram:** The Travancore-Cochin Government are anxious to do it and they are taking steps to increase the production of tapioca.

**Kanwar Jaswant Singh:** What is the deficit in food of Rajasthan?

**Shri Jairamdas Doulatram:** Rajasthan has declared a deficit of two lakh tons.

**Kanwar Jaswant Singh:** What varieties of food grains have they asked for?

**Shri Jairamdas Doulatram:** We have not decided exactly what to do on their request. As hon. Members know sometimes State Governments make certain demands based on certain calculations. We discuss the basis of those calculations and then come to a decision.

**Shri Tyagi:** May I know if food grains to Travancore-Cochin will be supplied on the price being realised from them in cash? May I also know if they owe the Central Government to the extent of five crores of rupees on account of food grains supplied to them last year and that the State Government had not paid the price of the food grains supplied in advance?

**Mr. Speaker:** I do not think it would be proper to answer that question.

**Shri Tyagi:** May I know if orders have been issued that food grains from the Centre should not be supplied to any State, unless they paid the price of the food grains in advance?

**Shri Jairamdas Doulatram:** The fact is that before the integration of the States the fiscal relationship between the Centre and the States was entirely different. The Central control over the States was not the same as in the case of the Provinces. There were different rules with regard to pre-payment. After integration of the States they are being placed on the same basis as the Provinces. In regard to this particular case I will make enquiries and let the hon. Member know.

**Shri Tyagi:** May I know whether any orders have been issued that food grains should not be supplied to any of the States without getting its price in advance? This is a general question, namely that grains should not be supplied from the Centre to any State unless they deposited the price in advance. Was that the order issued?

**Shri Jairamdas Doulatram:** I am not aware of it. It may possibly be so because of previous experience.

**Shri Tirumala Rao:** With regard to (b), may I know what method is adopted by the Travancore-Cochin Government to assess correctly as far as possible, the quantity of grains they are able to produce? Have they got any statistical organisation?

**Shri Jairamdas Doulatram:** I think they have the same organisation as all other State Governments have got.

**Shri Rudrappa:** What is the food quota allotted to Mysore State for 1949-50?

**Mr. Speaker:** He is, again going beyond the scope of the present question.

**Sardar B. S. Man:** In this question, in part (a), the names of the food deficit States of the Union in the order of the deficit are to be stated. When the names of certain food deficit States are given, may I know whether we are well within our scope to ask for the reasons therefor?

**Mr. Speaker:** I think these are all matters of detail with which the State Governments are concerned. As hon. Members will see, the further parts of the question are specific and restricted to detailed information about Travancore-Cochin. That way we can carry on for one hour, asking for information in respect of each State. That will not serve the purpose of the Question Hour.

### SUGAR FACTORIES IN ASSAM, WEST BENGAL AND EAST PUNJAB

\*1278. **Shri Lakshmanan:** (a) Will the Minister of Agriculture be pleased to state whether there is any proposal for starting sugar factories in Assam, West Bengal and East Punjab?

(b) What is the area of land suitable for sugar-cane cultivation in these areas?

(c) What is the total output of sugar in the existing factories in these States?

(d) What is the total demand per year in these States?

**The Minister of Food and Agriculture (Shri Jairamdas Doulatram):** (a) No such proposal has been placed before the Government but we have agreed under the post war development plan to allot new sugar units to these States.

(b) The total area suitable for sugarcane cultivation in these States has not been surveyed by the local governments. But the area under sugarcane in 1948-49 in these States was as under:

Punjab	2,98,000 acres.
West Bengal	66,000 acres.
Assam	55,000 acres.

(c) The output has varied from 14,000 to 18,000 tons per annum.

(d) The extent of the demand under free trade conditions varies with the price of sugar availability and prices of gur and Khandsari sugar.

**Shri Lakshmanan:** May I know what is the annual production of sugar in India and what is the capacity of the existing mills?

**Mr. Speaker:** That has been replied to many a time in this House.

**Dr. Deshmukh:** May I know what precisely is the policy of Government with regard to the starting of new sugar factories—does the Government encourage or discourage it?

**Shri Jairamdas Doulatram:** We encourage the increase of sugar units.

**Sardar B. S. Man:** Is it a fact that in East Punjab many of the existing sugar factories have stopped working and have not crushed sugarcane this year?

**Shri Jairamdas Doulatram:** That is a fact.

**Sardar B. S. Man:** What are the reasons therefor and what proposals are with Government to make them start functioning in the coming season?

**Shri Jairamdas Doulatram:** I think because of location there are some factories which are finding difficulties, and some of them have got programmes of changing their sites.

**Prof. Ranga:** What is the policy of the Government in encouraging the starting of new sugar factories in Provinces like Bihar and U.P. where the productivity and sucrose content are lower and in not giving that encouragement to Provinces where it is much higher?

**Shri Jairamdas Doulatram:** We are giving special encouragement where the production of sugarcane is greater. As regards other areas we give any facilities needed; a number of factories have been allocated to those areas, and we are waiting for applications from them.

**Shri M. A. Ayyangar:** May I know what particular facilities the Government is giving for the starting of new factories in other areas?

**Shri Jairamdas Doulatram:** Import licences for machinery.

**Shri M. A. Ayyangar:** Has the Government considered seriously the matter of shifting of some of the uneconomic units in Bihar and U.P. to other places in the South and elsewhere where the yield per acre is much higher?

**Shri Jairamdas Doulatram:** This will very much depend on the owners of those factories. But I understand that the U.P. Government has set up a Committee for going into the question of rationalisation and location of the factories. In regard to the question of transfer of the U.P. factories to Madras or any other part of India, I believe that will require the co-operation of the owners of the units. It will be better for the Madras capitalists to put up local factories rather than U.P. factories being transferred to Madras or any other part of India.

**Shri A. P. Jain:** May I know whether it is not a fact that in U.P. they have been able to produce as much as 1,900 maunds of sugarcane in one acre and therefore it is wrong to say that U.P. is a bad sugarcane producing area?

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

**Dr. Deshmukh:** May I know if the hon. Minister is aware of an application from Andhra Desa for starting a sugar factory on co-operative basis, and would Government give it preference as against the normal private enterprises?

**Shri Jairamdas Doulatram:** These applications first go to the State Governments who examine them from all points of view. They come to the Central Government for the purpose of licence for import of machinery or for raising capital. No such application has come to the Central Government. It might have reached the Provincial Government and might be awaiting its being sent on here.

**Shri Majumdar:** Is the Government aware that a big sugar mill in the district of Murshidabad in West Bengal is lying idle for the past several years, and if so what are the reasons therefor?

**Shri Jairamdas Doulatram:** I think the State Government will be able to give the reasons. But I shall make enquiries and correspond with the State Government.



**Shri Ramalingam Chettiar:** Will they give any financial assistance to co-operative societies for sugar production?

**Shri Jairamdas Doulatram:** I do not know if any State Government is giving such aid to co-operative sugar factories. But I shall certainly make a recommendation to the Provincial Governments to give special preference to them.

#### RIVER SCHEME SUBMITTED BY PAKISTAN GOVERNMENT

\*1279. **Shri Deogirikar:** Will the Minister of Works, Mines and Power be pleased to state:

(a) whether any river scheme was submitted by the Pakistan Government to the Government of India for experiment at Khadakvasla Research Station in the year 1947-48, or 1948-49, or 1949-50;

(b) whether any such scheme previously undertaken was finished after 15th August, 1947; and

(c) if so, what amount was paid by that Government to the Government of India?

**The Minister of Works, Mines and Power (Shri Gadgil):** (a) A scheme for experiments in connection with the Lower Sind Barrage at Kotri was referred to the Central Waterpower, Irrigation and Navigation Research Station, Khadakvasla by the Sind Government in 1947-48 prior to the 15th August, 1947.

(b) Experiments in connection with this scheme that were in progress at the time of partition were completed in 1947-48 to the extent of commitments already entered into.

(c) The Government of Sind had advanced an amount of Rs. 15,000 for the experiments on Lower Sind Barrage at Kotri.

**Shri Deogirikar:** May I know whether experiment on any such scheme submitted to the Government from outside India has been undertaken?

**Shri Gadgil:** Up till now, except this which was in fact not an "outside scheme" in the initial stage, nothing has been undertaken so far.

#### RED-ROT DISEASE OF SUGAR-CANE

\*1280. **Shri Zangre:** Will the Minister of Agriculture be pleased to state what measures have been evolved to control the red-rot disease of sugar-cane?

**The Minister of Food and Agriculture (Shri Jairamdas Doulatram):** A statement is laid on the Table. [See Appendix VI, annexure No. 15].

**श्री जांगड़े :** क्या यह बीमारी पहले से बढ़ती जा रही है ?

**Shri Zangre:** Is this disease spreading?

**Shri Jairamdas Doulatram:** I think it is under control.

**Shri Kamath:** Is the hon. Minister aware of any kind of rot other than red, mentioned in this question? Are there other kinds of rot in addition to the red-rot?

**Shri Jairamdas Doulatram:** Red-rot is a kind of rot in sugarcane. There is no other rot except the red colour rot.

## SHORT NOTICE QUESTION AND ANSWER

## MIR LAIK ALI'S ESCAPE TO PAKISTAN

**Shri Hanumanthaiya:** Will the Minister of States be pleased to state:

(a) whether it is a fact that Mir Laik Ali has escaped from custody to Pakistan; and

(b) whether any representation has been made to the Government of Pakistan to hand him over to the Government of Hyderabad?

**The Minister of Home Affairs and the States (Sardar Patel):** (a) The answer is in the affirmative.

(b) The matter is under consideration.

**Shri Hanumanthaiya:** Is it a case of representation having been made and then its being under consideration or is the question of making a representation under consideration?

**Sardar Patel:** No, the representation has not been made. The question of a representation being made is under consideration.

**Shri Tyagi:** May I know if an enquiry had been instituted into the circumstances under which Mir Laik Ali escaped and, if so, has it resulted in any conclusion?

**Sardar Patel:** An enquiry has been made, but the matter is *sub judice*; it has gone for trial before a Court.

**Shri Poonacha:** In view of the fact that both Pakistan and India are members of the Commonwealth, will the Commonwealth agency be requested to make any attempts in this connection to send back Mir Laik Ali to Hyderabad?

**Sardar Patel:** They can better go out of the Commonwealth if they have to do so.

**Shri Poonacha:** Sir, I did not follow the reply to my question.

**Sardar Patel:** I understood the question as asking that both the Governments should apply to . . .

**Mr. Speaker:** No, no. The question was, as both Pakistan and India are Members of the Commonwealth, will the Commonwealth agency be moved for the purpose of sending Mir Laik Ali back to Hyderabad?

**Sardar Patel:** It is premature at this stage to make any such motion.

**Shri Kamath:** Is there any understanding or agreement between India and Pakistan as regards the extradition of people detained or under trial in either of these countries who may have escaped to the other?

**Sardar Patel:** There is no inter-Dominion agreement. There is the constitutional position between two Dominions.

**Dr. Deshmukh:** Is it not a fact that the very conception of the present Commonwealth does not contemplate entertaining such questions?

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

**Shri Joachim Alva:** Will this matter be one amongst the numerous subjects that may be raised when the Pakistan Premier visits here?

**Mr. Speaker:** I do not think I can permit that.

## WRITTEN ANSWERS TO QUESTIONS

### SUGAR-CANE AND SUGAR FACTORIES IN BHOPAL

**\*1281. Thakur Lalsingh:** Will the Minister of Agriculture be pleased to state:

(a) the rate per maund at which the cultivators of Bhopal were required to sell sugar-cane to the Sehore Sugar Factory;

(b) the rate per maund at which sugar-cane is bought by the other sugar factories of Madhyabharat;

(c) the rate per maund at which sugar is sold to the merchants by the Sehore Sugar Factory; and

(d) the rate per maund at which it is sold by other sugar factories of Madhyabharat?

**The Minister of Food and Agriculture (Shri Jairamdas Doulatram):** (a) At Rs. 1-4-6 per maund delivered at Cane Purchasing Centres of the factory.

(b) At Rs. 1-10-0 per maund delivered at the factory gate.

(c) The ex-factory price fixed for the Sehore Factory is Rs. 29-12-0 per maund for E-27 grade. At present sugar is delivered to Governments and not to the merchants.

(d) The ex-factory prices fixed by the Madhya Bharat Government for their factories are as follows:

	Rs.
(1) Messrs. Jaora Sugar Mills	30/4/- per maund.
(2) Messrs. Gwalior Sugar and Company ..	31/8/- ..
(3) Messrs. Jiwaji Rao Sugar and Company ..	31/9/3 ..
(4) Messrs. Maharani Parvati Mills ..	32/4/- ..
(5) Messrs. Soth Govind Ram Sugar Mills ..	32/4/- ..

The differences being mainly due to number of working days of each factory.

### PRIZE MODEL OF HAND DECORTICATOR

**\*1282. Babu Ramnarayan Singh:** Will the Minister of Agriculture be pleased to state whether any petitions were received by the Government for prize model of Hand Decorticator before 31st October, 1949 and if so, why has the time been extended?

**The Minister of Food and Agriculture (Shri Jairamdas Doulatram):** No petitions were received by Government regarding prize model of hand decorticator. The Indian Central Oilseeds Committee announced a prize of Rs. 2,000 for the best model of hand decorticator. The number of entries received by the 31st October, 1949, were only two, while there were several enquiries asking for further particulars about conditions relating to submission of entries. It was, therefore, decided by the Indian Oilseeds Committee to extend the date upto 31st March 1950 with a view to have better competition.

### COMMERCIAL CROPS IN AREA UNDER FOOD CROPS

\*1283. **Shri P. K. Ramiah:** Will the Minister of **Agriculture** be pleased to state whether any steps are taken for preventing the growing of commercial crops such as tobacco on lands normally under food crops? If so, what?

**The Minister of Food and Agriculture (Shri Jairamdas Doulatram):** Information received from States indicates that there has been no noticeable diversion of lands normally under food crops to crops such as tobacco.

### CULTIVABLE FALLOW LAND IN MYSORE STATE

\*1284. **Shri Rudrappa:** (a) Will the Minister of **Agriculture** be pleased to state the area of cultivable fallow land in the Mysore State?

(b) Have the Government of Mysore applied to the Government of India for any grant in connection with the Grow More Food Scheme?

(c) If so, what is the amount of grant applied for and what is the amount sanctioned, if any?

**The Minister of Food and Agriculture (Shri Jairamdas Doulatram):** (a) The area of cultivable fallow land during 1948-49 was as follows:

	Acres
(i) Current fallows. . . . .	18,26,048
(ii) Fallows other than current fallows	6,70,000
	<hr/>
Total ..	24,96,048
	<hr/>

(b) Yes.

(c) The total amount of grant asked for by the Mysore Government for their 'Grow More Food' Schemes during 1949-50 was Rs. 47,80,098. A grant of Rs. 42,63,223 was sanctioned by the Government of India.

### AGRICULTURAL IMPLEMENTS

\*1285. **Shri Thimmappa Gowda:** (a) Will the Minister of **Agriculture** be pleased to state the total quantity of iron implements required for agricultural purposes in various States?

(b) What is the quota allotted to Mysore State in 1949-50?

(c) How many demands were made and when were they made?

(d) When was the said quota allotted and when was it released?

**The Minister of Food and Agriculture (Shri Jairamdas Doulatram):** (a) The information required is not available with the State Governments.

(b) 4,668 tons.

(c) Demands are made quarterly, four months ahead of the quarter to which they relate.

(d) Allocations are made approximately three months ahead of the quarter to which they relate. Information as to supplies made against the allocations is not readily available, but on the average three or four months intervene between the date of ordering and the date of supply.

POTATO RESEARCH CENTRES IN SIMLA AND NAINITAL

\*1286. **Thakur Krishna Singh:** Will the Minister of **Agriculture** be pleased to state:

(a) the expenditure incurred on the Potato Research Centres in Simla and Nainital since 1946;

(b) the total number of employees in each of the said centres; and

(c) the practical results of the potato cultivation in the hills from the researches carried on in these two centres and the area covered by the cultivation?

**The Minister of Food and Agriculture (Shri Jairamdas Doulatram):** (a) A statement is laid on the Table.

(b) Thirty-six at Simla and ten at Bhowali (Nainital).

(c) With a view to evolving varieties with higher yield and greater resistance to disease certain promising hybrids had been bred and tried out in the hill areas. As a result of these trials the States of Uttar Pradesh and West Bengal have undertaken the multiplication of the Simla hybrids for distribution to growers. Hybrid No. 5 and 9 in West Bengal and No. 9 and 12 in U.P. are being multiplied for distribution in their respective hill areas. Information regarding the area covered by the cultivating of these varieties will be placed on the Table as soon as received from the State Governments.

STATEMENT

*Expenditure on the Potato Research Stations of Simla and Bhowali (Nainital) since 1946.*

	Expenditure during				Total
	1946-47	1947-48	1948-49	1949-50	
	Rs.	Rs.	Rs.	Rs.	Rs.
(1) Potato Breeding Sub station, Simla . . . .	25,409	35,969	38,822	51,423	1,51,623
(2) Potato Multiplication Sub-station, Bhowali, Nainital Distt. . . . .	11,767	13,097	17,202	24,191	66,257
			Grand Total ..		2,17,880

ASSAM VALLEY SCHEME

\*1287. **Shri Borooah:** (a) Will the Minister of **Works, Mines and Power** be pleased to state the total amount of money spent for the Assam Valley Scheme?

(b) How far has the work progressed?

**The Minister of Works, Mines and Power (Shri Gadgil):** (a) Rs. 5,58,000 (round).

(b) Investigations have been taken up of Manas and Dihang rivers. Discharge observations and gauge readings are being taken, silt laboratories have been established and silt observations on Manas have commenced; air Photography of the reservoir area of both Manas and Dihang and of the dam Site on Dihang is completed. The ground surveys on Dihang are nearing completion and preliminary Geological Investigations have been commenced. Drilling operations will be taken in hand on receipt of diamond drills. Temporary quarters for staff are nearing completion.

#### ROAD LINK OF SHILLONG WITH SILCHAR AND AGARTALA

\*1288. **Shri E. K. Chaudhuri:** (a) Will the Minister of **Transport** be pleased to state whether there is any scheme to construct roads to connect Shillong with Silchar and Agartala?

(b) If so, when is the construction likely to begin?

(c) Is it a fact that construction of only 80 miles of road between Dauki and Jalwakhola will effect the connection between Silchar and Shillong?

**The Minister of State for Transport and Railways (Shri Santhanam):** (a) Yes.

(b) Construction was begun about two years ago.

(c) No suitable road connection, involving new construction of only 80 miles of road, can be effected between Shillong and Silchar.

#### CITRUS FRUIT RESEARCH STATION AT BARNIHAT IN ASSAM

\*1289. **Shri Borooah:** Will the Minister of **Agriculture** be pleased to state:

(a) the amount of money spent in the Citrus Fruit Research Station at Barnihat in Assam; and

(b) the work done by the aforesaid station?

**The Minister of Food and Agriculture (Shri Jairamdas Doulatram):** (a) Total expenditure incurred during the last 10 years is Rs. 1,58,700. Of this Rs. 47,150 has been contributed by the Government of Assam and the rest by the Indian Council of Agricultural Research.

(b) A statement is laid on the Table of the House. [See *Appendix VI, annexure No. 16.*]

#### INTERNATIONAL WHEAT AGREEMENT

\*1290. **Dr. E. S. Singh:** Will the Minister of **Food** be pleased to state:

(a) the names of countries from which India has guaranteed to buy wheat under the International Wheat Agreement;

(b) the quantity of wheat to be bought from each of those countries; and

(c) how long the agreement will last?

**The Minister of Food and Agriculture (Shri Jairamdas Doulatram):** (a) and (b). Attention of the hon. Member is invited to my answer given to part (a) of Starred Question No. 796 by Pandit M. B. Bhargava answered on 21st December, 1949.

(c) Four years from 1st August, 1949.

#### CONCESSION TO STUDENTS TRAVELLING ON RAILWAYS

**\*1291. Shri Sanjivayya:** Will the Minister of Railways be pleased to state whether it is a fact that the Railway Board have decided to revive with effect from 1st April, 1950, the concession formerly admissible to students travelling on the railways?

**The Minister of State for Transport and Railways (Shri Santhanam):** Yes, Government have decided to revive with effect from 1st April 1950, the concession formerly admissible to students proceeding on educational tours sponsored by a recognised educational institution.

#### GOLD FINDS IN DHARWAR

**\*1292. Shri Rathnaswamy:** (a) Will the Minister of Works, Mines and Power be pleased to state whether it is a fact that gold was found in Dharwar?

(b) If so, what is the nature of the gold found?

(c) What are the likely places in Dharwar where geological survey is expected to be made for gold?

**The Minister of Works, Mines and Power (Shri Gadgil):** (a) Yes.

(b) Two of the samples recently collected from Jalligeri in the district of Dharwar showed 1:74 and 1:17 penny weights of gold per short ton, at which rates of recovery the deposits are incapable of being worked economically.

(c) Kopot Gudda hill range.

#### RICE FROM SIAM

**\*1293. Shri Rathnaswamy:** (a) Will the Minister of Food be pleased to state whether there is a proposal to import rice from Siam and if so, on what terms?

(b) What is the approximate quantity of rice to be imported this year?

**The Minister of Food and Agriculture (Shri Jairamdas Doulatram):** (a) and (b). The quantity and terms of purchase have not yet been finalised.

#### RAILWAY ACCIDENT

**\*1294. Shri Sanjivayya:** (a) Will the Minister of Railways be pleased to state whether it is a fact that a goods train bound for Dronachallam from Kurnool on the 10th March, 1950 met with an accident at 9.80 P.M.?

(b) What are the causes of the accident?

(c) How many members of the crew were injured?

- (d) What is the value of the damage caused?  
 (e) Can the engine and the wagons be put on rails again?

**The Minister of State for Transport and Railways (Shri Santhanam):** (a) Yes.

- (b) Wrong setting of the track for a dead end instead of for the main line.  
 (c) The Guard, Driver and the First Fireman sustained minor injuries.  
 (d) Rs. 5,200 approximately.  
 (e) Yes.

#### SUGAR FACTORIES IN BIHAR AND U.P.

**\*1295. Shri Chandrika Ram:** (a) Will the Minister of **Agriculture** be pleased to state what are the numbers of the sugar factories in (i) Bihar and (ii) the U.P.?

(b) How many of them are closed during this crushing season in each of the States mentioned above?

(c) What steps, if any, are Government proposing to take to run these closed factories?

**The Minister of Food and Agriculture (Shri Jairamdas Doulatram):** (a) 71 in Uttar Pradesh and 30 in Bihar.

(b) Four in Uttar Pradesh, none in Bihar.

(c) The matter was taken up with the State Government but they considered that closure of these factories would not affect sugar production, their cane area having been allotted to other sugar factories.

#### CULTIVATION OF SUGARCANE IN U.P. AND BIHAR

**\*1296. Shri Chandrika Ram:** (a) Will the Minister of **Agriculture** be pleased to state what is the acreage under cultivation of sugarcane in U.P. and Bihar?

(b) Are these areas under extensive or intensive cultivation?

(c) Have Government any plan for intensive cultivation?

(d) If so, where is the experiment being carried out and with what results?

**The Minister of Food and Agriculture (Shri Jairamdas Doulatram):** (a) U.P. 20,83,146 acres (1949-50), Bihar 4,80,400 acres (1949-50 Approx.).

(b) 1,32,000 acres in U.P. and a small area in Bihar is included in the development schemes of intensive cultivation.

(c) The State Governments have a programme of sugarcane development in the Uttar Pradesh and Bihar during the period of five years.

(d) In Uttar Pradesh, the scheme is confined, in the first instance, to approximately 2,000 acres in each factory zone. In Bihar, the experiments are carried out in two farms belonging to Government and dozen farms belonging to sugar factories and also in cultivators' fields.



## RAILWAY COMPARTMENTS AND OVERCROWDING IN TRAINS

\*1297. **Shri Krishnanand Rai:** Will the Minister of Railways be pleased to state:

(a) the ratio of class II (Ordinary) and class II (Special) coaches in the Indian Railways at present;

(b) the number of branch lines in which class II (Special) coaches have not been introduced; and

(c) the name of those branch lines in the U.P. in which class II (Ordinary) coaches are not provided?

**The Minister of Transport and Railways (Shri Gopaldaswami):** (a) The ratio between Class II Special and Class II ordinary coaches varies on each Railway according to traffic requirements. The average ratio for the Government Railways, however, is about 2 to 7.

(b) Class II Special accommodation has not been provided on approximately 150 branch lines.

(c) There are only four branch lines, *viz.*, Balamau-Sitapur Cantonment, Shahjahanpur-Sitapur Cantonment, Najibabad-Kotdwara and Hardwar-Rishikesh where Class II ordinary accommodation has not been provided.

## ISSUE OF WEEK-END AND MONTHLY RETURN JOURNEY CONCESSION TICKETS

\*1298. **Shri D. S. Seth:** Will the Minister of Railways be pleased to state whether Government propose to consider the desirability of issuing the week-end and the monthly return journey concession tickets in the near future and if not what are the reasons therefor?

**The Minister of State for Transport and Railways (Shri Santhanam):** No, until travel conditions return to normal and congestion no longer prevails, it will not be desirable to re-introduce week end and monthly return tickets at concessional fares.

## RAILWAY LOCOMOTIVES AND ROLLING STOCKS ON MAYURBHANJ LIGHT RAILWAY

\*1299. **Shri Nalk:** Will the Minister of Railways be pleased to state:

(a) the average working life of a broad-gauge railway locomotive and also the narrow-gauge railway locomotive;

(b) how long the locomotives and the rolling stocks over the Mayurbhanj Light Railway have been in use; and

(c) whether there have been any replacements ever since the establishment of this Railway and if not, whether and if so, when any replacements both of locomotives and rolling stocks are contemplated?

**The Minister of Transport and Railways (Shri Gopaldaswami):** (a) The average working life of a broad or narrow gauge locomotive is taken as 40 years.

(b) Of the 4 locomotives on the Mayurbhanj Railway, 2 have been in service for 46 years and the other 2 for 25 years. Of a total of 15 wagons, 7 have

been in service for 46 years, 4 for 45 years and another 4 for 43 years. Of the 7 coaches on the Railway, 5 have been in service for 46 years and 2 for 42 years.

(c) Yes. Replacements of condemned Rolling Stock have taken place and after the 31st March, 1950 it is the intention to replace the stock as and when this becomes necessary.

#### TRACTORS IN USE AT BARI TEHSIL IN BHOPAL.

\*1300. **Thakur Lalsingh:** (a) Will the Minister of Agriculture be pleased to state how many tractors are in use at Bari Tehsil of the State of Bhopal?

(b) How much new land is intended to be brought under cultivation by these tractors?

(c) What proportion of this land is to be given to the displaced persons from Sindh for cultivation?

(d) Will any of these tractors be available to private persons on hire for rooting out kans from their lands and if so, when and at what rate?

**The Minister of Food and Agriculture (Shri Jairamdas Doulatram):** (a) and (b). Attention of the hon. Member is invited to the reply given to starred question No. 1089 on the 22nd March, 1950.

(c) The Ministry of Agriculture is only concerned with carrying out reclamation operations on such land as is offered for reclamation by the Bhopal Administration. The allotment of reclaimed land to cultivators is the responsibility of the State.

(d) No. The Central Government will not be dealing with private persons but with the Bhopal Government who will arrange for kans infested land of individual cultivator being made available for reclamation.

#### ARREST AND CONVICTION OF RAILWAY EMPLOYEES

\*1301. **Shri K. C. Sharma:** Will the Minister of Railways be pleased to state:

(a) the number of Railway employees arrested in connection with communist and prejudicial activities after August, 1947 upto date throughout the Indian Railways;

(b) the number of railway employees (i) still in jail, (ii) released and (iii) reinstated after their release; and

(c) the number of Railway employees who were and are being paid for the period of detention or imprisonment?

**The Minister of Transport and Railways (Shri Gopalswami):** (a) 2,645.

(b) (i) 657.

(ii) 1,988.

(iii) 1,123.

(c) 2,441.

**THEFT OF GOODS ON RAILWAYS**

\*1302. **Shri K. C. Sharma:** Will the Minister of Railways be pleased to state Division-wise:

(a) the number of cases on the G.I.P. Railway in the years 1947, 1948, 1949 and 1950 upto date in which seals of the wagons were tampered with and goods were stolen;

(b) the number of Railway employees involved in these thefts;

(c) the action taken against these railway employees by the Railway;

(d) whether it was based on police report or departmental enquiries;

(e) the amount of compensation or damages paid by the Railway during this period; and

(f) the steps which the Government have taken to stop such incident in future?

**The Minister of State for Transport and Railways (Shri Santhanam):** (a) A statement giving the required information is placed on the Table of the House in respect of the years 1948 to 1950 (upto 10th March, 1950). The number dropped from 2,018 in 1948 to 1,869 in 1949 and to 418 upto 10th March, 1950. The Statistics for the year 1947 are not now available.

(b) to (e). Information desired by the hon. Member is under collection and will be placed on the Table of the House in due course.

(f) All possible measures have been taken to prevent the incidence of losses from sealed wagons by the strengthening, re-organization and proper training of the Watch and Ward establishment, by arranging Police escorts by trains in which such instances are known to occur frequently and also by arranging day-light running of such trains in vulnerable areas.

**STATEMENT**

*Number of cases in which seals of wagons were tampered with and goods were stolen on the G. I. P. Railway Division-wise during years 1948 to 1950 upto 10-3-50.*

Year	Bombay	Ehuseval	Poona	Jubbulpore	Bina	Jhansi	Nagpur	Wadi	Bunder	Total
1948	263	433	60	160	262	290	537	13		2018
1949	279	485	234	131	273	176	320	21		1869
1950 (upto 10-3-50).	69	114	52	43	40	58	9	3		418

NOTE.—Figures for the year 1947 are not available.

## POST OFFICES IN VILLAGES OF BHOPAL

\*1303. **Thakur Lalsingh**: Will the Minister of **Communications** be pleased to state:

- (a) the number of Post Offices in the villages of the State of Bhopal;
- (b) for how many villages on an average there is one Post Office; and
- (c) the average distance of one Post Office from another in the rural areas of the State?

**The Deputy Minister of Communications (Shri Khurshed Lal)**: (a) 58.

(b) 56.

(c) About 10 miles.

## NEW POST OFFICES FOR CHHOTA NAGPUR

\*1304. **Shri Oraon**: (a) Will the Minister of **Communications** be pleased to state how many new Post Offices are proposed to be started in Chhota Nagpur this year?

- (b) Which of the towns in Chhota Nagpur are provided with telephone?

**The Deputy Minister of Communications (Shri Khurshed Lal)**: (a) There are now 86 villages in Chhota Nagpur, which have a population of 2,000 or over, which have no Post Offices. It is proposed to open a Post Office in all these villages during 1950-51. In addition arrangements will be made to open new Post Offices in other places if the estimated loss will not exceed the limit fixed by Government.

(b) Dhanbad, Jharia, Loyabad, Sinidih, Sindria, Purulia, Hazaribagh, Ramgarh, Ranchi, Kanke, Jamshedpur, Chaibasa, Khunti, Lohardaga, Suriya, Muri, Kodarma (Jhumritalaiya).

## TRACTORS IN USE IN MADRAS

\*1305. **Shri Sanjivayya**: Will the Minister of **Agriculture** be pleased to state:

- (a) the number of tractors working now in Madras State;
- (b) the area reclaimed in acres;
- (c) whether Government propose sending some more tractors; and
- (d) if not, why not?

**The Minister of Food and Agriculture (Shri Jairamdas Doulatram)**: (a), (c) and (d). The Central Government are not carrying out any tractor operations in Madras State. The State Government are, however, operating 157 of their own tractors.

- (b) According to the information furnished by the State Government an area of 85,560 acres was reclaimed in Madras during 1948-49 Fesli.

## PURULIA-RANCHI-LOHARGADA RAILWAY LINE

\*1306. **Shri Kshudiram Mahata:** Will the Minister of Railways be pleased to state:

(a) whether there was any proposal to convert the Purulia-Ranchi-Lohargada line into a broad gauge line; and

(b) if so, what happened to it?

**The Minister of Transport and Railways (Shri Gopala-swami):** (a) Yes.

(b) The Central Board of Transport decided that the Muri-Ranchi Section only should be re-examined as a separate Broad Gauge project. This is being done by the B.N. Railway. The matter will be placed before the Central Board of Transport again on receipt of the B.N. Railway's report.

## THEFT OF COAL ON RAILWAYS

\*1307. **Shri Kshudiram Mahata:** (a) Will the Minister of Railways be pleased to state whether Government are aware of theft of coal on the railways in Purulia-Ranchi line?

(b) If so, what steps have Government taken to detect and check this?

(c) How many cases have been detected so far and how many railway employees have been taken to task for being involved in such cases?

**The Minister of State for Transport and Railways (Shri Santhanam):** (a) Yes. There have been some cases of theft of coal on the Purulia-Ranchi section of the B.N. Railway.

(b) The Watch and Ward Department of the railway is constantly endeavouring to detect and check thefts of railway material and stores including coal.

(c) During 1949 eleven cases of coal thefts were detected on this section. Of these six were taken up by the Government Railway Police and in the remaining five cases departmental action was taken.

## OPENING OF NEW RAILWAY STATIONS ON B. N. RAILWAY

\*1308. **Maulvi Haneef:** Will the Minister of Railways be pleased to refer to the answer given to starred question No. 859 on the 14th March, 1950 regarding opening of new railway station in the Bengal Nagpur Railway and state:

(a) the names of those eight places which were rejected for opening new railway stations on the ground that the traffic prospect did not justify;

(b) the name of that place in respect of which application could not be entertained due to operational difficulties;

(c) the names of those four places, applications in respect of which are still under investigation; and

(d) when these four applications were received and when are their investigations likely to be completed?

**The Minister of State for Transport and Railways (Shri Santhanam):** (a) Bathuva gate between Chipurupalle and Sigadam. Kalipur between Kantadih and Urma. Mile 742/4 between Mul Maroda and Rajoli. Mile 265 between Barang and Mancheswar (Two separate applications). Chintalagraharam between Simbachalam and Pendurti. Mile 451 on the Katni Branch.

Barbail in Keonjhar State.

(b) Bankura.

(c) and (d). The four places referred to and the dates of applications were—

Mile 669 on the Balaghat-Katangi line (7-4-49) and a subsequent date Patra Baruna-Singh (22-9-49) Booragam Gang Hat (10-10-49), and Birband Crossing Station (25-11-49).

Investigations have been completed in respect of the first three and the 4th is likely to be completed in about 10 days.

#### KIRKEE KHADAKVASLA RAILWAY LINE

\*1309. **Shri Deogirikar:** (a) Will the Minister of Railways be pleased to state whether a new Railway line from Kirkee to Khadakvasla is proposed to be laid for Defence Academy?

(b) If so, is the preliminary survey of the same completed?

(c) What will be the approximate cost for laying this railway line?

(d) How many years will it take to complete the work?

**The Minister of Transport and Railways (Shri Gopaldaswami):** (a) No decision on the project has yet been taken.

(b) No.

(c) On the basis of a preliminary investigation, it is estimated that the line would cost approximately Rs. 75 lakhs.

(d) When the project is finally sanctioned, it will require ordinarily at least two working seasons to complete.

#### KOYNA VALLEY PROJECT

\*1310. **Shri Deogirikar:** (a) Will the Minister of Works, Mines and Power be pleased to state whether the Government of India have contributed any amount for the preliminary survey of Koyna Valley Project?

(b) Have the Government of India received any preliminary report of the survey of the aforesaid project from the Government of Bombay?

(c) Have the Government of India any control or supervision over the project?

**The Minister of Works, Mines and Power (Shri Gadgil):** (a) to (c). No.

#### PROSPECTING WORK IN TEHRI GARHWAL

146. **Thakur Krishna Singh:** Will the Minister of Works, Mines and Power be pleased to state:

(a) whether there is any proposal to take up in 1950-51 prospecting work in the lead and silver mines in Tehri Garhwal; and

(b) if so, the amount proposed to be spent for prospecting of these mines in 1950-51?

**The Minister of Works, Mines and Power (Shri Gadgil):** (a) The prospecting of the galena deposits at Pindki in Tehri-Garhwal has been included in the current field programme of the Geological Survey of India, and if the investigation is not completed this year, it will be continued in the field-season 1950-51.

(b) The investigations are carried out by the regular staff of the Geological Survey of India and no separate expenditure is sanctioned for each investigation.

**RADIO SETS IN DIFFERENT STATES**

**147. Shri Deogirikar:** (a) Will the Minister of **Communications** be pleased to state the number of radio sets in different States of the Indian Union?

(b) How many radio sets are there in (i) Bombay city and suburbs, (ii) Gujerat (iii) Karnatak, (iv) Maharashtra and (v) Bombay State including the merged States?

**The Deputy Minister of Communications (Shri Khurshed Lal):** (a) It is not possible to give the number of radio sets in different States as no such record is maintained and it is permissible to have more than one radio set under one licence. The number of licences issued in different States as on 31st January, 1950 is as follows:

Delhi	25,137
Bihar	15,999
U.P.	46,469
Orissa	2,101
Madras	85,918
Central Provinces	18,052
Bombay	110,810
Assam	4,849
Bengal	61,046
Punjab	26,277

(b) The following number of broadcast receiver licences has been issued:

(i) Bombay City and Suburb	54,889
(ii) Gujerat	22,899
(iii) Karnatak	2,297
(iv) Maharashtra	19,768
(v) Merged States in Bombay	3,562
(vi) Community B.R.L's	617
(vii) Commercial B.R.L's	6,828
	<u>1,10,810</u>

Friday, 31st March, 1950



# PARLIAMENTARY DEBATES

(Part II—Proceedings other than Questions and Answers)

OFFICIAL REPORT

VOLUME I, 1950

First Session  
of the

PARLIAMENT OF INDIA

1950





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# PARLIAMENTARY DEBATES

(PART II—PROCEEDINGS OTHER THAN QUESTIONS AND ANSWERS)

Friday, 31st March, 1950.

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

[MR. SPEAKER in the Chair].

## QUESTIONS AND ANSWERS

(See Part I)

11.45 A.M.

### RESIGNATION OF SHRI R. K. SHANMUKHAM CHETTY

**Mr. Speaker:** I have to inform hon. Members that under clause 3(b) of Article 101 of the Constitution, Shri R. K. Shanmukham Chetty has sent to me his resignation of his seat in Parliament.

### PAPERS LAID ON THE TABLE

ANNUAL REPORT OF INDIAN SCHOOL OF MINES AND APPLIED GEOLOGY, DHANBAD.

**The Minister of Works, Mines and Power (Shri Gadgil):** I beg to lay on the Table a copy of the Annual Report of the Indian School of Mines and Applied Geology, Dhanbad, for the year 1948-49. [*Placed in the Library. See No. P-88/50.*]

### ELECTION TO COMMITTEES

**The Prime Minister and Leader of the House (Shri Jawaharlal Nehru):** I beg to move:

“That this House do proceed to elect, in such manner as the hon. the Speaker may direct, members to serve until the end of the next financial year on Standing Committees to advise on subjects concerning the undermentioned Ministries and Department of the Government of India, the number to be so elected in respect of each Ministry and Department, excluding the Chairman, Vice-Chairman (if any) and the Government Chief Whip, being as follows:

Ministry of Agriculture	...	...	15
Ministry of Commerce	...	...	15
Ministry of Communications	...	...	15
Ministry of Defence	...	...	15
Ministry of Education	...	...	15
Ministry of External Affairs	...	...	15
Ministry of Food	...	...	15
Ministry of Health	...	...	15
Ministry of Home Affairs	...	...	15
Ministry of Industry and Supply	...	...	15
Ministry of Information and Broadcasting	...	...	15
Ministry of Labour	...	...	15
Ministry of Law	...	...	10
Ministry of Rehabilitation	...	...	15
Ministry of States	...	...	15
Ministry of Transport (other than Roads)	...	...	15
Ministry of Works, Mines and Power	...	...	15
Department of Scientific Research	...	...	10.”

**Mr. Speaker:** Motion moved :

"That this House do proceed to elect, in such manner as the hon. the Speaker may direct, members to serve until the end of the next financial year on Standing Committees to advise on subjects concerning the undermentioned Ministries and Department of the Government of India, the number to be so elected in respect of each Ministry and Department, excluding the Chairman, Vice-Chairman (if any) and the Government Chief Whip, being as follows :

Ministry of Agriculture	...	...	...	...	...	15
Ministry of Commerce	...	...	...	...	...	15
Ministry of Communications	...	...	...	...	...	15
Ministry of Defence	...	...	...	...	...	15
Ministry of Education	...	...	...	...	...	15
Ministry of External Affairs	...	...	...	...	...	15
Ministry of Food	...	...	...	...	...	15
Ministry of Health	...	...	...	...	...	15
Ministry of Home Affairs	...	...	...	...	...	15
Ministry of Industry and Supply	...	...	...	...	...	15
Ministry of Information and Broadcasting	...	...	...	...	...	15
Ministry of Labour	...	...	...	...	...	15
Ministry of Law	...	...	...	...	...	10
Ministry of Rehabilitation	...	...	...	...	...	15
Ministry of States	...	...	...	...	...	15
Ministry of Transport (other than Roads)	...	...	...	...	...	15
Ministry of Works, Mines and Power	...	...	...	...	...	15
Department of Scientific Research	...	...	...	...	...	10."

There are two amendments to this.

**Shri Kamath** (Madhya Pradesh): No general discussion?

**Mr. Speaker:** Let the amendments be moved. I do not think there is going to be a long discussion over this matter—it is a short statement.

**Shri Kamath:** I wish to speak on the motion.

**Mr. Speaker:** Members, of course, may speak if they like, but then they should try to curtail speeches over motions of this type, as much as possible.

Does Mr. Kapoor want to move his amendment?

**Shri J. R. Kapoor** (Uttar Pradesh): No, Sir. I do not propose to move my amendment.

**Shri Kamath:** I beg to move:

"That in the original motion the following be added at the end, namely :

'and the Standing Committees elected by the Legislature for the financial year 1949-50 do continue to function till such time as the new Standing Committees are not constituted in accordance with this motion.'

Shall I speak on the motion and the amendment, Sir?

**Mr. Speaker:** Yes.

**Shri Kamath:** On this last day of the financial year, when the present Standing Committees are at their death gasp, it is but meet and proper that the House.....

**Shri Tyagi** (Uttar Pradesh): Sir, on a point of order. How is it constitutional to extend the life of these Committees? These Committees were constituted after the House had taken a decision, for the period between one Budget session to another Budget session. The Committees were for one year according to the Rules. Unless the Rules are amended, the life of these Committees cannot be extended because when the House decided it for the first time the decision was for a life of only one year—from one Budget session to another. Since the next financial year starts from tomorrow, I do not think we can change this by means of such an amendment.

**Shri Sidhva** (Madhya Pradesh): I understand these Committees are appointed for the financial year or until the new Committees are elected. That has been the practice. Constitutionally, if we have passed.....

**Mr. Speaker:** I do not think this question need be seriously discussed. I would ask Mr. Kamath to proceed.

**Shri Kamath:** I was saying, Sir, that on this last day of the financial year when the present Committees are at their death gasp, it is but meet and proper for the House to take stock of the situation and see how far the Standing Committees have functioned in the spirit of what was said by the Leader of the House, not merely last year but also on the first occasion, that is to say in November 1947 when a motion of this type was first moved by the Leader of the House. On that occasion, in November 1947, the old Rules then in force were amended unanimously by the House at the suggestion or at the instance of my hon. friend, the Deputy-Speaker, as follows. There were two significant amendments to the old Rules—very important amendments too. One of the old Rules which then stood read as follows:

“The following subjects shall be laid before the Standing Committee :

- (1) All non-official Bills introduced or proposed to be introduced in the Assembly, and legislative proposals which the Ministry concerned intends to undertake and on which the Minister in charge desires the advice of the Committee.”

The last clause, that is to say, ‘and on which the Minister in charge desires the advice of the Committee’ was deleted at the instance of Mr. Ananthasayanam Ayyangar and an amendment to that effect was adopted.

Similarly, another major change was made in the rules of the Committee and that was this: There was a sub-rule to rule 3 which said: ‘Major questions of general policy on which the Minister in charge desires the advice of the Committee’. This was the rule as it stood at that time. The Deputy-Speaker,—he was not Deputy-Speaker then.—Mr. Ananthasayanam Ayyangar moved an amendment as follows: “That the words ‘on which the Minister in charge desires the advice of the committee’ be deleted, and the words ‘and financial proposals’ be added, after the words ‘general policy.’” The new rule reads thus: ‘Among the subjects to be laid before the Committee shall be major questions of general policy and financial proposals’. This means that the amendment which the House accepted left no option for the Minister as regards the subjects to be placed before the Committee except in one circumstance, and that was this: ‘In case of emergency a reference to committees may be dispensed with, and the following cases shall be excluded from the purview of the committees: (a) cases concerning appointments and (b), all cases which the Minister in charge considers cannot be placed before the committee consistently with public interest.’

Now, it is worthwhile for us to examine how the standing committees have functioned during the last 2½ years or at least during the 12 months since they were reconstituted in March 1949. A motion of this kind was made by the Leader of the House on 28rd March 1949. It gave sufficient time for the House to elect new standing committees before the financial year ran out. Unfortunately the motion is being made this year on the last day of the financial year. I do not know what has led to this delay in the making of this motion. This will necessarily result in delay in the constitution of the new Standing Committees. You, Sir, are in charge of this particular matter once the motion is passed by the House, and you will, I know, expedite the elections.

**Mr. Speaker:** I may intervene and say at this stage that I am fixing up a programme for the election of these Committees. The last day of election will be 10th April. It would not be delayed.



**Shri Kamath:** Still there will be an interregnum of 10 days between the date of expiry of the term of these Standing Committees and the birth of the new Committees.

**An Hon. Member:** You are justified in your amendment.

**Shri Kamath:** Why should this sort of hiatus occur? Perhaps it is due to negligence on somebody's part, or due to oversight. I do not want to apportion blame. But something has happened which should not have happened.

**Maulvi Wajed Ali (Assam):** Sir, on a point of order. Till a new committee is appointed the term of the old committee will not expire. So, if on 12 Noon the 10th April the new Committees are elected, there is nothing in law to prevent the old Committees continuing to sit till the 10th of next month.

**Mr. Speaker:** I do not think the matter is of any practical importance at all. It depends on the terms of motion which this House has adopted whether these Committees will continue further or not. We need not take the time of the House on this issue. The hon. Member may proceed with his arguments.

**Shri Kamath:** May I say that the rules passed last year definitely stated that these committees are to function "till the end of the next financial year" only?

**Mr. Speaker:** We need not go into that matter again.

**Shri Kamath:** A meeting of the Standing Committee for Industry and Supply was held two days ago. We are to meet again today. If the term of the Committee expires today, we shall not be able to meet till the 10th April.

There was an enquiry from the Defence Ministry two days ago asking me as to when they could fix a meeting and whether the 3rd or 4th April would suit us. I said I was not in a position to tell them. Until the Committees are constituted I cannot give them any date even tentatively. That is in regard to the technical difficulties that have cropped up owing to oversight on the part of someone.

Now, about the functioning of these committees, it is my regrettable and painful duty to tell the House that some of the committees at any rate have not functioned as effectively and as well as they could or should have. I just now read out to the House what subjects should be laid before the Standing Committees. They include all non-official Bills to be introduced in the House, major questions of general policy and financial proposals.

There is another aspect of the matter to which also I must refer. This was emphasised by the Leader of the House at the time. The rule was that meetings of the Standing Committees will be summoned by the Secretary not less than twice a year at such time as may be decided by the Minister in charge. I had on that occasion moved an amendment to the effect that the Committees should meet at least four times a year in view of the new set-up of Free India. But the Leader of the House assured me at that time, and on that assurance I withdrew my amendment. He said,—I am reading from the official report of Parliament,—

"I have just stated that I look forward to the Standing Committees meeting pretty frequently. But it will not be desirable to fix a number like four in these rules. What the rule says is that they should meet at least twice a year. They may meet many more times. I think, however, that to lay down a statutory rule that every committee should meet at least four times a year will perhaps be undesirable and might lead to some difficulty. But I hope they will meet many more times than twice a year."

Now, among the Standing Committees which have tried their best to conform to the barest minimum under the rules, so that the rules may not be infringed, is the one belonging to the Ministry of Health. The figures supplied by my hon. friend the Minister of Parliamentary Affairs are before me. This

Committee of the Ministry of Health met only twice. The rule is just not infringed. It met once on 11th August and again on 18th September last. I am sure the figures are accurate coming as they do from such a competent quarter as the Minister of Parliamentary Affairs. I do not think they are quite correct. Sir, there is another Ministry which has not conformed even to this minimum and thereby a breach of the rule has, in my humble judgment, occurred. From the statement laid on the Table of the House by Mr. Sinha it is seen that the Standing Committee of the Ministry of States met only once. (*Interruption*). That is what the statement says. I am sorry if the statement is inaccurate, and I do not know how this incorrect statement has been placed before the House. It is for you to take whatever action you may feel inclined to take in the matter, but the statement laid before the House says that it met only once, that is to say, on the 11th of April 1949. The statement is dated the 29th of March, 1950.

**Shri Tyagi:** But the members met twice.

**Shri Kamath:** The Committee met once and that was in April last, i.e., on the 11th of April, 1949, and after that, according to this statement, no meeting has been held. I take the word of my hon. friend here that it has met, and that is all to the good. In that case, the statement should be rectified at an early date.

As regards the working of these Committees or the effectiveness or otherwise of these Standing Committees, you will, Sir, permit me to make a few observations. (*Interruption*). I was just saying that the rules which I read out to the House just now make it obligatory on the Minister concerned to lay before the Committee all questions of policy and financial proposals that pertain to that particular Ministry, except, of course, in case of an emergency where such reference may be dispensed with. Now, I am not conversant with the working of every Ministry nor do I presume to become conversant with the work of all the Ministries. It is too big a task for one man, but I may mention in passing about one or two Ministries to illustrate my point. There is the Ministry of Rehabilitation. As regards the number of meetings, they have done well during the past year. But in the last column of the statement, the Minister for Parliamentary Affairs has taken the trouble to mention the various subjects which each of the Standing Committees discussed during each of the meetings that took place during the past 12 months. I find one very significant omission, among the subjects that were placed before the Standing Committee of the Ministry of Rehabilitation. It has evoked a debate in the House recently and the Minister then offered the plea that as the matter was urgent, it was not placed before the Committee. The matter relates to the import of Swedish timber huts about which there was a very lively debate in the House some days ago, and I find from the statement that two meetings of the Standing Committee were called about that time, but my charge against the Ministry is that when a meeting was called at the time or just before the order was placed for the timber huts, I do not know what prevented the Minister from placing this matter, which involved an expenditure of Rs. 18 lakhs, before the Standing Committee of the Ministry. The rule explicitly states that financial proposals must be placed before the Standing Committee.

**Pandit Balkrishna Sharma (Uttar Pradesh):** Was not sanction taken at least generally? It need not be item by item.

**Shri Kamath:** The matter was not discussed at all. It was said by the Minister last week that on account of urgency the matter could not be placed before the Standing Committee and he went on to tell us that the order was placed about the end of June, so that the huts might arrive before the monsoon set in. I do not know how if the order was placed in June, the huts could arrive before the monsoon set in but that is a different matter. I find from the statement that a meeting of the Standing Committee was called on the 27th May,

[Shri Kamath]

1949, and again on the 6th June, 1949, when certainly the Minister was busy considering this matter of the import of timber huts from Sweden. I find from the remarks column—column 4—that this was not among the subjects discussed by the Standing Committee of this Ministry.

**Shrimati Durgabai (Madras):** Sir, on a point of information, I want to know whether you have fixed any time limit for the speeches on this particular motion.

**Mr. Speaker:** I do not propose to fix any time limit unless I find that the debate is unduly being prolonged. But I would invite the hon. Member's attention to the fact that he need not go into the details of his complaint. In fact, I am trying to follow his argument and I see that he is basing it more or less on inference, so far as I have been able to follow him. He has pointed out that, on two days the meetings were held, one in May and another in June and he takes the authority of the Minister's statement that the order was placed sometime in June. It is not, therefore, legitimate to run to the inference immediately that the order was really placed at a time when it was possible to take the opinion of the Standing Committee. It may have been placed sometime between these two dates and it is common ground, whatever happened later on in the particular case, that it was a case of urgency. The hon. Member will be pleased to see that he is arguing on inferences. Of course, he may argue in his own manner, but one has to see whether factually the inferences are being supported in a manner which cannot be controverted by anybody. If he goes on arguing in this manner, there will be no end to the discussion.

**Shri Kamath:** There is the statement of the Minister for Parliamentary Affairs.

**Mr. Speaker:** The hon. Member will see that the statement is only an indication of the subjects discussed. It does not give every subject that was brought before the Standing Committee; and even assuming that the statement is exhaustive, as I just pointed out, the possibilities are, that we do not know what the facts are in between the meetings. The hon. Minister for Rehabilitation said the other day that he wanted to afford shelter to those people before the rains started and I believe, if I am not much mistaken, he also said that he expected the material would come within six weeks. Now, his expectations may not have been realized and the whole thing may have fallen through. His assumptions may have been wrong. Therefore, it would not be a legitimate thing for the hon. Member to urge that the hon. Minister intentionally kept off the matter from the Standing Committee.

**Shri Kamath:** The matter was not even taken up at the subsequent meetings of the Standing Committee.

**Mr. Speaker:** I would suggest that the matter be put through without any further discussion.

**Shri J. R. Kapoor:** To cut short discussion on this point, may I inform my hon. friend, Mr. Kamath, that I am a Member of the Standing Advisory Committee attached to the Ministry of Rehabilitation and can say this subject was certainly discussed, though it may not have been specifically recorded in the proceedings. It was discussed not only with the Members of the Committee but with many other representatives of the refugees who had assembled in June here. When the last rains were on, we were very anxious that some roofed shelter should be provided to those refugees who were to be turned out from the Connaught Circus and I may say that this subject was certainly discussed, though it is just possible that a subsequent decision taken on the subject was not recorded in the proceedings.

**Shri Tyagi:** On a point of order, I still want to suggest that the argument which my hon. friend is making before the House is not at all relevant to the amendment which he has moved. His amendment is that one of the Standing Committees did not function well and therefore its life should be extended.

**Mr. Speaker:** The hon. Member has not followed his line of argument. He is not speaking merely on the amendment but he is speaking on the substantive motion also. Both are before the House, the substantive motion and the amendment, and his point seems to be that these Advisory Committees are not allowed to function or are not functioning as they should. That is his point but he can make his point without going into the details of the thing. I think he has sufficiently made it.

**Shri Kamath:** In face of the statement, how can I.....

**Mr. Speaker:** In that way he will request me to go on till the evening.

**Shri Kamath:** I can assure you, Sir, that I will finish in 5 minutes. So also, Mr. Speaker, I am sorry to find from the statement—I have to rely on it though perhaps it may not be as comprehensive and as full as it should have been, but I have to go by that—I find that the Health Ministry also did not throughout last year,—there were only two meetings, I think—place the major project of the Prefabricated Housing Factory before this Committee. I do not know why it so happened. But that is what the Statement here shows. Therefore, I would appeal to the Ministers, present and absent in the House to-day, that they should take some more interest in the effective functioning and working of these Standing Committees in accordance with and in the spirit of the rules that this House itself adopted two years ago and reiterated last year.

There is just one more point to which I would like to refer before I sit down. The only missing link in this grand chain of standing committees, the only missing link.....

**Pandit Balkrishna Sharma:** Have you found it?

**Shri Kamath:** The only missing link is the Ministry of Parliamentary Affairs. I think that that Ministry is now a full-blown and full-blooded Ministry, it has progressed considerably since last year, and I for one feel that my hon. friend the Minister for Parliamentary Affairs is ripe for a Standing Committee. I would strongly urge a Standing Committee for his Ministry also, it may not be very large with ten or fifteen members, but it may be a committee of, say, five. I think that in spite of his ubiquitous presence on all committees, in spite of the close liaison he is having with all the Members of Parliament day in and day out, he would be no worse for having a little committee of his own, for his own Ministry, because I have felt during the last year on more than one occasion, that certain things, especially in the field of Parliamentary Affairs, might have been done more satisfactorily, or might have been expedited at any rate, if some of us had been closely and intimately associated with him. That was not done, and each of us had to speak to him privately which might have been obviated if there was a Standing Committee attached to that Ministry. I feel that even now it is not too late, and action may be taken by the hon. the Leader of the House to see that this House provides him also with a Standing Committee, because otherwise it would not be quite proper. I feel that there should not be any invidious distinction or discrimination as among the various Ministers of our Government. I hope that these few points that I have stressed will be taken into consideration by the Leader and by the House and necessary action will be taken in this matter.

**Mr. Speaker:** I do not propose to allow any speech. I will call upon the hon. Leader of the House to reply.

**Shri Jawaharlal Nehru:** The hon. Member has traversed various activities of Government and surveyed them in regard to this very simple motion that I have put forward. But I do not think it is necessary for me to take the time of the House in dealing with all those matters. I should, however, like to mention one or two facts. One is this. He said that with regard to the Ministry of States only one meeting of the Standing Committee had been held. That is perfectly correct according to the Statement laid on the Table of the House. But one more meeting was held since that Statement was made, and so two meetings have been held.

**An Hon. Member:** Yesterday.

**Shri Jawaharlal Nehru:** No, not very recently, some little time back, about a month back or more.

Secondly, I think the Statement placed on the Table of the House will show that, generally speaking, far more meetings of Standing Committees have been held than previously. Now, one reason for some slight delay in putting forward number which should constitute these Committees. The House will notice that the number has been raised somewhat, by about fifty per cent, generally, because a large number of new Members have come to the House and it is our desire to give every Member a chance to serve on some Committee. That arrangement or rather the working out of it, delayed matters slightly. There was, as a matter of fact, another proposal that there should be no Standing was not agreed to, not approved of generally. So this was also a reason for the slight delay. My colleague the Minister of States tells me that a number of meetings had been summoned, of the Standing Committees, but they could not be held because there was no quorum, and.....

**An Hon. Member:** No attendance?

**Shri Jawaharlal Nehru:** Yes, no quorum, no sufficient attendance. That was one of the reasons.

So, I submit that the numbers that I have put forward in this motion are adequate. They are not too many, and at the same time, they are certainly not too few, and this motion should be put through as it is.

May I say one word about Mr. Kamath's proposal about a Standing Committee for the Ministry of Parliamentary Affairs? I am not quite sure if he was serious about it.....

**Shri Kamath:** I am.

**Shri Jawaharlal Nehru:** It is rather difficult to find out from Mr. Kamath's utterances as to when he is serious and when he is not.

**Shri Kamath:** Is that the only answer? Is he serious, Sir?

**Dr. Deshmukh (Madhya Pradesh):** Sir, on a point of order. This motion may not be taken as a routine matter. I submit that it is not a routine thing in as much as there has been an increase in the membership of the Committees, by fifty per cent. Also, this is the only occasion when we can assess and know how far the Standing Committees have performed their duties during the last year. Even last year, Sir, you were kind enough to allow at least half a dozen Members to take part in the discussion on the work of the Standing Committees. There were some suggestions made by a responsible Member of the House, the Deputy-Speaker. And if somebody wants to suggest something or place some points before the House on the actual working of these Standing Committees so far as these subjects are concerned, I think that should be perfectly in order and should be permitted. I do not suggest that we should discuss this matter at very great length. But since there has been a change in

the motion, it is not an entirely routine matter or of a routine character. There was, as the hon. Leader of the House mentioned, the novel suggestion made in some quarters that there need not be.....

**Mr. Speaker:** He need not carry on his speech. He wanted to raise a point of order. Well, I do not think there is really any point of order at all. It is because I did not think it merely a formal motion that I permitted Mr. Kamath to speak, and he has made a speech of about 20 to 25 minutes.

**An Hon. Member:** That is preventing others from speaking.

**Mr. Speaker:** It is not a question of preventing others. It is a question of seeing that the time of the whole House is not unnecessarily taken in saying the same thing over and over again. I do not think any point of order really arises. I am putting the amendment to the House.

**Shri Kamath:** What will happen during the inter-egnum?

**Mr. Speaker:** There is no question of interregnum. It depends on the decision of the House on the amendment. As I pointed out there is no question of interregnum because a new Standing Committee is coming up. It is not that it should exist on all the 365 days of the year. I shall put the amendment now.

**Shri Tirumala Rao (Madras):** The Prime Minister has not concluded.

**Shri Jawaharlal Nehru:** I had concluded. But I would like to say that I do not see where the interregnum comes in. Action will be taken and perhaps it will take a week or so but I do not think that can be called a stoppage of activities.

**Dr. Deshmukh:** In view of your ruling, I would not like to say anything more but I do not think it is absolutely fair that no discussion should take place.

**Mr. Speaker:** It is not proper on the part of hon. Members to bring any question of fairness. We are all here for earnestly putting through work, discussing as much as necessary, at the same time taking care to see that we do not unnecessarily prolong matters over which we need not speak at any length of time. The essence of democracy is freedom of speech no doubt but that does not mean speech at any length and at the pleasure of any Member who likes to speak.

**Shri Kamath:** Is the Leader of the House in a position to assure us that the present Committees will continue till the election of the new ones?

**Mr. Speaker:** It is not a matter which depends on the opinion of the House. It is a matter of law. Hon. Members are competent enough to decide for themselves as to whether there is an interregnum and what the result of the interregnum will be. I will now put the amendment to the House. The question is:

"That in the original motion the following be added at the end, namely.

'and the Standing Committees elected by the Legislature for the financial year 1949-50 do continue to function till such time as the new Standing Committees are not constituted in accordance with this motion.'

*The motion was negatived.*

**Mr. Speaker:** The question is:

"That this House do proceed to elect, in such manner as the hon. the Speaker may direct, members to serve until the end of the next financial year on Standing Committees to advise on subjects concerning the undermentioned Ministries and Department of the Government of India, the number to be so elected in respect of each Ministry and Department, excluding the Chairman, Vice-Chairman (if any) and the Government Chief Whip, being as follows:

Ministry of Agriculture	...	15
Ministry of Commerce	...	15
Ministry of Communications	...	15

[Mr. Speaker]

Ministry of Defence	...	...	...	...	...	15
Ministry of Education	...	...	...	...	...	15
Ministry of External Affairs	...	...	...	...	...	15
Ministry of Food	...	...	...	...	...	15
Ministry of Health	...	...	...	...	...	15
Ministry of Home Affairs	...	...	...	...	...	15
Ministry of Industry and Supply	...	...	...	...	...	15
Ministry of Information and Broadcasting	...	...	...	...	...	15
Ministry of Labour	...	...	...	...	...	15
Ministry of Law	...	...	...	...	...	10
Ministry of Rehabilitation	...	...	...	...	...	15
Ministry of States	...	...	...	...	...	15
Ministry of Transport (other than Roads)	...	...	...	...	...	15
Ministry of Works, Mines and Power	...	...	...	...	...	15
Department of Scientific Research	...	...	...	...	...	10."

*The motion was adopted.*

**Mr. Speaker:** I have to inform hon. Members that the following dates have been fixed for receiving nominations and holding elections, if necessary, in connection with the following Committees, namely:

	Date for nomination	Date for election
1. Ministry of Agriculture	} 1-4-1950	} 4-4-1950
2. Ministry of Commerce		
3. Ministry of Communications		
4. Ministry of Defence		
5. Ministry of Education	} 3-4-1950	} 5-4-1950
6. Ministry of External Affairs		
7. Ministry of Food		
8. Ministry of Health		
9. Ministry of Home Affairs	} 4-4-1950	} 6-4-1950
10. Ministry of Industry and Supply		
11. Ministry of Information and Broadcasting		
12. Ministry of Labour		
13. Ministry of Law	} 5-4-1950	} 8-4-1950
14. Ministry of Rehabilitation		
15. Ministry of States		
16. Ministry of Transport (other than Roads)		
17. Ministry of Works, Mines and Power	} 6-4-1950	} 10-4-1950
18. Department of Scientific Research		

The nomination for these Committees will be received in Notice Office upto 12 Noon on the dates mentioned for the purpose. The elections, which will be conducted by means of the single transferable vote, will be held in the Assistant Secretary's Room (No. 21) in the Parliament House between the hours 10.30 A.M. and 1 P.M.

#### NAWAB SALAR JUNG BAHADUR (ADMINISTRATION OF ASSETS) BILL.

**The Minister of Home Affairs and the States (Sardar Patel):** I beg to move for leave to introduce a Bill to provide for the administration of the assets of the late Nawab Salar Jung Bahadur of Hyderabad and for matters connected therewith.

**Mr. Speaker:** The question is:

"That leave be granted to introduce a Bill to provide for the administration of the assets of the late Nawab Salar Jung Bahadur of Hyderabad and for matters connected therewith."

*The motion was adopted.*

**Sardar Patel:** I introduce the Bill.

## REPEALING AND AMENDING BILL

**The Minister of Law (Dr. Ambedkar):** I beg to move for leave to introduce a Bill to repeal certain enactments and to amend certain other enactments.

**Mr. Speaker:** The question is:

“That leave be granted to introduce a Bill to repeal certain enactments and to amend certain other enactments.”

*The motion was adopted.*

**Dr. Ambedkar:** I introduce the Bill.

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## INDIAN TARIFF (THIRD AMENDMENT) BILL

[AMENDMENT OF ITEMS NOS. 28(4), 60(6), ETC. TO FIRST SCHEDULE]

**The Minister of Commerce (Shri Neogy):** Sir, I beg to move for leave to introduce a Bill further to amend the Indian Tariff Act, 1934.

**Mr. Speaker:** The question is:

“That leave be granted to introduce a Bill further to amend the Indian Tariff Act, 1934.”

*The motion was adopted.*

**Shri Neogy:** I introduce the Bill.

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## TRANSFER OF PRISONERS BILL

**The Minister of Home Affairs and the States (Sardar Patel):** I beg to move:

“That the Bill to provide for the removal from one State to another of persons confined in a prison, be taken into consideration.”

As probably the hon. Members of the House are aware, Section 29 of the Prisoners' Act provides for the removal of prisoners from one prison to another so far as provinces are concerned. That is, this would cover only States in Parts A, C and D of the First Schedule to the Constitution but will not cover transfer of prisoners between States in Part B to States in other Parts of the Schedule. In order to provide against contingencies of this nature and also in the interest of uniformity of law we felt that we should have power to effect such transfers. In some of the States the arrangements for keeping prisoners are so ineffective and meagre—and several cases of prisoners escaping from prison have happened where the prisoners have, subsequent to absconding, committed offences—that it is found necessary to take this kind of power by the State or to enable us to transfer them to other areas where they will not have these facilities. We examined the question whether this could be achieved by amending the Indian Prisoners' Act but it was found that since the pith and substance of the Act referred to the subjects within the legislative field of the States, we could not legally do so; it is not therefore, competent for us to secure this object by amending that Act. At the same time the removal of prisoners from one unit to another is on the Concurrent List and it would be competent for this House to legislate for such removal. For this reason we had to bring a self-contained legislation before the House. This has necessitated an amendment to Section 29 of the Prisoners' Act which would strictly be confined only to transfer within a particular State.



**Mr. Speaker:** The question is:

"That the Bill to provide for the removal from one State to another of persons confined in a prison, be taken into consideration."

*The motion was adopted.*

**Mr. Speaker:** We will now take the Bill clause by clause.

There is an amendment by Mr. Roddi to clause 3. Does he wish to move that?

**Sardar Patel:** I accept that.

**Mr. Speaker:** I will place clause 2 first. The question is.

"That Clause 2 stand part of the Bill."

*The motion was adopted.*

*Clause 2 was added to the Bill.*

**Shri P. Basu Reddi (Madras):** I beg to move:

"That in sub-clause (2) of clause 3, the words 'in the first State' be omitted".

**Mr. Speaker:** I understand the Minister is accepting the amendment. So I put it to the House.

The question is:

"That in sub-clause (2) of clause 3, the words 'in the first State' be omitted".

*The motion was adopted.*

**Mr. Speaker:** The question is:

"That clause 3, as amended, stand part of the Bill".

*The motion was adopted.*

*Clause 3, as amended, was added to the Bill.*

**Mr. Speaker:** The question is:

"That Clause 4 stand part of the Bill".

*The motion was adopted.*

*Clause 4 was added to the Bill.*

*Clause 1 was added to the Bill.*

*The Title and the Enacting Formula were added to the Bill.*

**Sardar Patel:** I beg to move:

"That the Bill, as amended, be passed".

**Mr. Speaker:** The question is:

"That the Bill, as amended, be passed".

*The motion was adopted.*

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## DRUGS (CONTROL) BILL

**The Minister of Industry and Supply (Dr. S. P. Mookerjee):** I beg to move:

"That the Bill to provide for the control of the sale, supply and distribution of drugs, be taken into consideration."

The House will recall that after devaluation it was decided by Government to pass an Ordinance to control the prices of some drugs which it was thought would specially be affected on account of the fluctuations in prices due to devaluation. According to the Constitution as it then stood, it was not possible for Government to have an all-India legislation.

[MR. DEPUTY-SPEAKER *in the Chair*]

The Ordinance which was promulgated by the Central Government applied only to the Centrally Administered Areas, and similar Ordinances were promulgated in the different provinces and States of the country. Now, this Ordinance is going to expire in the next few days and it has been decided in consultation with the State Governments that the Ordinance should be transformed into Law passed by Parliament. So far as the States are concerned, Madras, Madhya Bharat, Uttar Pradesh, West Bengal, Orissa, the Punjab and Mysore have already replaced their Ordinances by Acts of their Legislatures, and other States also propose to do the same. Of course they have made some minor alterations. So far as we are concerned, today we are thinking only of the Centrally Administered Areas, the most important of which is Delhi. I have been assured by the Heads of these Administrations that the Ordinance has worked fairly well. The reason why the prices in respect of most of these drugs have not fluctuated to a very large extent is that as a matter of policy we decided to raise the import of some of the special drugs which would be required for the country's use. In fact, the House will be interested to know that the import ceiling for the half year ending December 1949 for drugs and medicines was Rs. 304 lakhs and the ceiling for the current half year has been raised to Rs. 353 lakhs, and a portion of that—more than Rs. 100 lakhs—has been allotted to the dollar area. This is a non-controversial measure. It is an Act the object of which is to supply drugs to suffering people, and I am sure the Members of the House will give it their fullest support.

**Shri Kamath** (Madhya Pradesh): Are all drugs good?

**Dr. S. P. Mookerjee**: So far as the amendments are concerned, there are one or two verbal changes which have been suggested and I am prepared to accept them when these amendments are moved.

**Mr. Deputy-Speaker**: Motion moved:

"That the Bill to provide for the control of the sale, supply and distribution of drugs, be taken into consideration."

**Shri T. T. Krishnamachari** (Madras): I have only to mention one or two minor details in regard to the administration of this measure for the consideration of the hon. Minister. The hon. Minister himself stated that circumstances have changed with regard to the control of drugs. Under entry 19 of the Concurrent List of Schedule VII of the Constitution, the Central Government has got powers to enact a Drug Control Act, which includes the control of the sale, supply and distribution of drugs. So, it would seem that though this particular Bill is to replace an Ordinance, it would be better for the Central Government to undertake a comprehensive legislation which will apply uniformly all over the country and thus replace the various pieces of State legislation which vary in detail and also in the manner of its administration. This is one point which I would like to submit to the hon. Minister and to the Government.

The second point that I would like to raise is this that in the administration of this measure I wonder if the Minister or his Department have taken account of the experience of the Government of India in the operation of a similar measure that existed during the war period. After initial difficulties and perhaps mismanagement the then Government of India were able to evolve a very satisfactory method of drug control which not only provided for the supply of medicines to people at reasonable rates but also ensured to the trade a reasonable amount of profit. The operative clause in this particular measure is clause 8 which allows the Government to notify the drugs to which this Act applies and provision is also made to give the Government power to regulate prices. These things require very careful examination, and I must say that

[Shri T. T. Krishnamachari]

in view of certain defects which have been pointed out to me by the trade, I feel that the persons who have bestowed attention with regard to the administration of the Ordinance which this Bill seeks to replace, have not given enough attention to this matter. For one thing the complaint is general that in certain types of drugs, the margin allowed to the dealer is not adequate, and in assessing the margin of profit, Government have not taken into account the fact that most of these drug-dealers in places like Delhi and other Centrally Administered Areas are not themselves importers in the first instance, but have to purchase their requirements through dealers in Bombay and that in Bombay a very high rate of sales tax is in operation. Even though the Bombay Sales Tax Act permits a small rebate on up-country despatches, nevertheless it means that a large portion of the profit that is allowed to the dealers is taken away. The second factor is the cost of transport. The important drugs are being transhipped by air, and the cost of this type of transit consumes from 8 to 5 per cent. of the listed price of these drugs. If without taking into account the operation of the sales tax in Bombay and the cost of air freight, somebody fixes the profit at 10 or 12 per cent. to a dealer, obviously the dealer is not interested in making available the important drugs that the people need. Therefore I would like the hon. Minister to impress upon his advisers in his Department that they should go into the matter more fully, taking the trade into consultation, before fixing the prices, and I would once again commend to him the example of the Government in regard to the administration of controls during the war as worth while following.

The second factor that I would like to mention is that in drawing up the list of articles that come within the scope of a measure like this, the more important ones that are needed daily are left out. For instance, I was told that ordinary things like Andrews Liver Salt or Eno's Fruit Salt is left out on the supposition, I suppose, that there are plenty of such goods available in the market and therefore the prices will not rise, and the normal factors which determine prices will operate. Sometimes, drugs which have really no market at all are listed. I think if there is to be drug control, the schedule should be comprehensive and should cover practically all the more important drugs so far as the consumer is concerned.

The third thing that I would like to mention is this. Even though it is a fact that the State Governments copy the list of drugs brought under control by the Central measure in the application of such controls to the particular State, it is not always done, and where it is done, the mistakes of the Central measure are also copied. Therefore, the Centre has got to be very careful in drawing up the list. The second consideration is that the Centre having power under Entry No. 19 of the Concurrent List of Schedule VII, it is worth while for the hon. Minister either himself or through the Health Ministry to ask for the details of the scope and working of the State control measures so as to ensure uniformity even before introducing a comprehensive measure in this House. I do hope that these minor points will be attended by the hon. Minister.

**Dr. Deshmukh** (Madhya Pradesh): There can be no quarrel with the main provisions and purpose of the Bill that has been placed before the House. But, so far as the nature of the Bill is concerned, I would certainly agree with my hon. friend who has just sat down that a more comprehensive legislation would probably serve a better purpose.

I wish that the hon. Minister had given us a little more information about the way in which this Ordinance worked during the time it was in operation, whether there have been any prosecutions, whether there have been any cases brought to the notice of Government, and if so, how they have been dealt

with and whether on the whole the control that has been exercised as a result of this Ordinance has been effective and in the public interest. He will probably give this information when he replies.

There are one or two questions which I would like to refer to specifically. The complaint of people that very often drugs are sold at blackmarket prices is by no means rare. This happens in different ways. It also happens sometimes that there is blackmarketing so far as a particular make of the drugs is concerned. A certain make is more popular than the others. In spite of the fact that some chemist has stocks of a certain article, simply because it is more efficacious in the opinion of some medical practitioners, there is a tendency to charge higher prices. I would also like to know whether besides the ordinary police vigilance and police administration, there is any other agency by which any control or supervision is exercised on these various shops and dealers.

Thirdly, I would also like to ask him whether he is dealing with the issue of licences for the importing of these drugs. So far as my information goes, this is done by the Commerce Ministry. As far as I am aware, for the current six months, licences have been issued only for Rs. 1,10,000 as against a requirement of Rs. 350 lakhs or 345 lakhs as stated by the hon. Minister. I know it as a positive fact that licences have been issued only for Rs. 1,10,000. The natural result is that, at the present moment, there is hardly any penicillin available in Delhi. A lot of people have complained to me that penicillin which is being very largely used and which we are also trying to manufacture in India, is very scarce at the moment. I hope the hon. Minister will kindly obtain the figures from the Commerce Ministry if what I say is true. There is also the common complaint so far as the giving of the licences is concerned. A particular firm which is a wholesaler and is importing from Western Germany, was given licence to the extent of Rs. 11 lakhs last year. Naturally, a firm that distributes drugs on such a large scale, will have certain administrative arrangements. For the next six months, however, this particular firm has been given licence for about Rs. 50,000 only. This is the sort of thing that is happening so far as licensing is concerned and some new-comers also have been given licences worth Rs. 30,000 each. In all probability, they have no arrangements for the distribution of these drugs and there will probably be the usual story of these licences falling into the hands of somebody else and the consumer being required to pay higher prices. This is also one of the points that I would like my hon. friend to consider and see namely that, while we empower Government with all the powers that are provided in the Bill, they are properly administered or not and whether there is any room for complaints. He should also make every effort to see that there is proper supervision and control.

**Prof. Ranga (Madras):** I would like to register my oft-repeated demand that the hon. Minister for Industry and Supply who is also in charge of these controls, should not lose any more time in getting a scientific study made of the way in which these controls have worked and the results of their working. In England they have made such a study. Such a study has been made in various other countries also. For the last three or four years, I have been making this demand. But, no effort has so far been made in this direction. I agree with my hon. friend Dr. Deshmukh in his plea that the hon. Minister may give us at least a brief account of the experience of his own Ministry in regard to the working of these controls. Generally speaking, it is the educated people who deal in these articles, that is doctors and people in charge of dispensaries, and the chemists. We must also remember that even educated people are often-times obliged to pay blackmarket prices just because they are not able to get these things from the chemists. It also happens that in some of our mofussil areas, doctors themselves are not above getting into some sort

[Prof. Ranga]

of arrangement with the chemists, and the doctors issue prescriptions, and when the poor people go to the chemists, they are not able to get these medicines unless they pay blackmarket prices. Therefore, we would like to know what steps the hon. Minister proposes to take, or he is taking already, both here in the Centrally Administered Areas as well as in the other States to protect the people from these blackmarketing operations in the distribution of these drugs.

**Dr. S. P. Mookerjee:** I shall be very brief in my reply. The first point raised by Mr. T. T. Krishnamachari is that it may be desirable to have an all India legislation regarding drug control. That matter has been referred to the States. But, generally speaking, they are reluctant to have an all India legislation. They would rather prefer that each State may be allowed to have its own legislation within a general frame-work which may be approved by the Central Government. But I am quite prepared to take up this matter again in consultation with the Ministry of Health. I know certain good results will follow if such a course is adopted. Our attempt will be to see that these drugs are available in sufficient quantities so that there may be no need for control at all. That would be the best solution.

The second question which Mr. T. T. Krishnamachari asked was whether we followed the system which was evolved during the war, when there was a large scale control over drugs? In fact the basis of this new Ordinance is closely related to the system which was then approved. When the officers worked it out they had before them the entire structure of organisation and administration which worked with a considerable amount of success during the war period. We bore that fact in mind.

With regard to the way in which this has worked, as I said in the beginning of my remarks, we are concerned with only the Centrally Administered Areas. I have got here a report of the Director, Health Services, Delhi. According to him the Ordinance has proved very helpful both to the Administration and to the public. Blackmarket or rise in prices has been practically nil. There were a few prosecutions, only two or three, since the promulgation of the Ordinance and they resulted in the temporary cancellation of the licences of the dealers.

Several of my friends have asked me whether any complaints have been received regarding the working of this control. Usually what I have found is that some Member or other of this House receives information of breaches of the control order much more quickly than even Ministers of the Government. So far as my recollection goes there has not been one single instance of allegation of the breach of this control order. That, I believe, is sufficient proof that things have worked fairly satisfactorily.

It was said that the traders went to Mr. Krishnamachari and complained to him that the rate of profit was not quite satisfactory in some cases. As a result of my enquiry I find that the trade has not complained to the Administration at all. If there had been any traders who have specially complained to Mr. Krishnamachari I would request him to tell them to go to the Chief Commissioner and point out to him what exactly their difficulties have been. In fact I find that the margin of profits which we have allowed varies in many cases from 25 to 33 1/3 per cent. If there are certain traders who are not satisfied with this margin of profit it will be very difficult for Government to satisfy them. As regards the rates I may assure the House that they were decided upon in consultation with the representatives of the trade and some of our officers went to Bombay and fixed up the schedule.....

**Shri T. T. Krishnamachari:** On a point of information I may say that I have got here a copy of a letter written to the Under-Secretary to the Government of India, Ministry of Industry and Supply drawing their attention to one particular item, namely, Cibazol, manufactured by Ciba Ltd., on which the profit that has been allowed is only ten per cent. and that is taken away by the Bombay sales tax and the transit from Bombay to Delhi.

**Dr. S. P. Mookerjee:** That was perhaps so when the rates were originally fixed. If there are particular cases where the matter will have to be re-examined, Government will be prepared to do so.

Although the total number of categories of drugs is only ten, the actual number of items comes to 2,000. What Government were anxious was that they should not unnecessarily increase the bulk and thus not be able to control. It was much better to have a shorter list and have an effective control. Of course that matter can be examined.

Lastly, my hon. friend Prof. Ranga asked how exactly the controls worked in different parts of the country. Actually my Ministry is not responsible for the working of these controls. The powers have been delegated to the Administrations concerned as it is only thus that the control can be worked. The reports which I have seen indicate that the control has worked fairly satisfactorily.

**Prof. Ranga:** I want a special enquiry to be conducted.

**Dr. S. P. Mookerjee:** I agree with Prof. Ranga that up till now we have not been able to hold any special technical enquiry regarding the working of the controls. In fact the enquiry has been perhaps on the other side: there has been a more scientific enquiry as to how the controls can be evaded.

As regards the other suggestions which hon. Members have made I shall consult the Health Ministry and if any suitable action is to be taken we will take the necessary steps.

**Dr. Deshmukh:** What about licences?

**Dr. S. P. Mookerjee:** I have called for the information and after lunch I will give the hon. Member the information that he has asked for. According to the figures I have got for the half year ending December 1949 the import ceiling was 304 lakhs of which 100 lakhs was from dollar area. Prior to devaluation this was only 40 lakhs, so that we have increased the dollar allotment by 60 lakhs for the half year ending December 1949. The total as I said came to 304 lakhs. How much of this has actually been granted I shall get the information. When we continue the further consideration of the Bill that information will be supplied.

**Shri Biswanath Das (Orissa):** What was the reason which led Government to allow these people a profit of 30 per cent. on some medicines?

**Dr. S. P. Mookerjee:** That includes the dealer's commission and his charges for storage, etc., which varies between ten per cent. and 30 per cent.

**Shri Biswanath Das:** It is excessive and high.

**Dr. S. P. Mookerjee:** It may be in some cases.

**Mr. Deputy-Speaker:** The question is:

"That the Bill to provide for the control of the sale, supply and distribution of drugs, be taken into consideration."

*The motion was adopted.*

*The House then adjourned for Lunch till Half Past Two of the Clock.*

*The House reassembled after Lunch at Half Past Two of the Clock.*

[MR. SPEAKER in the Chair]

### EXTENSION OF SESSION OF PARLIAMENT

**Shri Sidhva** (Madhya Pradesh): Sir, before you start any business, may I enquire if the session is to be extended would it be announced early, so that Members who want to send in questions can have sufficient time? Ten days' notice is required and that is why I am raising this point.

**Mr. Speaker:** I may give the Members one facility. They can send me questions in anticipation of extension. They need not wait till the extension is announced. That will serve the purpose.

**Shri C. Subramaniam** (Madras): Up to what date?

**Mr. Speaker:** It is very difficult to say up to what date. But Mr. Sidhva knows best. I shall try to make some departmental allotment and all that. But whatever that may be, so far as Mr. Sidhva is concerned, he knows and he is always far in advance. I do not think I am giving out a secret if I tell the House that it was on the 9th of January that Mr. Sidhva tabled questions right up to the 12th of April!

**An Hon. Member:** How are we to know what particular Ministers will be replying to questions on particular dates?

**Mr. Speaker:** That I shall arrange and send a circular. Of course this is on the assumption that the session will be extended. It may not be extended. Then of course the further notices will fall through, and I suppose hon. Members will not insist that because this announcement was made, therefore we must sit longer!

### DRUGS (CONTROL) BILL—concl'd.

**Mr. Speaker:** The House was discussing the Bill to provide for the control of the sale, supply and distribution of drugs. Now we will take up the Bill clause by clause. I shall take up those clauses collectively in respect of which there are no amendments. The question is:

"That clauses 2, 3 and 4 stand part of the Bill."

*The motion was adopted.*

*Clauses 2, 3 and 4 were added to the Bill.*

**Shri P. Basu Reddi** (Madras): I beg to move:

"That in part (c) of clause 5, for the word 'article' the word 'drug' be substituted".

**Dr. S. P. Mookerjee:** I am prepared to accept that amendment.

**Mr. Speaker:** The question is:

"That in part (c) of clause 5, for the word 'article' the word 'drug' be substituted".

*The motion was adopted.*

**Mr. Speaker:** The question is:

"That clause 5, as amended, stand part of the Bill".

*The motion was adopted.*

*Clause 5, as amended, was added to the Bill.*

*Clause 6 was added to the Bill.*

**Shri Munavalli** (Bombay): I beg to move:

"That in clause 7, after the words 'Chief Commissioner' occurring in the last line, the words 'or other officer, empowered in this behalf, by the Chief Commissioner' be inserted."

I beg to submit that under this clause 'any person having in his possession a quantity of any drug exceeding that permitted by or under this Act shall forthwith report the fact to the Chief Commissioner or other officer empowered in this behalf by the Chief Commissioner empowers other officer besides the Chief Commissioner. But this part has been omitted in the latter portion of the clause where it says 'and shall take such action as to the shortage, distribution or disposal of the excess quantity as the Chief Commissioner or other officer may direct'. I intend to fill up this lacuna by this amendment by saying 'and shall take such action as to the storage, distribution or disposal of the excess quantity as the Chief Commissioner or other officer, empowered in this behalf, by the Chief Commissioner may direct'. If this amendment is not accepted, what will happen is that the other officer who is empowered in this behalf by the Chief Commissioner and to whom the matter has been reported will not know what he should do, after the matter is reported to him, as envisaged, in the above clause. So, in order to empower him to issue orders as to the storage, distribution or disposal, I think this amendment is necessary. I hope the hon. Minister will accept it.

**Dr. S. P. Mookerjee:** I have been advised that this is not necessary. The Chief Commissioner has the power to delegate, whenever he is required to do so. So far as the action to be taken is concerned, there the direction that the Chief Commissioner may issue may be according to rules under clause 17. From that point of view I have been advised that it will not create any lacuna or difficulty if the clause is left as it has been drafted.

**Shri Munavalli:** Then I do not want to press it.

**Mr. Speaker:** I find that Mr. Reddi's amendment is to the same effect. So I will now put the clause.

The question is:

"That clause 7 stand part of the Bill."

*The motion was adopted.*

*Clause 7 was added to the Bill.*

**Shri Munavalli:** I beg to move:

"That in clause 8, for the words 'any drug within the limits as to quantity, if any, imposed by this Act' the words 'any drug, within the limits of the quantity, which is imposed, by this Act', be substituted."

I wanted to make it more clear and I have nothing to add further than what has been stated in the amendment.

**Dr. S. P. Mookerjee:** This is not necessary. It is a question of changing the language. We may leave it as it is.

**Mr. Speaker:** Is the hon. Member agreeable to it?

**Shri Munavalli:** I do not wish to press the amendment.

**Mr. Speaker:** The question is:

"That clause 8 stand part of the Bill."

*The motion was adopted.*

*Clause 8 was added to the Bill.*

**Shri P. Basi Reddi:** I beg to move:

"That in sub-clause (1) of clause 9, the words 'if the amount of the purchase is five rupees or more, in all cases, and, if the amount of the purchase is less than five rupees, when so requested by the purchaser', be omitted".

I submit that the bulk of the purchases is less than Rs. 5. So, if the limit is put at Rs. 5, the very object of the clause is defeated. I, therefore, submit that this limit of Rs. 5 may not be imposed so far as these cash memos are concerned, because, as I said, in most of the cases the value of the purchase happens to be less than Rs. 5. I hope the hon. Minister will accept the amendment.



**Dr. S. P. Mookerjee:** It is not really necessary to have this amendment. If the purchaser so desires, he can get the receipt. But if you make it compulsory, there might be complications. And all the administrations have reported that it has not created any difficulty. I oppose the amendment.

**Shri P. Basi Reddi:** Sir, I do not press the amendment.

**Shri Hossain Imam (Bihar):** Is there any sales tax on drugs?

**Dr. S. P. Mookerjee:** Yes.

**Shri Hossain Imam:** Then he must issue the receipts. If it is made necessary to issue receipts then how does it complicate matters?

**Mr. Speaker:** So I will put the clause to vote. The question is:

"That clause 9 stand part of the Bill."

*The motion was adopted.*

*Clause 9 was added to the Bill.*

**Shri J. R. Kapoor (Uttar Pradesh):** Sir, I find that a supplementary List, No. 1, of further amendments has just been placed before us and therein I find that the hon. Minister proposes to move an amendment similar to the one that I had tabled. If he is going to move that amendment I will be satisfied with that.

**Dr. S. P. Mookerjee:** Yes.

**Shri J. R. Kapoor:** Then I am not moving mine.

**Dr. S. P. Mookerjee:** I beg to move:

(i) "That in the marginal heading to clause 10, for the words 'exhibiting price list' the words 'exhibiting list of prices and stocks' be substituted."

(ii) "That in sub-clause (1) of clause 10 for the words 'to exhibit on the premises a price list of drugs held for sale' the following be substituted:

'to exhibit on the premises a price list of drugs held for sale and the quantities of such drugs in his possession'."

I accept the general principle underlying the amendment proposed to be moved by Mr. Kapoor, namely, that apart from prices there should be some publicity given about the stocks held by the dealers. I propose to achieve the same end by amending clause 10 in the way I have suggested. In other words, according to the orders which the Chief Commissioner may issue, it will be for him to indicate how exactly the stocks should be publicised. Mr. Kapoor suggested that it should be done day to day. Well, that might be administratively difficult but we might have the list hung up and then it might be amended and brought up-to-date, say, at the end of each week. So I accept the principle of his amendment and I suggest the House may adopt it in the way in which I propose to give effect to it.

**Mr. Speaker:** As regards the first amendment, I might say that I have ruled in the cases of so many amendments here that the marginal note does not form part of the Bill. So, I would not put that to vote but the draftsman will see to it that he corrects it. Accordingly, I will put only the second one. Amendment moved:

"That in sub-clause (1) of clause 10 for the words 'to exhibit on the premises a price list of drugs held for sale', the following be substituted:

"to exhibit on the premises a price list of drugs held for sale and the quantities of such drugs in his possession'."

**Shri J. R. Kapoor:** I think even according to the amendment proposed by the hon. Minister, it will be incumbent on the dealer to show, along with the price of drugs, the stocks that he has in his possession, and the question of the weekly list showing the quantity of drugs in his possession does not arise.

Just as the price list will be hung up, so also the stock position will also be indicated along with the prices. Whether it is daily or weekly or fortnightly, whatever it be, that rule will apply both to the price list and to the stocks.

خواجه عدايت آلہ : ميں چاہتا ہوں کہ یہ لسٹ جو ٹانگی جائے یہ انگریزی اور ہندی دونوں ميں ہو - کیونکہ عام طور سے بہت سے خریدار انگریزی نہیں جانتے - اور چونکہ ہماری لیٹنگریج بھی ہندی ہے اس لئے ہمیں ہندی کو سپورٹ بھی کرنا چاہیے۔ اسلئے لسٹ دونوں لیٹنگریجز ميں ہونی چاہئے اور اس پر پروفرائٹر کے دستخط بھی ہونے چاہئے۔ کیونکہ بعد کو جب دوکاندار پکڑا جاتا ہے تو وہ کہتا ہے کہ یہ لسٹ میری نہیں ہے - کسی دوسرے نے لٹکا دی ہے اور جب کیس چلتا ہے تو وہ چھوٹ جاتا ہے - اس لئے اس کے دستخط ہونا ضروری ہے تاکہ وہ ذمہ دار بھی قرار دیا جا سکے -

(English translation of the above speech)

**Khawaja Inait Ullah** (Bihar): I wish that the list that is hung should be in English and Hindi both. Because generally a majority of the customers do not know English. Moreover as Hindi has become our national language therefore we ought to support Hindi. Therefore the list should be in both the languages and the signature of the proprietor also should be upon the list. Because when a shopkeeper is detected then he alleges that the list in question was not his and somebody else has placed the list there. The result is that when a case is filed against him he goes scot-free. Therefore his signature must be there so that he may be held responsible for that.

میسٹر سپیکر : میں سمجھتا ہوں کہ اس میں یہ بات آ جاوے گی ۔

**Mr. Speaker:** I think this would be incorporated in the rules that are framed.

**Dr. S. P. Mookerjee:** The rules may provide for it. In fact, so far as my information goes in some places the language of the State also is used—it may not be Hindi, it may be some other language; for instance, my friend the Defence Minister wants that it must be Gurmukhi in Punjab.

So far as the signature is concerned, my friend has apparently some actual experience from which he is speaking. But even the signature may be denied; if the dealer wants to deal with it in a particular way he may deny the signature too. Any way the suggestion will be borne in mind.

**Mr. Speaker:** So I will put the amendment as it is. The question is:

“That in sub-clause (1) of clause 10 for the words ‘to exhibit on the premises a price list of drugs held for sale’, the following be substituted:

‘to exhibit on the premises a price list of drugs held for sale and the quantities of such drugs in his possession.’”

*The motion was adopted.*

**Mr. Speaker:** The question is:

“That clause 10, as amended, stand part of the Bill”.

*The motion was adopted.*

*Clause 10, as amended, was added to the Bill.*

**Mr. Speaker:** The question is:

“That clause 11 stand part of the Bill”.

*The motion was adopted.*

*Clause 11 was added to the Bill.*

**Dr. S. P. Mookerjee:** I beg to move:

"That for clause 12, the following be substituted:

'12. *Prohibition or regulation of the disposal of drugs.*—If in the opinion of the Chief Commissioner it is necessary or expedient so to do, he may, by order in writing,—

(a) prohibit the disposal of any drug except in such circumstances and under such conditions as may be specified in the order;

(b) direct the sale of any drug to any such dealer or class of dealers and in such quantities as may be specified in the order;

and make such further orders as appear to him to be necessary or expedient in connection with any order issued under this section.' "

Clause 12 indicates the powers of the Chief Commissioner in case he decides to take action. In the Ordinance three powers were given to the Chief Commissioner:

(a) to prohibit the disposal of any drug except in such circumstances and under such conditions as may be specified in the order;

(b) to direct the sale of any drug to any such dealer or class of dealers and in such quantities as may be specified in the order, and

(c) where he had the power to requisition in case he thought such requisitioning was necessary.

The amendment which I have moved proposes to omit sub-clause (c). This has been examined in relation to the provisions in the Constitution as to whether or not such a clause may remain in an Act of the Legislature without making any specific provision for compensation. Therefore, Government have decided that it will withdraw sub-clause (c) for the time being and after taking proper advice do whatever is necessary in the circumstances.

**Mr. Speaker:** May I know the position about Mr. Munavalli's amendment?

**Dr. S. P. Mookerjee:** That will not be necessary.

**Mr. Speaker:** The hon. Minister's amendment is for replacing the present clause 12 by another clause 12. If that is done the hon. Member will not have a chance for saying whatever he has given in his amendment.

**Shri Munavalli:** I shall not move my amendment.

**Mr. Speaker:** The question is:

"That for clause 12, the following be substituted:

'12. *Prohibition or regulation of the disposal of drugs.*—If in the opinion of the Chief Commissioner it is necessary or expedient so to do, he may, by order in writing.

(a) prohibit the disposal of any drug except in such circumstances and under such conditions as may be specified in the order;

(b) direct the sale of any drug to any such dealer or class of dealers and in such quantities as may be specified in the order;

and make such further orders as appear to him to be necessary or expedient in connection with any order issued under this section.' "

*The motion was adopted.*

**Mr. Speaker:** The question is:

"That clause 12, as amended, stand part of the Bill."

*The motion was adopted.*

*Clause 12, as amended, was added to the Bill.*

**Shri Munavalli:** I beg to move:

"That in sub-clause (1) of clause 13, after the words 'Whoever contravenes' the words 'or instructs his servant or agent to contravene', be inserted."

I shall also, with your permission, Sir, move the other amendment. I beg to move:

"That in sub clause (3) of clause 13, the words 'or of some other specified person' be omitted."

Under sub-clause (3) of clause 13, a person has been given the opportunity to prove that he acted under the instructions of his employer or some other specified person. This sub-clause gives a free handle to the owner, producer or dealer of the drug to put up some innocent person and escape the responsibility. This evasion ought not to be permitted. If the words 'a person who acts under the instructions of the owner or employer' are used in sub-clause (1), then this sub-clause (3) would have been justified. But these words do not occur there. So, when a person who is involved is brought up before the court, he may put up the defence that he acted *bona fide* under the instructions of his employer and he will be discharged. So also the person who is guilty by virtue of instructing his servant or agent to contravene the Act will escape responsibility. In order to punish such offenders, I think the amendments that I have moved are quite essential.

**Shri J. E. Kapoor:** I think both the amendments moved by my hon. friend Mr. Munavalli deserve to be accepted, and I would request the hon. Dr. Syama Prasad Mookerjee to apply his mind seriously to them. If these amendments are not accepted, I am afraid the whole of this clause 13 will become infructuous. Under sub-clause (1) only the actual person who contravenes the provisions can be penalised, but that very person can take a plea under sub-clause (3) that he did not contravene the provisions of his own free will but the contravention was committed under instructions by somebody else specifically mentioned by him. That somebody else can neither be punished under sub-clause (1) nor sub-clause (3), because under sub-clause (1) nobody can be punished unless he himself contravenes and under sub-clause (3) nobody can be punished if he only acts under the directions of his employer or anybody else. So, I think that if this clause 13 is to be effective both the amendments suggested by my hon. friend should be accepted.

**Dr. S. P. Mookerjee:** I am advised that it is not necessary to amend clause 13.

**Shri J. E. Kapoor:** That is incorrect advice.

**Dr. S. P. Mookerjee:** I shall just explain. What is it that is provided here? If an employee or servant puts forward the defence that he merely acted under the instruction of his employer or in the discharge of his duties to his employer or some other person, it might be a legitimate defence so far as he is concerned, but so far as the offence of the employer or some other person who may not be the employer at all but a third party is concerned, they will become the principal offenders.

**Shri J. E. Kapoor:** How, Sir? How can the person who is not an employer become an offender?

**Dr. S. P. Mookerjee:** He may be an abettor of the offence and will be liable to punishment. He may be the principal offender also. It is not a question of employer alone. In fact, if I accept the proposed amendment, I can deal with only the employer, but the clause as it stands is directed not merely against the employer but also a third party whom the servant may disclose and under whose instructions he might have acted. Even that third party will become liable under the law. That is why I am advised that it is not necessary to amend the clause.

**Shri J. E. Kapoor:** If the person who actually contravenes the provisions of the Act proves that he has committed no offence, how can there be any other person who is guilty of abetting him?

**Mr. Speaker:** Let us not argue.

**Shri Hossain Imam:** May I be permitted to say something?

**Mr. Speaker:** No. I wanted to say with reference to the contention of Mr. Kapoor that, ordinarily, in criminal law we do not accept the doctrine of agency. But here the doctrine of agency is accepted and the object seems to be to catch the principal man and not allow scapegoats to be put up. The phraseology used is 'whoever contravenes'. So a person may contravene through an agent and the agent is not sought to be held responsible. That seems to be the position.

**Dr. S. P. Mookerjee:** That is exactly so, Sir.

**Shri J. R. Kapoor:** The simple question is this: whether a person who asks somebody else to contravene will be also liable under sub-clause (1)?

**Dr. S. P. Mookerjee:** Certainly.

**Shri J. R. Kapoor:** Mr. Munavalli's first amendment makes that point very clear.

**Mr. Speaker:** But the clause as it stands makes that point very clear. It is actually more stringent than what the hon. Member seeks to do. The clause as it stands will hold not merely the agent responsible, because the onus of proving his instructions from the other party is thrown on the agent himself in the first instance, but the person who gives the directions. Even if the offender pleads his defence on that ground, he may perhaps make another man as the principal one, but one does not know whether his defence would be successful or not.

**Shri J. R. Kapoor:** But if he does succeed, then no offence would have been committed by him.

**Mr. Speaker:** The hon. Member will see that he has to prove it. This appears to me to be sufficient; of course, the hon. Member is entitled to have his own views.

**Shri Munavalli:** In view of the explanation given by the hon. Minister, I beg for leave to withdraw my amendments.

**Mr. Speaker:** I have not placed them before the House. I wanted to ask him but forgot. So, there is no question of withdrawal. The question is:

"That clause 13 stand part of the Bill".

*The motion was adopted.*

*Clause 13 was added to the Bill.*

*Clauses 14 to 15 were added to the Bill.*

**Dr. S. P. Mookerjee:** I beg to move:

"That in clause 16, the following be added at the end:

'and the provisions of the Code of Criminal Procedure, 1898 (Act V of 1898) shall, so far as may be applicable, apply to any search or seizure under this Act as they apply to any search or seizure made under the authority of a warrant issued under section 98 of that Code.'

The main purpose of the amendment given notice of on this clause by Pandit Thakur Das Bhargava, with which I am in agreement, is that in the conduct of searches the provisions of the Code of Criminal Procedure should be followed. I am putting that idea in the terms which I have proposed in the above amendment.

**Mr. Speaker:** The question is:

"That in clause 16, the following be added at the end:

'and the provisions of the Code of Criminal Procedure, 1898 (Act V of 1898) shall, so far as may be applicable, apply to any search or seizure under this Act as they apply to any search or seizure made under the authority of a warrant issued under section 98 of that Code.'

*The motion was adopted.*

**Mr. Speaker:** The question is:

"That clause 16, as amended, stand part of the Bill".

*The motion was adopted.*

*Clause 16, as amended, was added to the Bill.*

**Dr. S. P. Mookerjee:** I beg to move:

"That part (d) of sub-clause (2) of clause 17 be omitted".

This is just a consequential amendment.

**Mr. Speaker:** The question is:

"That part (d) of sub-clause (2) of clause 17 be omitted".

*The motion was adopted.*

**Mr. Speaker:** The question is:

"That clause 17, as amended, stand part of the Bill".

*The motion was adopted.*

*Clause 17, as amended, was added to the Bill.*

**Mr. Speaker:** The question is:

"That clause 18 stand part of the Bill".

*The motion was adopted.*

*Clause 18 was added to the Bill.*

*Clauses 19 and 20 were added to the Bill.*

*Clause 1 was added to the Bill.*

*The Title and the Enacting Formula were added to the Bill.*

**Dr. S. P. Mookerjee:** I beg to move:

"That the Bill, as amended, be passed."

I do not wish to make any long speech. I only want to give the House some information in regard to the value of imports which Dr. Deshmukh wanted. I give the value of imports between July and December 1949 as a little over Rs. 3 crores, while Mr. Deshmukh said that his information was that it was about Rs. 50 lakhs.

**Dr. Deshmukh:** If I may correct the hon. Minister, I said that with reference to imports from Western Germany.

**Dr. S. P. Mookerjee:** The total value of imports between July and December 1949 was for Rs. 3,11,76,000, which was composed as follows:—

	Rs.
West Germany	14,40,000
U. S. A.	1,54,64,000
Canada	1,02,00,000
Switzerland	29,68,000
Other countries	1,12,00,000

**Dr. Deshmukh:** Are these figures for the current year?

**Dr. S. P. Mookerjee:** These are figures of imports between July and December 1949. We have made a larger provision for the first half of 1950. Actually between January and March 1950 licences have been granted for 12 lakhs of rupees.

**Shri Hossain Imam:** For all countries put together?

**Dr. S. P. Mookerjee:** For the dollar area.

**Dr. Deshmukh:** I wanted the figures for Western Germany.

**Dr. S. P. Mookerjee:** The hon. member asked for information of the value of imports between July and December 1949 and he said that only Rs. 50 lakhs worth of drugs was allowed to be imported, while actually licences for import of drugs worth about Rs. 3 crores were issued.

**Dr. Deshmukh:** I am sorry my hon. friend has misunderstood me. My figures really related to Western Germany and my information is more or less correct.

**Mr. Speaker:** Whatever that may be the matter remains inconclusive.

Motion moved:

"That the Bill, as amended, be passed."

**Shri Hossain Imam:** It is not usual to make a speech at this stage. But unfortunately I was not present during the general discussion in the morning and I would, therefore, like to draw the attention of the hon. Minister to certain lacunae which have crept into this Bill. For instance clause 6 says that the limitation on the quantity which a man can possess is the quantity that is necessary.

**Mr. Speaker:** May I point out to the hon. Member that it will be a wrong precedent to allow a general discussion again.

**Shri Hossain Imam:** I am just drawing the attention of the hon. Minister to certain defects which he may rectify by rule-making powers.

**Mr. Speaker:** But I am afraid it will be introducing a rather inconvenient precedent in this House if I were to allow a speech of that type on the Third Reading stage. The hon. Member may make his suggestions to the hon. Minister and I am sure the hon. Minister will give due attention to whatever suggestions are made.

**Dr. S. P. Mookerjee:** I am always prepared to do that.

**Mr. Speaker:** So, I shall put the question.

The question is:

"That the Bill, as amended, be passed."

*The motion was adopted.*

### SHOLAPUR SPINNING AND WEAVING COMPANY (EMERGENCY PROVISIONS) BILL

**The Minister of Industry and Supply (Dr. S. P. Mookerjee):** I beg to move:

"That the Bill to make special provision for the proper management and administration of the Sholapur Spinning and Weaving Company, Limited, be taken into consideration".

The House is aware of the circumstances under which the Government of India felt compelled to pass an ordinance for the proper management of the Sholapur Mills. The Sholapur Mills happened to be one of the largest and oldest cotton textile mills in India. It has three spinning units consisting of about one hundred thousand spindles. It has two weaving units consisting of 2,200 looms. Per shift it is capable of producing 25 to 30 thousand pounds of yarn, and also 20,000 lbs. or one lakh yards of cloth per shift. It was working two shifts when on the 20th August, 1949, the mills were closed down. At that time the mills had about 13,000 workers employed in that organisation. The closure of the mills meant a loss of 25 lakhs yards of cloth per month and one and a half lakh pounds of yarn.

The House is aware that a representation was made on behalf of a section of the shareholders of this company to the Registrar of Joint Stock companies in Bombay and the Government of Bombay was moved to order a special enquiry into the affairs of this company. That enquiry was conducted by

two special inspectors appointed by the Bombay Government. I need not go into the details of that enquiry report, but the report revealed that the mills had been grossly mismanaged by the Board of Directors and the Managing Agents. It also revealed that the persons responsible for this mismanagement were guilty of certain other acts of omission and commission which brought them under the purview of the law.

Now the Bombay Government have, after they accepted the report of the inspectors, instructed the Advocate-General of Bombay to take legal proceedings against those persons against whom there were findings of the inspectors. If the matter had rested there and the law had been allowed to take its own course according to the present provisions of the Indian Company Law it would not have been possible for the mills to start working soon.

At this stage the Government of India were approached by the Government of Bombay and we were requested to take special action in order to secure the early opening of the mills. As the House is aware, under the present law we have no power to take over the working of a particular mill or factory, unless its working can be ensured through the existing management acting under the direction of a Controller who may be appointed under the Essential Supplies Act. Here was a peculiar case, where the Managers themselves were unwilling or unable to conduct the affairs of the organisation in a satisfactory and efficient manner. Naturally if anything had to be done it had to be done under some special provisions of the law.

We consulted other interests, apart from the advice we got from the Government of Bombay, lest it should be said that Government were going to interfere unnecessarily with the affairs of a company and not allowing the existing provisions of the law to take their own course. I placed this matter before the Standing Committee of the Industrial Advisory Council, where a large number of the leading industrialists of the country were present and I also held personal discussions, while I was in Bombay some months ago. We got full support from the industrialists themselves. It was pointed out to us that here was a case where Government could rightly and properly intervene and that there would be no occasion for any legitimate criticism coming from any quarter. That gives the background as to how a special Ordinance came to be passed a few months ago.

It is now my duty to place this Bill before the House which transforms the provisions of the Ordinance into a regular Act of Parliament.

A Board of Directors has been appointed which is fairly representative in character. Although powers were given under the Ordinance to the Government of India we thought it desirable to delegate our powers to the Government of Bombay, because we were anxious that there should be some authority as near the mills as possible which should be able to deal with the situation as circumstances would require.

The Board of Directors which has been appointed under the Ordinance consists of Mr. V. N. Chandavarkar, who is the Chairman of the Bombay Millowners' Association. He has been nominated as Chairman of the Board. The other members are Mr. Tulsidas Kilachand, Mr. Batliwala, Deputy Agent, Tata Industries Ltd., Mr. V. D. Sirur of Messrs. Sirur & Co., Ltd., Mr. V. N. Joshi, Deputy Secretary to the Government of Bombay, Finance Department, and Mr. Kausik, Director of Industries, Bombay.

The House will be glad to know that the mill reopened on Saturday, the 25th March, that is about five or six days ago. 20,000 spindles are being worked now and the Directors expect to be able to add more spindles and looms from time to time until one lakh spindles and 2,000 looms begin to work in about six months time. The achievement of the Directors has already done credit to them and has amply justified the intervention of the Government in this case.



श्री भद्रुः अध्यक्ष महोदय, जानकारी के लिए मैं यह पूछना चाहता हूँ कि इन डाइरेक्टर्स में शेयरहोल्डर क प्रतिनिधि और शेयरहोल्डर कौन हैं ।

**Sri Bhatt (Bombay):** Sir, on a point of information. Amongst these directors which ones are the representatives of shareholders and which ones shareholders?

**Dr. S. P. Mookerjee:** I shall deal with that point. We have taken the responsibility for nominating the Board of Directors, which means that Government have taken the responsibility for seeing that the mills are properly worked. I believe some of the members individually are shareholders but it was definitely the policy of the Government not to have on the Board representatives of shareholders as such. In fact the majority of the shares are today being controlled by the ex-Managing Agents themselves and that was the principal difficulty why the mills could not be worked by them under the direction of any Controller. In fact the Government of Bombay had our concurrence to appoint a Controller but the Controller found it impossible to function, because the Managing Agents themselves were not prepared to function. I was not prepared to add to this Board at this stage any special representatives of the shareholders' group as such. That would have created complications. The first thing which is necessary now—and that is the structure of the Ordinance which I am asking the House today to confirm—is that the management should be placed in the hands of a group of people in whom Government will have complete confidence and who will be able to work the mills without any possibility of any disunity amongst the Directors. Of course the Government have also taken the responsibility for finding the finances for the time being. Undoubtedly in that respect a certain amount of risk has been taken but the ultimate profit or loss will go to the company. It is not a case of the acquisition of the mills by Government: that is a point which I would like to make quite clear to the House.

As the House must have seen, the provisions of the Ordinance indicate that the Board should as soon as possible be in a position to hand over the management to a properly representative Board of Directors, which I hope will represent the majority of the shareholders ultimately. How that is to be achieved is a matter which I am not prepared to dilate upon at this stage.

Here I must pay my tribute to the Directors who have agreed to shoulder this responsibility and specially to the Chairman, Mr. Chandavarkar. They are working without any remuneration. They have not accepted even the Director's fees. Of course they may draw the Director's fees later on when there is sufficient money available. They have not accepted any allowance, although I know that two of them, including Mr. Chandavarkar himself, are practically working for about three days in the week for running the mills. They only accept their actual out-of-pocket expenses for going from Bombay to Sholapur and back.

One great advantage which we have been able to secure through this method of organisation is that the services of some competent technical officers and also managerial officers have been made available to the mills from the organisations which are now under the control of the Directors, specially of Mr. Chandavarkar, with a small allowance. By spending only a small sum of money we have thus been able to get temporarily some efficient managers and technical officers. If everything goes on well they would be able to make a profit after the mills have worked for about six months. I do not however desire to paint a very rosy picture before you. But this is the first experiment which Government have made with regard to the management of a private concern which, it was alleged, failed because of the malpractices adopted by those who were responsible for its management.

Barring one or two minor amendments I would humbly suggest to the House that it should not alter the structure of the Bill, because the work has already started and if later on any difficulty is experienced by Government we can make such alterations as may be necessary.

So far as the general powers of Government to deal with similar cases elsewhere are concerned, I should like to say a few words before I conclude. I have seen a number of requests from some other mills and factories which have closed down on the alleged ground of irregularities committed by the management. One principle, which I think the House will endorse, which Government have decided to follow is that if Government propose to interfere in a case such as this it must be done after full and proper enquiry. If merely some allegations of mismanagement are made against a private concern, it would not be justifiable for Government to intervene. But once the enquiry has been made and it appears that the affairs of a company—which of course is not the paternal property of anybody, it may be that they are only managing it for the time being, but it is the shareholders' money and public money—are not managed properly, if it appears that they are unable to do so on account of gross negligence or otherwise, instead of the long delaying procedure which has to be followed as now laid down in the Indian Companies Act, there has to be some quick remedy so that Government may come and take over the management of such concerns. Some idea like this we have tried to put in the Industries Control Bill which the Select Committee has considered. I hope the House will have an early opportunity of considering the provisions of that Bill so that, in case it is necessary to take similar action in respect of other concerns where in the national interest Government interference is called for and justifiable, Government may be able to do so without any difficulty whatsoever.

**Mr. Speaker:** Motion moved:

“That the Bill to make special provision for the proper management and administration of the Sholapur Spinning and Weaving Company, Limited, be taken into consideration”.

**Shri M. A. Ayyangar (Madras):** May I say a few words on this occasion? This is a very auspicious occasion in the annals of the history of the management of undertakings in this country by the Government. I am extremely glad and I congratulated the hon. Minister for having started this, and having thus broken the ice. We have been repeatedly hearing the nauseating complaints from private agencies and industrialists that State management is absolutely useless, that they alone are the paragons and that they have improved the industries in this country. I have always held the view that the State has a right to step in at all times. There are certain sectors which ought to be taken by the State, which ought to be State-owned, State-managed and State-controlled fully. With respect to all the other sectors I say that the State must have a dominating voice in regulating the industries the products of which are essential to the needs of the community. In certain matters like cosmetics and other things it does not matter how one industrialist tries to take advantage of the weakness of the community. But in the larger field which caters to the needs of the community it is the responsibility of the community as a whole which is the paymaster both of the employer and the employed. Now, there is an unholy combination between these two. I find a tendency on the part of employers to sell at enormous prices and pay some hush money to labour. Labour may be satisfied, and between them they think that they are the only persons who are entitled to command whatever autocracy they may try to indulge in and impose on the rest of the community. Here is an instance where perforce an industry has been thrown upon the shoulders of the Government. The shoulders of the Government are broad enough to take not only this industry but many others which may not rise equal to the occasion or which may not manage their units properly. I learnt from the hon. Minister

[Shri M. A. Ayyangar]

of Industry and Supply, in answer to a question a few days ago, that it is not only this mill but there are sixty and odd mills in this country which have closed down. I do not know whether it is sixty or sixteen. I would like the hon. Minister to correct my statement. May I know how many other weaving and spinning mills have closed down for one reason or another?

**Dr. S. P. Mookerjee:** The total number will be about thirty-five.

**Shri M. A. Ayyangar:** Some of them have closed down for want of cotton; a second kind have had to close down due to over-stocks; a third kind for want of capital; and a fourth kind due to mismanagement. But mismanagement seems to be common ground for all of them. For, if they had managed properly, those inconveniences would not have arisen. Then, what about those thirty-four other mills? We are struggling for want of cloth. We have sufficiently allowed and given a large field to private enterprise to manage—or mismanage—as they liked. We have waited and waited. Whenever we wanted to interfere with private management, even to a small degree, private management was up in arms against Government and against everybody who had even suggested it. Then, here, at the very seat of the capital they used to hold huge conferences and every man began to cry against and curse the Government. Whatever they say, could not all of them have organised themselves and help to improve the management of weaker units? It is after all one of their own fold who lives in the same presidency—from Ahmedabad right up to Sholapur it is a huge array of mills from end to end, spinning or weaving or both. Why did they not organize themselves into one community and come forward and offer to manage this? They would not do it, and they would not allow the Government also to do it either.

I feel happy that the Government has come forward to take up the management in its own hands. The labour will not be thrown out of employment. 13,000 people will continue to be employed. And this is not the first instance. In the matter of the Vizagapatam ship-yard where 4,000 skilled men are employed, but for the timely help of Government they would have been thrown out of employment. I am glad they have gone to the rescue of the Vizagapatam ship-yard. I may differ in the method by which a subsidy or help was given. I think it must be bolder still that a corporation should be established wherein the erstwhile management will be only partners along with Government. But that is another matter. In this case also this is only one instance—Sholapur. What about other mills? May I suggest that Government must immediately establish a corporation or a Board of Trade with power to take over management of mismanaged industrial units from time to time? They must have a Board to watch these industries, their management and cater to their needs from time to time. For all the banks in the country we have a central bank, the Reserve Bank, which is the eye of all the banks together: it is practically their soul. Whenever circumstances demand it, the Reserve Bank comes to the aid of any bank with sufficient finance until it can be resuscitated or rehabilitated, or if it is impossible to do so, it takes steps to wind it up. Likewise there must be an expert body with proper men in the art of managing these industrial undertakings. Managing agents go about, trying to fleece the public as much as possible, enter into unconscionable bargains, and pay themselves ultimately, deluding the companies which have been placed in their charge by gullible investors, namely, the shareholders.

I find one clause in this Bill by which the Government in the first instance appoints the directors and it is open to the directors to hand over the management to Managing Agents. I would say that I do not like that. I do not want, when once the Government has taken up the management, that these other people should delegate the powers which have been delegated to them.

I am sure the hon. Minister will have a watch over this. I have no doubt about it. But he is proceeding very haltingly. Why should he not give up this kind of hesitation and this kind of inferiority complex?

**Shri Sondhi** (Punjab): Then we shall have to change the Company law.

**Shri M. A. Ayyangar**: I can change it. I am a little less thick than my friend Mr. Sondhi, but I have no inferiority complex. On the other hand, this body, of which my hon. friend is a part, is a supreme and sovereign body, and it can do anything except changing a man into a woman or a woman into a man. I can do anything else in this House. All the existing laws I can repeal by one clause. We have the powers, and in the best interests of the community we can pass any legislation.

**Shri Goenka** (Madras): Subject to the Constitution, I suppose?

**Shri M. A. Ayyangar**: The Constitution also we passed. It is not as if some other man passed the Constitution. If you and I do not like it...

**Mr. Speaker**: Let us not go into side issues. We have got here a simple Bill.

**Shri M. A. Ayyangar**: I want to encourage Government to go ahead. The point I was making was this. There is a provision in the Bill that the directors may hand over the management to Managing Agents. Unfortunately, on account of interruptions I rambled a little. Nevertheless, I humbly submit that I have been agitating for this. It is also one of the clauses in the industrial policy that was enunciated by our Government and accepted by us on the 6th April, 1948. There must be started an Industrial and Commercial Service in this country—just as we have an All India Administrative Service and an All India Police Service to take charge of general administration. Hereafter economic administration is more important than even general administration. The previous Government was more anxious about keeping order in this country against ourselves because they were foreigners. Hereafter order lies in contentment and happiness, in the social and economic welfare of the people; that guaranteed, order will restore itself easily. Therefore, to take over such management easily and without any difficulty and run it efficiently, we must have a number of young men trained for this particular purpose. I wish the hon. Minister would take advantage of this opportunity and bring into existence such a cadre as early as possible to avoid such institutions once again lapsing into the hands of another set of managing agents whose management also may prove perhaps to be as bad as the management we are trying to supersede.

I am unable to understand one provision here in clause 3 which seems to be a little inconsistent with the provision in clause 5. I may not have another opportunity to speak on it later, and it is not a detail, therefore with your permission I will refer to it. In clause 3 it says that the Government may appoint any one of such directors to be the chairman. In clause 5 (a) it says that these directors shall have the right to choose one of their members to be the chairman. The Government may choose a chairman, and these directors, if they are constituted, can choose a chairman. As between the two who is the overriding authority? I am not able to see. Possibly I am wrong—I will be glad to be wrong. But if I am right the matter must be corrected.

I once again congratulate the hon. Minister for having taken this bold step. Let him lay his hands upon the other institutions and resuscitate those other 87 odd mills that have been closed down so that the dearth of cloth, in a country which produces the largest quantity next only to the United States, of cotton need not again and again make people go naked, half-naked or semi-naked. Let us clothe ourselves as early as possible. Let us not surrender ourselves to the whims and fancies of private industrialists whose motive is profit and not service to humanity.

**Shri Sidhva** (Madhya Pradesh): Sir, how the system of managing agencies is responsible for squandering away the money of the shareholders and the public is illustrated by the case of these Sholapur Mills which is under discussion. It should be an eye-opener to those who still advocate that the system of managing agencies should be retained. I shall presently show to what extent the managing agents have embezzled and misappropriated the shareholders' money, and I must congratulate the Government for having taken this bold step for at least saving some money of the shareholders by taking over control of this mill which is one of the largest in Asia. This mill was started 74 years ago. It has 1,05,400 spindles and 2,488 looms and its electricity is supplied to the whole of the Sholapur Municipality. You can understand from this and from the large number of workers that are employed there as to what kind of a large mill this was which has been brought to ruination. And that is only on account of the mismanagement of the managing agents. From 1927 up to 1947, the highest dividend declared was Rs. 525 per share. It went down to Rs. 400, then to Rs. 300 and in 1947 it was Rs. 100. Only in 1948 when the management was taken over by the ex-managing agent who is now in jail, it made a loss of Rs. 30 lakhs.

**Dr. Deshmukh** (Madhya Pradesh): What is the value of a share?

**Shri Sidhva**: I speak subject to correction, but I think it is Rs. 500 for ordinary and Rs. 1,000 for preferential shares.

**Shri Hossain Imam** (Bihar): The face value of the share is Rs. 1,000.

**Shri Sidhva**: I said I speak subject to correction. But there are two kinds of shares.

Anyhow, the position is that the management was very rotten and a majority of the shareholders were the henchmen of the managing agents. That being so, an individual shareholder could not make his voice felt among the majority. Only as recently as in December last a meeting of the shareholders was convened and the Morarka family, who have a large stake predominated it by representing a large number of shareholders by proxy and overruled a very large number of individual shareholders. It was not possible even to pass the last balance-sheet, report and the accounts.

This is the state of affairs of the Sholapur Mills. My friend, the hon. Minister has paid compliments to the new directors. I join with him. They are men of integrity, they are businessmen. But I would have wished that he should have also complimented that section of shareholders who have been fighting for the last two years to see that this Mill should be taken over by Government. I am sure had they not raised their voice continuously neither the Government of Bombay nor the Central Government would have taken this step. Therefore, if the Government are not prepared to pay their compliment, I am prepared to pay the compliment and I hope the House will join me in doing so.

**Hon. Members**: Yes.

**Dr. S. P. Mookerjee**: There is no reason for the hon. Member to think that the Government do not appreciate the efforts of individual shareholders in that direction.

**Shri Sidhva**: I am very glad to hear that. Because you mentioned the directors, I thought the shareholders . . .

**Dr. S. P. Mookerjee**: I mentioned them also.

**Shri Sidhva**: Very well. My point is that these shareholders having realised that the management was getting really rotten, made a representation to the Bombay Government on 4th July, 1947. Rather, they made a representation earlier than that and the Finance Department of the Government of Bombay appointed a Committee on the 4th July, 1947, to investigate the matter. They

submitted an astonishing and astounding report in August 1949 about the manner in which this Mill was being run. I would not take the time of the House in quoting some of the important parts of this report which have damaged the honesty of the managing agents to a very great extent, but I would not refrain from informing the House that the manner in which this Mill was being run by the managing agents showed that it was run not in the interests of the shareholders but in their own personal interests.

[MR. DEPUTY SPEAKER *in the Chair.*]

The managing agency comprised of five persons, all of the Morarka family.

**Shri Feroz Gandhi** (Uttar Pradesh): Are they all in jail?

**Shri Sidhva**: No, no. Only the senior man is in jail.

The report says:

"From all these facts as stated above, it would be seen that the Company is not being managed efficiently, conscientiously and in the best interests of the Company with the result that the prestige of the Company has suffered and as pointed out hereafter, the financial position of the Company has also worsened to such an extent that while the other textile companies have been able to declare phenomenal profits, this particular Company has to confess to a huge loss of about Rs. 30,00,000 as per its last Report."

**Shri Shiva Rao** (Madras): May I rise to a point of order? Are these matters relevant to the Bill under discussion, because I understand that some of these things are *sub judice* and I do not know if it is proper to make reference to them on the floor of this House?

**Mr. Deputy-Speaker**: It is one thing to say that it is irrelevant. It is another thing to object to it on the ground that the matter is *sub judice*. I would like to have light from the hon. Minister on the question as to whether this whole matter is *sub judice*.

**Shri C. Subramaniam** (Madras): Whatever is irrelevant is always irrelevant, whether it is a matter that is *sub judice* or not. Anything which is not relevant is always irrelevant.

**Mr. Deputy-Speaker**: I understand that. But it is one thing to say that a particular thing is irrelevant, but an entirely different thing to say that the matter is *sub judice* and therefore it should not be discussed. First of all, before going into the question of relevancy, I would like to know if this matter is *sub judice*. There are many matters which are relevant but if they are *sub judice* we ought not to discuss them. So, let me first dispose of the point about *sub judice*. Has the hon Minister got any information on this point?

**Dr. S. P. Mookerjee**: I have got the information that the Government of Bombay have asked the Advocate-General to take steps for the prosecution of the offenders.

**An Hon. Member**: But prosecution has not yet been made.

**Dr. S. P. Mookerjee**: As to what subsequent steps have been taken, etc., I think it will not be desirable to discuss now.

However, I leave the matter entirely in your hands.

**Mr. Deputy-Speaker**: Prosecution for what? Misappropriation?

**Dr. S. P. Mookerjee**: Yes, for the same things which my hon. friend Mr. Sidhva has mentioned just now. After all, Government have considered the Report and the action taken by them is before the House. You are flogging a dead horse so far as this matter is concerned.

**Prof. Ranga** (Madras): May I know if the Report has already been published and it is public property?

**Dr. S. P. Mookerjee**: Is it? I do not know if it has been published.

**Shri Sidhva:** May I be permitted to state one thing? My hon. friend Mr. Shiva Rao says that this matter is *sub judice*. Probably he does not know that this Report is the Report of a Committee which was appointed by Government of Bombay. It was submitted to that Government and it has been published in *The Bombay Chronicle* of 25th May, 1949. I am quoting from that Report.

**Mr. Deputy-Speaker:** When was the case launched?

**Dr. S. P. Mookerjee:** No case was launched.

**Mr. Deputy-Speaker:** Was it a Departmental enquiry or was the matter placed before the police as a result of an action taken in a court of law?

**Dr. S. P. Mookerjee:** The matter is under Police investigation.

**Prof. Ranga:** But Police investigation is another matter.

**Mr. Deputy-Speaker:** Police investigation does not make the matter *sub judice*. So, let me know from the hon. Member how far this is relevant.

**Shri Sidhva:** To me it is relevant in this sense, that there has been misappropriation.

**Shri Joachim Alva (Bombay):** I want to correct you, Sir. Police investigation started at the instance of a court of justice is *sub judice*.

**Mr. Deputy-Speaker:** I want to know whether the Police investigation is at the instance of a court? Unless a matter is filed as a complaint and it is referred to the Police for investigation under Section 200, the matter would not be *sub judice*. May I know from the hon. Member if any formal complaint has been filed before any Magistrate and thereafter investigation is being carried on at the instance of the court?

**Shri Sidhva:** No, Sir.

**Mr. Deputy-Speaker:** Then there is no question of *sub judice* in this matter. Now, may I know from the hon. Member what is his object in referring to this Report so far as this Bill is concerned?

**Shri Sidhva:** I am quoting from the Report for this reason, namely, that I want to show that the shareholders are responsible for getting this Committee appointed and this Report being made by the Members of the Committee. I want to cite to the House the manner in which this Mill has been managed.

**Prof. Ranga:** You mean, mismanaged?

**Shri Sidhva:** Yes, and I also want to show the way in which these Managing Agents were functioning. I am quoting from the various chapters of the Report just to show who is responsible for squandering away large sums of money belonging to the shareholders, resulting ultimately in Government's taking over of this concern.

**Mr. Deputy-Speaker:** Order, order. I have heard sufficiently. The hon. Member evidently is not only speaking to the Members of this House but is speaking to people outside also. He is trying to show the justification for Government taking charge of this Mill. Mismanagement has taken place and he wants to prove that this is the proper occasion for Government to step in, lest others may say that Government are encroaching upon a private industry which has not been reserved under the terms of Government's industrial policy as a State enterprise. This is not reserved for State enterprise and therefore the hon. Member is really trying to lay the foundation for showing that the Ordinance that was issued was, to some extent, necessary. Therefore, his observations are entirely relevant and he may go on. He need not read the whole Report.

**Shri Sidhva:** No, Sir, I will not.

I was quoting certain paragraphs from the Committee's Report as regards the way in which this concern was mismanaged by the Managing Agents. The Report also says :

"In 1942-43, there was found to be a shortage of about 1,00,000 seers of cotton or *kapas* in the Latur Factory; but no inquiry appears to have been instituted for ascertaining the cause of this shortage and no explanation seems to have been demanded from the Manager in charge at that time. The circumstances indicate that, although the *kapas* was purchased, the cotton resulting from it, had not been received in the Mill".

Then the Report goes on further to say :

"We find that, contrary to the generally expected data and the data furnished by the mill Engineer himself, the actual coal recorded as consumed exceeds very considerably the quantity which should be legitimately consumed according to the said data".

I do not wish to go into details. But I want to quote one more passage from the Report :

"Reprehensible misapplication of the Company's funds though the above instance shows, a still graver scandal is disclosed in the debiting to the Company of the marriage expenses incurred in respect of the brother of the Managing Agent."

Startling revelations are made in the Report.

**Mr. Deputy-Speaker:** Is it one of the terms of the Managing Agency?

**Shri Sidhva:** You will be pleased to notice with what affrontery the Managing Agent has acted. He has had the audacity to spend the funds of the Company on the wedding of his brother to the tune of Rs. 1 Lakh.

**An Hon. Member:** Is this brother in jail?

**Shri Sidhva:** No.

**Prof. Ranga:** Say 'not yet'.

**Shri Sidhva:** The Report further discloses that when the Committee demanded certain account books and vouchers, the Managing Agent was afraid and intentionally avoided producing them, because he had relied all along on the strength of his shareholders over whom he had control and the majority of whom he knew were with him, and he was now afraid that he may be let down. He had also realised that the Indian Companies Act was very defective as far as the managing agency clause was concerned, so that he would not be hauled up. So, when the Committee investigated the matter, he did not produce the records and files. The Committee says that it was put in a very awkward and difficult position in getting all the materials, and from such material as had been made available it came to the conclusion that there was a great deal of embezzlement of public money. So, the Committee ultimately recommends that this matter should be dealt with by the Bombay Government, who should launch prosecution against this Managing Agent. I do not know what the Bombay Government is going to do in this matter. I had proposed an amendment to the effect that a Tribunal should be set up. If we really want to set an example to other Managing Agents and teach a lesson to people who embezzle public money, we should have such a Tribunal. I do not know whether my hon. friend the Minister of Industry and Supply is prepared to accept that amendment. If he is not prepared, then I would like to know what are his reasons for doing so. When there is an embezzlement, as the Committee has found out, to the tune of several crores of rupees, I want to know what steps he intends to take if my amendment is not going to be accepted. The object in my tabling that amendment is to draw the attention of Government to this matter and ask them whether they will really take serious steps to proceed against such persons and see that those who misbehave with



[Shri Sidhva]

public money are not allowed to go scot-free. The Government of Bombay went to the extent of appointing a Committee. That Committee has gone into this matter exhaustively and made a damaging report against the Managing Agent. I want to know whether the Bombay Government or the Government of India are now going to remain silent on this matter? The Government of India's responsibility is there. Before appointing this Committee, the Government of Bombay had taken the consent of the Government of India in this matter. Having done that.....

**Dr. S. P. Mookerjee:** I thought I said in my opening remarks that the Government of Bombay had been instructed and that that Government were most anxious to launch prosecution. I also said that the Bombay Government had instructed the Advocate-General to take necessary steps and Police investigation was going on. I do not know why Mr. Sidhva is suddenly getting excited over this matter. What he has suggested is proposed to be done.

**Shri Sidhva:** I am vehement for this reason, that this man is a very powerful man and he should not be let off.

**Dr. S. P. Mookerjee:** But he has been arrested already.

**Shri Sidhva:** He is in jail for another offence, let me tell you.

**Mr. Deputy-Speaker:** How can he be arrested again?

**Shri Sidhva:** He has been arrested for giving a bribe of one lakh of rupees to a Police official. You can see from this what kind of man he is.

**Mr. Deputy-Speaker:** I am afraid that is not a matter which we should go into here. It may be true or it may be false, but we will accept it. We are not discussing the private conduct of this individual but the mismanagement of the Mill, which has led the Government to step in. The hon. Member may, if necessary, speak on his amendment later on.

**Shri Sidhva:** I will speak on the amendment when the occasion arises. I only wanted to state that this is a concern of which the book value is Rs. 48 lakhs. Today, I am told that the market value of the concern is nearly Rs. 2½ crores. Government must see, while they are appointing directors to control the affairs of this mill, that they include one or two of the minority shareholders' representatives on the Board. I know, as my hon. friend the Minister for Industries and Supplies said, that if an election were to take place, then these Managing Agents will certainly get their own men. I know the difficulty. A few days back I put a question to my hon. friend as to whether any representative of the minority shareholders will be taken on the board. He replied that they could not do it at this stage, but he would be prepared to take the matter up. He said just now that the suggestion will be considered later on. But I would earnestly request him to ask the Bombay Government to select from these minority shareholders two representatives to look after the interests of the majority of the individual shareholders, who have a large stake in this mill. They have invested a large amount of money in this concern. I, therefore, trust that my hon. friend will bear this factor in mind.

**Shri O. Subramaniam:** What is the share capital of this Mill?

**Shri Sidhva:** It was 48 lakhs; the subscribed capital was 32 lakhs.

I have got reliable information that the Government of Bombay have not yet taken any steps to launch the prosecution against the culprits, and that they are in the process of making enquiries. But I do hope that the hon. Minister will personally see to it that stringent measures are taken and that

the persons who are responsible for mismanagement and maladministration are brought to book. I know that he has got a vast amount of valuable immovable property. Early steps should, therefore, be taken to see that the money of which the public have been defrauded is returned to them by attachment even of the private property of this person.

I do not wish to take much time of the House. I have also tabled another amendment regarding *benami* shareholders, which I shall explain to the House when the time comes.

For all these reasons I whole-heartedly support the Bill. I am partly responsible for seeing that the ordinance was issued by the Government and I am glad that Government have taken a very firm attitude in this matter. Many influences were at work at that time to prevent the issue of the ordinance by Government. These people are today challenging the ordinance in the Bombay High Court. I bring this to the notice of the House to illustrate how influential these people are. They may even challenge the Act when it is passed by us. But we are a sovereign body entrusted with the task of looking after the interests of the public. So even if the Constitution which empowers us to pass this Act is defective, we shall see that the Constitution is amended with a view to seeing that such people do not walk away easily with the shareholders' money.

**Shri B. K. P. Sinha** (Bihar): I am happy that this Bill has been introduced in this House. After all Government have realised that the instruments of production possess a social character and are not the concern primarily or only of the people who invest their money in them. There is a large body of shareholders as well as the public at large who have a big stake in these concerns and they cannot, therefore, see their management going from bad to worse. My only regret was when I read this Bill that Government had not thought fit to pass a legislation in general terms to deal with all types of cases of this nature. But after listening to the statement of the hon. Minister for Industry and Supply I am satisfied on this score.

The hon. Minister referred to certain provisions of the Industries Control Bill. I read the provisions of that Bill in the light of conditions obtaining in certain firms—particularly in certain firms in my own province—and I felt that the relevant provisions of that Bill do not come up to the needs. In this connection I wish to refer to two firms in my district. There is a sugar mill at Gaya; there is also a cotton mill there. Both are good mills with German machinery with adequate potentialities, but both on account of mismanagement and labour troubles have been closed down this season. The Directors and the Managing Agents of the Gaya Sugar Mills began to fight criminal cases and civil cases. There was a case in the Calcutta High Court; there was another case in the Patna High Court. The result of all this was that the sugar mills had to close down this season.

Similar, or rather worse, is the case of the Gaya Cotton Mill. That mill has very good machinery, but unfortunately it is not being run on proper lines. There was a dispute between the labour union and the management and the management took the opportunity to close the mills. And for the last several months, when the whole country is facing an acute cloth shortage, when we need cloth for export the mill has not been working. Therefore, I say that we must have legislation on general terms. I do not think that the provisions of the Industries Control Bill serve our purpose. I feel that there is necessity for a separate and independent legislation on this matter and I have no doubt that soon the Minister for Industry and Supply will bring forward such a measure.

[Shri B. K. P. Sinha]

I will next refer to the system of managing agency. This system of managing agents has been the subject of adverse criticism for a long time. In view of this and in view of the fact that this system does not serve any useful purpose, it is time that this is abolished. Only yesterday I received a huge memorandum of about two hundred or two hundred and fifty pages from the Bombay Shareholders' Association on managing agents. This memorandum is full of tales of woe and misery which the managing agents have brought about on the industries of this country. The Congress Economic Programme Committee have recommended that in private industry the existing system of managing agency should be abolished as early as possible and I hope the Government will act upon it. But there is a provision in clause 5(b) of this Bill which reads: 'to appoint any individual or firm to be **4 P.M.** the managing agent of the Company and to determine the terms and conditions of service of such managing agent.' I feel that in view of the facts that I have stated this provision should be taken away.

One important fact I would refer to in this connection. Clause 11 provides that the Government may at whatever stage they like terminate the services of the Directors whom they appoint. These Directors will appoint the Managing Agents. They may appoint them for a definite period. If the appointment of the Directors under clause 11 is terminated before that period, then there will be an anomalous position. The new Directors who come after the Government-appointed Directors go away may like to have the old Managing Agents or a new set of Managing Agents or they may not like to have any Managing Agents at all. I view this question in this light. I feel that there is no necessity for Managing Directors.

I would refer here to a point which you, Sir, referred to. In clause 3 it is provided that the Government may appoint one of such Directors to be the Chairman but clause 5 says that Government will appoint the Directors and those Directors may elect a Chairman and confer on him such powers as they like. Under clause 3 the Government have simply the power to nominate a Chairman. There is no provision in this Bill which empowers the Government to confer any power whatsoever on the Chairman. The repositories of power in this Bill are the general body of Directors and it is only those Directors who can confer power on the Chairman. I would therefore suggest that the words 'may appoint one of such directors to be the chairman' may be omitted from clause 3 and the directors who shall be appointed by the Government shall choose their own Chairman and confer power on him.

I would refer to a small point and I find that the amendment is going to be accepted.....

**Mr. Deputy-Speaker:** The details of the Bill may be reserved to a later stage.

**Mr. B. K. P. Sinha:** With these few words, I conclude.

**Shri Ethirajulu Naidu (Mysore):** Sir, I hasten to welcome the Bill. The need for Government assuming powers to put this mill on its legs again cannot be questioned. Thirteen thousand people have been on its rolls and they are now in the list of the unemployed. These mills which have a vast capacity for production cannot be allowed to be idle, particularly when we have an ambitious export programme and I am glad that the Mills have already been put on their feet.

I also welcome the Bill as it provides an experiment in seeking the co-operation of the industrialists in running an industry which has been mismanaged.

I would make one or two observations in regard to the Bill. The shareholders are in a peculiar position today. They may be entitled to a dividend, whatever it may be if the Mills went into liquidation. It should be provided that their position should not be worsened in any event.

The other matter which I would like to deal with at this stage is this. In clause 10 it is said:

"Notwithstanding anything contained in any law for the time being in force, no managing agent shall be entitled to any compensation for the premature termination under this Act of any contract of management entered into by him with the Company, and no person shall be entitled to compensation in respect of the cancellation or variation under this Act of any contract or agreement entered into between him and the Company."

Not only are the managing agents affected but even third parties who have entered into contracts with the mill are denied their right for compensation, if any. I would submit that the interests of third parties who have had no hand in the company coming to this pass should not be affected and the ordinary law of contract should be allowed to prevail. The ordinary law of the land should not be abrogated at the slightest provocation. I would request the hon. Minister to consider this matter very seriously, because third parties who would have their rights for compensation and other remedies against the company should not be made to lose their rights by any piece of special legislation.

May I illustrate my point? Suppose a party has entered into a contract for the supply of about 10,000 bales of cotton and the mill does not take the supply and the price of cotton falls. Is not the party entitled to damages or compensation for such loss? Simply because the Government takes over the concern the rights of private parties under the law, as it exists, should not be affected in any way. As to the managing agents, because they are the people who have brought about the situation, any legislation involving a drastic provision to safeguard the interests of shareholders against mismanagement and misdeeds should be welcomed by this House.

Before you took the Chair, Sir, you were pleased to point out the conflict between the provisions of clause 3 and clause 5 in regard to the appointment of the Chairman. When I look into the Ordinance which preceded this piece of legislation I see that there was no power there for the Directors to elect their Chairman. Clause (a) of clause 5 of the present Bill is not to be found in the Ordinance and probably when they inserted this new clause the attention of the person who drafted the legislation was not drawn to clause 3. That perhaps accounts for it. We cannot expect a directorate to function smoothly with a Chairman imposed upon it. I suggest that the anomaly may be removed by the deletion of the concluding portion of clause 3 of the Bill.

The other matter is about the appointment of managing agents. With all respect, I am in perfect agreement with the statement which you made before you took the Chair, Sir. It may lead to complications and it is better that Government retains the power, if at all, or that the managing agents may be appointed by the Directors with the approval of the Central Government, so that it might not lead to any complications. My argument is further strengthened, because under clause 7 the Directors enjoy immunity from the consequences of the action they may take by instituting suits and other things. Before that immunity is given to them the possibility of abuse might best be avoided. I make no comment with regard to the persons who are at present Directors but as a general principle it is necessary that before immunity is given from the consequences of their acts, they must first have the approval of the Government that those acts are necessary.

With these words I heartily welcome the Bill.

**Shri Goenka:** Sir, I have only one suggestion to make. This is a very important Bill. This very Ordinance is now being questioned in a court of law in Bombay. Let this be passed today and not tomorrow as tomorrow is first of April. That is all my request to you and through you to the House.

**Shri J. R. Kapoor** (Uttar Pradesh): Sir, I beg to move:

“That the question be now put.”

**Shri Hossain Imam:** It is a very important Bill...

**Mr. Deputy-Speaker:** I think we shall be able to finish this soon. As wise men we started it well, but other things intervened. Let some more hon. Members speak. Whatever points have to be agitated or referred to during the course of the debate on the clauses are being exhausted now and therefore the time that would otherwise be spent on the clauses is being saved. I therefore think that we will be able to get through the Bill today. If necessary we shall sit for half an hour more.

**श्री भट्ट :** मैं शोलापुर स्पनिंग और वीविंग मिल (Sholapur Spinning and Weaving Mill) के बारे में कई सालों से सुन रहा हूँ और वहाँ के शेयर होल्डरों (share holders) ने कितने ही साल से यह साबित करना चाहा था कि शोलापुर मिल और शोलापुर कम्पनी की मिलों में बहुत कुछ गोलमाल हो रहा है। लेकिन उस समय की सरकार न उसकी कुछ भी सुनवाई नहीं की। आखिर अभी अभी करीबन आठ महीने पहले से उन्होंने फिर से कोशिश की और इस कोशिश का यह नतीजा अच्छा या बुरा अब निकला है। हमारे भाई सिधवा की मदद से भी उन्होंने शायद कोशिश की हो तो उन को—सिधवा जी को—भी इस के लिये धन्यवाद है। लेकिन मैं जानता हूँ कि छोटे छोटे शेयर होल्डर्स कई जगह भटकते थे, कई जगह घमते थे, बम्बई के मिनिस्टर्स (hon. Ministers) के पास जाते थे और श्रीयुत नन्दा जी ने इस में जो दिलचस्पी ली उस की वजह से आखिर यह मौक़ा आया। गत साल बम्बई सरकार ने केन्द्रीय सरकार को लिखा था कि इस मिल का कारोबार अपने हाथ में ले लेना चाहिये और यह तय भी हो चुका था। लेकिन जो मैनेजिंग एजेंट (Managing Agent) हैं और जिनका नाम भाई सिधवा ने बार बार लिया है वह इतने चतुर आदमी हैं कि वहाँ सब कुछ तय हुआ और यहाँ से अनुमति भी मिल गई तो भी यहाँ आकर उन्होंने इस रीति से चक्कर चलाया कि थोड़े दिनों तक तो अंधेरा मालूम होने लगा और शेयर होल्डरों को यह लगा कि हमारी कई सालों की और अभी की कई महीनों की मिहनत बरबाद हो रही है मालूम नहीं कि यहाँ के अहलकारों ने भी स्यामाप्रसाद जी को क्या कह दिया कि यह जो आर्डिनंस (ordinance) निकलने वाला था और इस मिल और कम्पनी का संचालन जो लिया जाने वाला था वह सब रुक गया। मैंने उन लोगों को तसल्ली दी थी कि आप इतने अधीर नहीं होइये, आप कई सालों से लड़ रहे हो तो थोड़े महीने और निकल जायेंगे। लेकिन मैं जानता हूँ कि जिस कार्य में बम्बई सरकार की तरफ से श्रीयुत नन्दा जी हैं और केन्द्रीय सरकार की ओर से श्रीयुत डाक्टर स्यामाप्रसादजी हैं उस काम में अन्याय नहीं होगा, नहीं होगा। यहीं मैंने उनको तसल्ली दी थी और लुशकिस्मती से यह आर्डिनंस जनवरी की नौ तारीख को निकला। श्री मोरारका जी ने आकर ऐसा चक्कर चलाया था कि पहले तो निराशा सी हो गई थी और कई दिन उस में चले भी गये थे। बम्बई में श्री बैकुंठ भाई मेहता

जो अर्थ सचिव हैं वह भी परेशान थे कि यह सब क्या हो रहा है। लेकिन आखिर आर्डिनंस आ गया और आर्डिनंस के जरिये हम ने इस कम्पनी का कारोबार संभाल लिया।

अब इस आर्डिनंस के अनुसार जो बिल हमारे सामने आता है वह एक तरह से नया प्रयोग सरकार कर रही है कि अगर जनता की सम्पत्ति का गोलमाल होता है, अगर उस सम्पत्ति की दुर्घ्यवस्था होती है, और बदइन्तजामी होती है तो सरकार बीच में पड़ेगी और ऐसे आदमियों के हाथों से वह कारोबार ले लेगी। इस तरह का यह एक पहला प्रयोग हम कर रहे हैं। तो हिन्दुस्तान में सम्पत्ति वालों को और मैनेजिंग एजेंट्स को और दूसरों को समझ लेना चाहिये कि सरकार में वह शक्ति है, वह ताकत है, जिसको कि वह जनता की रक्षा करने में, जनता की संपत्ति की रक्षा करने में लगा सकती है। यह सरकार ने इस बिल के जरिये और आर्डिनंस के जरिये बता दिया है। हमारे सामने जो यह बिल आया है वह एक पहला प्रयोग है। तो इस लिये इस बिल का हम स्वागत करते हैं और हम चाहते हैं कि जहां जहां इस प्रकार की गड़बड़ होती होगी वाह वहां सरकार अपनी नजर को पहुंचायेगी, और जहां भी ऐसे आदमियों के हाथों में कारोबार होगा वहां वह उस कारोबार को अपने हाथ में ले लेगी।

इस बिल के कई पहलू हैं। लेकिन मैं उन सब में नहीं जाना चाहता हूं और उन की कई रिपोर्टों के बारे में भी नहीं कहना चाहता हूं। लेकिन इसमें एक तजवीज यह की गई है कि बम्बई सरकार की ओर से जो एक जांच फिर से हो रही है, जिस रिपोर्ट के ऊपर फिर जांच हो रही है तो वह एक अलग चीज है ही। लेकिन इस बिल की सातवीं धारा के अनुसार जो डाइरेक्टर (Directors) होंगे उनको यह अधिकार दिया गया है कि पुराने आदमियों ने कुछ गड़बड़ की हो, कुछ ऐसी गोलमाल की हो, तो उन आदमियों के विरुद्ध भी वह आवश्यक कार्यवाही कर सकते हैं। तो यह सातवीं धारा बहुत व्यापक है और डाइरेक्टरों को जो यह सत्ता दी गई है यह बहुत अच्छा किया गया है। इसके साथ साथ जो अभी डाइरेक्टर (Directors) नियुक्त किये गये हैं वह चाहे शेयर होल्डरों (share-holders) के प्रतिनिधि के रूप में नहीं हैं लेकिन डाक्टर साहब ने यह आश्वासन दिया है कि आगे जाकर जरूर ऐसा करेंगे कि जो शेयर होल्डर्स अभी तक बचारे लड़ रहे थे, महीनों से मिहनत कर रहे थे, उनको भी तसल्ली हो जायगी कि उनमें से भी एक दो आदमी डाइरेक्टर हो कर बैठें हैं। उन डाइरेक्टरों में से मैं सबको तो नहीं जानता हूं लेकिन कई को जानता हूं और वह सच्च आदमी हैं, प्रामाणिक आदमी हैं और वह चाहते हैं कि हमारी इस चीज को अच्छी तरह रखना चाहिये और इसको विगड़ने नहीं देना चाहिये। शेयर होल्डर्स की यही मंशा थी और ऐसे आदमियों में से एक दो आदमी जरूर ले लिये जायं। हो सके तो अभी से ही ले लिये जायं, अगर अभी नहीं तो चन्द महीनों के बाद ले लिये जायं जिससे उन लोगों को भी ठीक रहें।

एक दूसरी बात सोचने की यह भी है कि इसमें चाहे शेयर होल्डर्स हों या डाइरेक्टर हों लेकिन देश की दृष्टि को सामने रखना है कि देश में उपज कम न हो जाय। अभी तो एक शोलापुर मिल का ही सबाल है, बाद में और मिलों का भी सबाल आ सकता है। मैं समझता हूं कि इसके साथ साथ हमें मजदूरों

[श्री भट्ट]

के प्रतिनिधि को इस इंडस्ट्री के कारोबार में शामिल करने की कोशिश करें जिससे वह भी कह सकें कि इस मिल को, इस कम्पनी को चलाने में हम भी लगे हुए हैं और सरकार ने इसके लिये हमारे हाथ में भी कुछ जिम्मेदारी दी है। मैं यह जरूर मानता हूँ कि इससे बहुत कुछ वातावरण में बदल होने की संभावना है। इसका मानसिक असर होगा, साइकोलाजिकल (psychological) असर होगा। मैं श्रीयुत चन्दावरकरजी को जानता हूँ अगरचे वे मिल मालिकों के प्रतिनिधि हैं तो भी वह सच्चे आदमी हैं। वह मिल मालिकों की दृष्टि से ही काम नहीं कर रहे हैं। मैं उनको कई सालों से जानता हूँ और कह सकता हूँ कि वे इस दृष्टि से काम नहीं कर रहे हैं कि मिल मालिकों को या मैनेजिंग एजेंट्स (managing agents) को ही फायदा हो। अगर उनकी—मिल मालिकों की—कहीं गलती होगी तो उसे वह जरूर दिखावेंगे। इसमें अब ऐसे आदमी आये हैं, जैसा कि डाक्टर स्यामा-प्रसाद जी ने बताया है, जो बिना खर्च के इसमें काम करेंगे और सिर्फ़ आउट आफ पाकेट एक्सपेंसेज (out of pocket expenses) लेंगे। आउट आफ पाकेट एक्सपेंसेज कितने होंगे यह बात अलग है। लेकिन नहीं भी लें तो वे मालदार आदमी हैं और उनका काम चल सकता है। लेकिन आउट आफ पाकेट एक्सपेंसेज लें तो भी जिस नीयत से वह डायरेक्टर बने हैं वह यह बताती है कि वह सरकार को सहयोग दे रहे हैं और यह सहयोग बताता है कि वह सरकार के साथ रहकर काम चला कर दिखलाना चाहते हैं। इसलिये मैं जरूर इसके लिये उन लोगों को धन्यवाद देता हूँ और मैं यह जरूर चाहूँगा कि मैंने जो एक दो मुझाव पेश किये हैं उनको भी हमारे डाक्टर साहब ध्यान में रखेंगे।

एक और बात....

मिस्टर डिप्टी स्पीकर : व्याख्यान देने वाले कई लोग हैं।

श्री भट्ट : जी हां। तो मैं छतम ही करता हूँ। लेकिन एक प्रस्ताव आपके सामने रखता हूँ। सत्रहवीं धारा में सेंट्रल गवर्नमेंट (Central Government) को रूल्स (rules) बनाने का आख्तियार दिया गया है और बिल की जो सातवीं धारा है उसके नीचे काम करने वाले जो डाइरेक्टर होंगे वह सत्रहवीं धारा के नियमों के अनुसार काम करेंगे। उसके ऊपर जाकर काम नहीं कर सकेंगे। तो मैं मानता हूँ कि आम तौर से इस बिल में काफ़ी गुंजाइश भी है और काफ़ी पाबन्दियां भी रखी गई हैं जिससे जो डाइरेक्टर होंगे वह कोई गड़बड़ नहीं करेंगे जिससे कि हमको कोई छतरा हो। इतना कहते हुए मैं इस बिल का स्वागत करता हूँ। और आशा करता हूँ कि देश में यह पहला नमूना अच्छा पेश होगा।

(English translation of the above speech)

**Shri Bhatt:** I have been hearing about the Sholapur Spinning and Weaving Mills for years and the poor share-holders had for years tried to prove that a lot of bungling had been going on in the Sholapur Mills and other Mills belonging to the Sholapur Company. But the then Government did not pay the least attention to these complaints. At last some eight months back they made another effort and be it good or bad this is the result of their efforts. If ever they had made efforts through the help of Shri Sidhva then Shri Sidhva also is to be thanked for that. But I know that the small share-holders used to wander here and there, sometimes they approached the hon. Ministers of

the Government of Bombay and the interest that Shri Nanda took in this matter has brought this about. Last year the Government of Bombay had suggested to the Central Government to take over the management of the said Mill and decisions had also been taken in this respect. But the Managing Agent, whose name Shri Sidhva has mentioned more than once, is such a clever person that though decisions had been taken there and permission of the Centre had also been granted yet he manoeuvred in such a manner that for some time the prospects appeared to be quite dark and the shareholders began to feel that their labour of years and years and specially of the last few months was about to go to dogs. Nobody can say how the officials of this place put the matters before Dr. Syama Prasad Mookerjee that the Ordinance, that was to be issued, and the steps that were to be taken for the taking over of the management of this Mill and the company were all put a stop to. I had asked them not to be impatient and advised them to continue the struggle for a few months more as the time would soon pass. I am fully confident of the fact that no injustice would be done in a case which has been referred to the tribunal consisting of Shri Nanda as a representative of the Government of Bombay and Dr. Syama Prasad Mookerjee representing the Central Government. I had given them this very advice and rather fortunately this Ordinance was issued on the 9th January. Here Shri Morarkaji had manipulated the matter in such a way that at first we had begun to feel disappointed and many a day passed in this uncertainty. Shri Vaikunth Bhai Mehta the Minister of Finance in the Government of Bombay was also surprised to see the turn the matters were taking. But at last the Ordinance was issued and as provided by this Ordinance we took over the management of this company.

Now the Bill that has been based on this Ordinance is a new experiment of its kind that the Government is making with the intention that if the public property is misappropriated or is unwisely managed then the Government would intervene and would take over the management from such persons. This is the first experiment we are making of its kind. Therefore the capitalists, managing agents and other persons should understand that Government possesses such powers that could be utilized for safeguarding the interests of the public, and for the protection of the public property. The Government have made this point crystal clear through this Ordinance and Bill. The Bill before us is the first experiment of its kind. Therefore we welcome this Bill and wish that wherever such disorderliness prevailed Government would take cognizance of it and would take over the charge of the management wherever from the hands of such persons.

There are many aspects of this Bill, but I do not want to discuss them all. I do not wish to say anything about the various reports also. But a provision has been made therein that the other enquiry that is being conducted on behalf of the Government of Bombay and the Report in respect of which enquiry has been reinstated is quite a different thing altogether. But according to the clause 7 of this Bill, the Directors that would be appointed, have been vested with the power to take necessary action against those old employees also who may have committed disorderliness in the past. So this clause 7 is very comprehensive and the vesting of this power with the Directors is no doubt a very wise step.

Again, though the directors appointed recently do not represent the shareholders, the hon. Dr. S. P. Mookerjee has, nevertheless, given an assurance that the share-holders too, who had been agitating and labouring so hard for the last several months, will have the satisfaction to see one or two of their representatives appointed as directors. I do not claim to know all of the directors personally. I, however, know several of them. About these persons I can say that they are honest and trusted gentlemen. They realize well the necessity to look after our interests and not to let them suffer on any account.



[Shri Bhatt]

Share-holders too wanted that. One or two persons from them, therefore, must be taken and, if possible, with immediate effect. If not now, they may be taken a few months after so that these people may also feel satisfied to some measure.

Apart from the respective interests of the share-holders and the directors, we should consider also to keep constantly in view the good of the country as a whole and not to allow the production to be decreased anyway. It may be that the Sholapur Mills are concerned at the moment. But other mills may have their turn too. I suggest that efforts should be made to associate also the representatives of the workers with the working of this industry. The suggestion, if acted upon will make them conscious of the part being played by them in the management and working of the Company as also of the measure of responsibility entrusted to them by the Government. I do maintain that it will go a long way to change the whole atmosphere. It will create a moral and psychological effect. I know Shriyut Chandravarkar. It is true that he happens to represent the industrialists. The mere fact, however, does not take away the truth of his being honest. He is not working solely in the interests of the mill-owners. I know him for the last several years and am, therefore, in a position to say that he has not been working with the sole intention of benefiting the industrialists and managing agents alone. He is sure to point out when the mill-owners go wrong. Again, as stated by the hon. Dr. S. P. Mookerjee, persons have come in there now who will work honorarily and will charge out of pocket expenses only. Now it is a different matter as to what amount these out of pocket expenses may come to. Even if they forego to charge such expenses, they do not stand to suffer because of their being quite well-to-do persons. But, despite their charging such expenses, their intentions in joining as directors indicate that they are extending the necessary co-operation to the Government. This co-operation makes their desire to work with the Government quite manifest. I, therefore, do thank these people for this spirit. I also hope that the hon. Dr. S. P. Mookerjee will bear in mind the suggestions made by me.

One thing more.....

**Mr. Deputy-Speaker:** There are many others to speak.

**Shri Bhatt:** All right, Sir. I may conclude after proposing one thing only. In clause 17, the Central Government have been given powers to frame rules and the directors appointed in pursuance of clause 7, will have to work within the frame-work of the rules made as such. They will be unable to go against the rules. I therefore feel that, despite so many loop-holes, adequate restrictions have also been provided in the Bill which will leave no scope for the directors to do anything out of the way to harm us. With this, I welcome the Bill and I hope, happens as it does to be first of its kind, it will be well-received by the country.

**Shri Hoassin Imam:** This Bill which is before the House is not so unimportant as to be treated in the manner in which it was suggested—that it should be passed here and now. This Bill is really the beginning of a very important step and it opens a new chapter. If the matter is not properly handled now, it will mean the condemnation of nationalization for all time. It is therefore necessary that we should take every care.

I wish to point out one or two facts. This is not an ordinary mill. This is one of the first eight mills in India which has got more than one lakh of spindles. It is a mill which was giving very good profits during the war years. It is only lately that it has got into difficulties. But even today the prices do not compare unfavourably with that of other companies of like order.

**Why** are the shareholders still paying that high price? The face value of the shares is Rs. 1,000 and these shares are being quoted at Rs. 3140 and Rs. 3150. Similarly is the case for the prices quoted for Thakersay Mulji and Sons, Western India, and other companies. The shareholders have hopes that this company will be a profitable concern. They are paying more than three times the price, which means that the shareholders are confident that if it is properly looked after, the company will give them very good dividends. I was rather surprised to hear that the responsibility for the profits and losses will not be that of the Government. May I know from the hon. the Minister if I am correct in assuming this?

**Dr. S. P. Mookerjee:** The Board is responsible to the shareholders.

**Shri Hossain Imam:** I would venture to suggest that when we were talking on the last Bill for a similar amount of compensation to be paid for acquisition of stocks, we dropped the idea because we felt it might be against the provisions of the Constitution of India.

**Mr. Deputy-Speaker:** This is only for the Management.

**Shri Hossain Imam:** But what is the Management? When the person whose property it is, is debarred from managing and is not guaranteed any profit and is saddled with a loss if it comes, then it is high time that we began to consider how it is possible for industrialization to develop in India.

**Mr. Deputy-Speaker:** If a receiver is appointed, what will happen?

**Shri Hossain Imam:** If he is appointed he is appointed under certain rules. Here, we do not know whether the Directors will be personally responsible under the Indian Companies Act or whether, because of the provisions of Section 14 they will be treated as public servants and get immunity. A public servant always gets immunity. Here you are giving them no directions. The Central Government is leaving them free. There is nobody to check their actions, no one to watch them, nor any one to lay down the lines on which they are to work. I personally think that it would be better if further consideration of this Bill is postponed so that we may not embark in haste on a measure which may ultimately result in a lack of confidence on the part of capital. That is a point which you must take into consideration. Capital is already shy and are you going to make it still more shy? Are you going to place before them this prospect—that any company can be taken over? I am very glad that the hon. Minister of Industry and Supply has already stated in his opening speech that he is not prepared to take action unless the charges are proved. This is a great safeguard which has been provided. But, what I want is that a provision should be made which will not only convince us but convince others also that we are taking scrupulous care. That is why I have referred to the question of the Constitution. That Constitution must safeguard the right of private property. As it is there is no security of private capital of anyone. If this Sovereign Legislature can pass an Act by which they will be able to manage a business while the losses and gains will be that of the owners, will its position be any better than that of Managing Agents? This is exactly what a Managing Agent does. He does not take any responsibility for losses or profits. His position is like that of the Britishers of old—heaven-born people, born to rule! That is what the system of having Managing Agents amounted to. Shareholders must invest their money but the Managing Agents reap the benefit. In this case, we are replacing them, what are we doing? We are appointing another set of persons who will not be benefiting themselves. Be that as it may, but there is no safeguarding against mismanagement.

There is one thing more which is weighing with me. It is this. If we manage this company according to our wishes and we do not make any profits.

[Shri Hossain Imam]

then with what face can we say to the industrialists that you must reform yourselves otherwise we shall have nationalization? If this is a failure, nationalization will be condemned before it is born. The only way in which it cannot be a failure is that the work must be entrusted to paid staff. This is what I was driving at. I am at one with everyone in my respect and regard for Sir V. N. Chandavarkar. But he is a busy man. He has very big businesses to control in addition to the Millowners' Association. Therefore, it is necessary that he should have paid staff who should carry on the day to day work and be fully responsible under the Indian Companies Act for all their actions, both to the shareholders as well as to the Directors whom we are appointing. The Directors should be more or less in the position of Directors and not of Managing Agents. There is a vast difference between Managing Agents and Directors. The Board of Directors meets once in a fortnight or a month but the Managing Agents are there for twenty-four hours of the day to look after everything. It is really some substitute for the Managing Agents that you want. It is rather difficult to get competent people with sufficient experience of textile mills, and especially for such a big mill which has a large spindle and weaving capacity. But it is beyond our ingenuity to ask one of the smaller industrialists who is managing his own affairs to take up this mill jointly with an official with proper guidance and proper joint control. What would be the ideal thing is that there should be a joint management by an official and an industrialist. What is required is some adequate planning in which everything has got to be according to certain fundamental rules and regulations and there also must be a spirit of *entrepreneur* which takes risks on the assumptions that one's efforts are making for success. As has been pointed out before, the India of the future can best be managed in a mixed economy, and this is an opportunity for us to show how mixed economy can be run. I want this opportunity to be utilised for the best purpose possible.

**Mr. Deputy-Speaker:** Shri C. Subramaniam.

May I request hon. Members to state their points and try to finish this Bill as early as possible? I will put the motion to vote at 4.45 P.M. so that there may be sufficient time to complete it today. Also, there are some more hon. Members who wish to speak.

**Shri C. Subramaniam:** I welcome this measure and I also congratulate the Government for having taken the step which has necessitated the enactment of this legislation. This Bill recognises a principle which is quite wholesome, namely, that ultimately the Government is responsible for the good working of the means of production which produces the essential goods for the community. It is not only in cases where the public, in the sense they are shareholders, own the means of production that the Government should intervene. Even in a case where it is individual-owned by certain persons, apart from a corporation or a company, if an essential means of production is mismanaged, in my humble opinion it is the duty of the Government to intervene and see that it is set right. Because, as the hon. Minister said, it is not as if the managers or the shareholders or even the labourers are the only parties interested in the means of production; the entire community is interested in it. If our country has got to progress, these means of production have got to be utilised properly, have got to be worked properly. Therefore, if there is any mismanagement anywhere the Government should have the power to intervene and set things right.

The previous speaker said it was a case of acquisition without any compensation. It is not acquisition, I respectfully submit. The State has got the right to take the property of persons under disability. We have provisions to

take over the management of the property of lunatics. The State has got the right to take over the management of the property of minors.

**Mr. Deputy-Speaker:** Court of Wards.

**Shri O. Subramaniam:** Yes, the Court of Wards. Similarly, if a person habitually mismanages his things that is a sort of disability. So, when we take over the management of these Mills, it cannot be said that it is a sort of acquisition by the Government. The previous speaker was surprised that we are not taking responsibility for profit and loss. Well, if we take over responsibility for profit and loss, that will be acquisition. The profit and loss should go to the Company; then only will it be taking over of the management.

Then it was said that capital would lose confidence. We should put a stop to this bogey of saying that capital would become shy. Fortunately, in this case the hon. Minister has consulted the capital interests also, that is the Industrial Advisory Council, and they have given their agreement to this measure. Apart from that, whether they have agreed to it or not, even if they do not agree to it, if there is a case of continuous mismanagement then in my view it should be the duty and the responsibility of Government to take over the concern.

I was just going over the proceedings of the previous Assembly and I found in the proceedings of the year 1936 that our late beloved Bhulabhai Desai has made a mention of this very Company. He was the Leader of the Party of which you, Sir, were a member. Then he had said that this was one of the most successful textile concerns in the whole of India. That was in 1936. All that has been frittered away during the course of a few years. That shows the gross mismanagement of the persons who had been in charge of the affairs of this Company. If the affairs of the Company are so mismanaged, is it not the duty of the Government, as the ultimate guardian of the property of the entire community, to step in and say that we shall manage it? I think we have done the right thing and we need not be apologetic about it. Whether anybody is shy or critical, let us do the right thing.

The previous speaker asked, where is the guarantee against mismanagement by anybody who is managing the affairs of the Company? As long as a human being is at the head of any management, there is always the possibility of good and bad management. The risk is always taken.

**Mr. Deputy-Speaker:** Cannot those directors who mismanage or misbehave be removed under this Bill?

**Shri O. Subramaniam:** Yes, they could be removed. It is not as if they are given absolute powers. They are directly under the control of the Central Government. If anything is done not in good faith, then they could be removed and prosecuted in a Court of law. Under these circumstances, I fail to see the question of a guarantee against mismanagement. The Central Government has control and ultimately this House also has got responsibility and also the right to go into the affairs of this Company if there is any mismanagement. Therefore, this question of a guarantee against mismanagement need not be given serious consideration.

Then, I would only refer to a conflict so to say, which you pointed out in clauses 3 and 5. In my view there is no conflict at all because you will see that in clause 3 the Central Government 'may appoint one of such directors to be the chairman'. Clause 5 says that the directors may 'choose one of their number to be the chairman'. If the Central Government has already appointed a chairman, it is not open for the directors to go beyond the steps already taken by the Government and select a chairman. It does not vest an absolute

[Shri C. Subramaniam]

power in the directors for the purpose of selecting a chairman. This power has to be exercised subject to the control of the Government, as it is mentioned in the beginning of the clause 5. There is no question of the directors going beyond the orders passed by the Government and choosing another person as chairman.

Objection was taken to clause 5(b). I am sure so far nobody has been appointed as managing agent in this case. It is not on the ground that the managing agents are likely to misbehave that I oppose this provision. But the Congress Party is opposed to the managing agency system and when a Government which is responsible to the Congress Party is enacting this legislation, let it not be said that we also relied on the managing agency system for the purpose of an industry which we were taking over for management. We should set an example that even without the assistance of a managing agent it should be possible to run a company. We should set an example in that direction. Therefore, I object to the provision contained in clause 5(b). Of course, that power of appointing managing agents also has got to be exercised subject to the control of the Central Government. But I hope the Government will give an assurance that it will not unnecessarily appoint any managing agents in this case. According to the statement made by the hon. Minister, the affairs of the Company are being managed by the present Board of Directors very well and we hope it will be a success. We wish the hon. Minister success in this new enterprise. We hope that this experiment would disprove the theory that anything taken over by the Government is likely to be mismanaged, that unless there is some sort of a private interest in it no management can flourish. That bogus theory should be shattered once for all. I hope the hon. Minister would see that this experiment ultimately ends in success.

**Dr. S. P. Mookerjee:** I am thankful to the House for the general support that it has given to the basic principles of this Bill. But a few matters have arisen in the course of the debate, to which I may make a brief reference.

First of all, it has been said that this is the first step towards nationalisation of key industries in the country. I would like to make the position clear. We are not really considering the question of nationalisation of key industries with reference to the provisions of this Bill. The desirability of some industries being placed under State ownership and management has been considered by this House from time to time, but so far as this particular measure is concerned, it really relates to the amount of control which the State should exercise over industries which are under private management when such industries are mismanaged and when it is considered by the State that it should intervene and do something in the interests of the community as a whole. Government have no desire to bring by the backdoor, as it were, the policy of nationalisation of industries and have it accepted by this House.

So far as private industries are concerned, there are certain important considerations which have to be kept in view. I fully sympathise with the hon. Members who desire that strong action should be taken by Government and that Government should intervene in order to prevent loss. But there are certain conditions which have to be fulfilled before Government can and should intervene. I believe that the general principles to be kept in view are these:

First of all, the undertaking must relate to an industry which is of national importance. Not each and every undertaking which may have to close down can be taken charge of temporarily by Government.

Secondly, the undertaking must be an economic unit. If it appears that it is completely uneconomic and cannot be managed at all, there is no sense in

Government taking charge of it. If anything, it will mean that Government will have to waste money which belongs to the tax-payer on an uneconomic unit.

**Shri Sidhva:** Such industries should be scrapped.

**Dr. S. P. Mookerjee:** Yes, such undertakings, as my hon. friend Mr. Sidhva suggests, should be temporarily scrapped.

Thirdly, there must be a technical report as regards the condition of the plants, machinery, etc. which either as they stand, or after necessary repairs and reconditioning, can be properly utilised.

Lastly,—and this is of considerable importance—there must be a proper enquiry held before Government take any action. The enquiry should show that the Managing Agents have so misbehaved that they are no longer fit and proper persons to remain in charge of such an important undertaking.

These conditions will have to be fulfilled.

**Shri C. Subramaniam:** Supposing an undertaking is closed continuously over a period of time?

**Dr. S. P. Mookerjee:** I think I have made it clear that when an enquiry takes place, all those considerations will be before the enquiring officer and the reasons for an undertaking remaining closed for days and weeks and months must become known. What I am saying is this, that Government should not take action hastily, because after all let us remember that this is not the nationalised sector of industry. This is the private sector of industry. We want that private industries should thrive and prosper in this country, but we want that they should function efficiently and honestly, not only serving the interests of the shareholders but of the community as a whole. If there is a breakdown on account of any of these considerations, then the State should not helplessly wait and see, but must intervene in the national interests and take suitable action to prevent waste or loss.

Now, I am emphasising these considerations because I do not want the impression to be created that Government have any desire to proceed lightly in this matter. While Government are fully prepared to meet any contingency, Government would give the fullest consideration to each case and then only take such action as may be called for. What we have done in this case serves as a warning and if I may say so, a necessary and desirable warning to those individuals or groups who may be playing with public funds and not serving the best interests of the concerns which may be in their charge for the time being.

I was glad to find that there was a general consensus of opinion that apart from proceeding with this individual case there should be some general legislation undertaken to deal with similar instances. Government will give the fullest consideration to this suggestion which the House has made. We have made an attempt to solve this problem through the Industries Control Bill, and when that Bill comes up for consideration before the House suitable amendments may be made, if necessary, so that similar cases of other industrial undertakings,—especially those which are of national importance—may be suitably dealt with when the occasion so demands it.

There is one other matter which I would like to make clear. My hon. friend Mr. Hossain Imam raised a few controversial but nonetheless important issues. He asked: Is the State taking over this concern, *i.e.*, acquiring this concern? What is the responsibility of the Board of Directors? Who will be held responsible for profit or loss? This is a matter which may go to a court of law, so naturally I must speak with considerable restraint.

**Shri Goenka:** The matter is already before the court of law.

**Dr. S. P. Mookerjee:** Not to my knowledge.

One thing that I should like to make clear is that this is not a case where Government are acquiring any property. The Board of Directors is in the position of trustees acting on behalf of the shareholders. The shareholders elected their Managing Agents. The Managing Agents had control over the majority of the shares. If the minority shareholders decided to proceed in accordance with the existing law, it would take them a considerable time. Therefore, the State intervenes; passes a new law, which practically amounts to an amendment of the Indian Companies Act and provides that while for other purposes the provisions of the Indian Companies Act will continue to operate, for certain other purposes concerning this particular unit alone there will be special provisions. The Board of Directors, as has been laid down in the Bill itself, has been given certain special powers which are designed to meet the exigencies of the present case. My hon. friend Mr. Sidhva read out certain extracts from the Report and he enquired what action Government propose to take in respect of those very serious charges which have been proved on the basis of the report of the Inspectors. If you look at Clause 7 of the Bill, you will find that although the present Indian Companies Act does not clothe the Board of Directors with any such powers, in the present case the directors whom we have appointed have been given special powers to institute an enquiry into the conduct of the past directors and also to institute proceedings. Sub-clause (1) of clause 7 reads:

"The directors may, if they are satisfied that it is necessary in the public interest so to do, institute in the name of the Company such proceedings as they think fit for the recovery of damages for any fraud, misfeasance or other misconduct, in connection with the management of the affairs of the Company, committed by any person before the issue of the notified order under section 3, or for the recovery of any property of the Company which has been misapplied or wrongfully retained by any person".

Again, in clause 10 it has been specifically laid down that—

"no managing agent shall be entitled to any compensation for the premature termination under this Act of any contract of management entered into by him with the Company, and no person shall be entitled to compensation in respect of the cancellation or variation under this Act of any contract or agreement entered into between him and the Company".

I may tell the House that I propose to instruct the present Board of Directors to conduct a careful enquiry under clause 7 of this Bill and to take suitable action on the basis of the findings of such enquiry. This makes it quite clear that this is a new system of management that Government have put forward before the country—no doubt for dealing with the affairs of one particular concern,—but certainly it is quite indicative of the policy which Government will be prepared to pursue in similar other cases, should the occasion so demand in future.

Among the points which have been raised the main one is about the provision for the appointment of managing agents. I share the views which have been expressed by hon. Members that Government should not appoint, normally speaking, managing agents.

**Shri Ramalingam Chettiar (Madras):** Why not make it 'Managers' instead of 'Managing Agents'.

**Dr. S. P. Mookerjee:** There are some special reasons why a provision like that had to be embodied in the Bill, but I can assure the House that this provision will not be put into operation by the present Board of Directors, and even if it is to be put into operation only under the specific direction of the Government of India, it will be done only if there are over-riding considerations justifying that course. But so far as our present intention goes, I do not see there

will be any occasion for the appointment of managing agents. The Bombay Government suggested the provision of such a clause in order to meet any possible contingency in future. But I shall certainly bear in mind the observations which have been made by the House and I can give this additional assurance that I shall consult my Standing Committee before I proceed to take any action, if at all any such occasion arises in future.

**Shri Sidhva:** But avoid it as far as possible.

**Dr. S. P. Mookerjee:** Now, so far as the question of appointment of shareholders' representative is concerned, there also I have considerable sympathy. It is the minority shareholders who set the ball rolling and they showed commendable courage and organising capacity. The reason why I hesitate to appoint immediately a representative of a group of shareholders was explained by me when I moved the motion for consideration of the Bill. Some hon. Members asked whether any of the present directors happened to be shareholders. The answer is in the affirmative; they are however individual shareholders. Certainly I shall bear the suggestion in mind and as soon as conditions get stabilised and the mill starts working in the way in which we would like to see it work, I shall suggest to the Government of Bombay that the proposal for having one representative on behalf of the minority shareholders on the Board might be implemented. That power is in the hands of Government and there should not be any difficulty.

My hon. friend Mr. Subramaniam pointed out a discrepancy between clauses 3 and 5. Clause 3 deals with the power of the Central Government to appoint a Chairman, while clause 5 lays down the normal powers and duties of the Directors. In other words, if the Central Government do not exercise the power and do not appoint anybody as Chairman, then the Board may elect its own Chairman, but for reasons which I have already explained the Government have already selected Mr. Chandavarkar as Chairman of the Board of Directors so that question does not really arise just now.

I appealed to the House while moving my motion that I would not like this Bill to be altered or interfered with, because work has already started. It may be that the decision of Government may be challenged in a court of law. It is not for me to discuss here what the consequences of that may be. But I would not like anything to be done which may interfere with the smooth working of the functions of the new Board of Directors, who I must say, have started very well and may be expected to deliver the goods.

Now, here is a case where the industrialists and Government have both combined in making a success of an endeavour which Government consider important in the national interest. I think that augurs very well for the future of this country. We should not condemn all industrialists because a group of industrialists have misbehaved with regard to the working of some mills. The very fact that other industrialists have come forward and in a spirit of service and sacrifice have offered their fullest co-operation to Government shows that the industrialists of this country recognise that in their own interests and in the interests of the country as a whole they have got to run their organisations efficiently and honestly; if not, the Government of the country are there to interfere at the proper moment and see that either they behave or go out of action.

**Mr. Deputy-Speaker:** The question is:

"That the Bill to make special provision for the proper management and administration of the Sholapur Spinning and Weaving Company, Limited, be taken into consideration".

*The motion was adopted.*



**Mr. Deputy-Speaker:** I shall now take the Bill clause by clause,

The question is:

"That clause 2 stand part of the Bill".

*The motion was adopted.*

*Clause 2 was added to the Bill.*

*Clauses 3 to 6 were added to the Bill.*

**Dr. S. P. Mookerjee:** I beg to move:

"That in sub-clause (1) of clause 7, after the words 'it is necessary' the following be inserted:

'in the interest of the Company or'."

**Mr. Deputy-Speaker:** Amendment moved:

"That in sub-clause (1) of clause 7, after the words 'it is necessary' the following be inserted:

'in the interests of the Company or'."

**Shri Sidhva:** I have given notice of an amendment for the appointment of tribunal. I am very glad that the hon. Minister has stated that under clause 7 he will move the Directors to see that necessary action against 5 P. M. fraud or misfeasance is taken. I therefore do not press that amendment nor do I press for the appointment of a tribunal. I would request the Minister to see that a special magistrate is appointed to enable the cases to be disposed of very soon. It is a very important matter and if it is allowed to proceed in the ordinary course, the matter will go on for a number of years and the object will be frustrated.

**Shri Sidhva:** Whatever it is, I want that this case, when filed, should be specially.

**Shri Sidhva:** Whatever it is, I want that this case, when filed, should be expedited.

**Dr. S. P. Mookerjee:** I have told Mr. Sidhva that already the Bombay Government have been instructed to proceed in the matter and they have referred the matter to the Advocate General under Section 141(A) of the Indian Companies Act and have asked him to take steps for the prosecution of the offenders. The Advocate General raised certain points which are being investigated by the police and as soon as their report is forthcoming, necessary action will be taken by the Government of Bombay. As to whether a special magistrate will be appointed or not, it is a matter which the Bombay Government will have to decide. We can take that up at the proper time.

**Mr. Deputy-Speaker:** That does not require statutory enactment.

The question is:

"That in sub-clause (1) of clause 7, after the words 'it is necessary' the following be inserted:

'in the interest of the company or'."

*The motion was adopted.*

**Mr. Deputy-Speaker:** The question is:

"That clause 7, as amended, stand part of the Bill".

*The motion was adopted.*

*Clause 7, as amended, was added to the Bill.*

**Shri B. K. P. Sinha:** I would like to know whether the hon. Minister would accept my amendment that after the word 'person' the words 'wilfully destroys or' be inserted.

**Dr. S. P. Mookerjee:** I am prepared to accept the amendment.

**Shri B. K. P. Sinha:** Then I shall formally move it. I beg to move:

"That in clause 8, after the word 'person', the words 'wilfully destroys or', be inserted."

**Mr. Deputy-Speaker:** The question is:

"That in clause 8, after the word 'person', the words 'wilfully destroys or', be inserted."

*The motion was adopted.*

**Mr. Deputy-Speaker:** The question is:

"That clause 8, as amended, stand part of the Bill".

*The motion was adopted.*

*Clause 8, as amended, was added to the Bill.*

**Mr. Deputy-Speaker:** The question is:

"That clauses 9 to 16 stand part of the Bill".

*The motion was adopted.*

*Clauses 9 to 16 were added to the Bill.*

**Shri Sidhva:** I have given an amendment and I do not know whether it will come here or somewhere else.

**Dr. S. P. Mookerjee:** I would make a suggestion. I have given the hon. Member the amendment in the form in which I am prepared to accept it. I am advised that this amendment should be really new clause 6A. But that is a matter which can be adjusted.

**Shri Sidhva:** I beg to move:

"That after clause 6, the following new clause be inserted :

'6A. Every person, who has any interest in any share of the Company, which stands in the name of another person in the Register of Shareholders of the Company, shall, within such period as may be prescribed by the Central Government by notified order, make a declaration in such form as may be prescribed (which shall be countersigned by the person in whose name the share is registered) to the Company declaring his interest in such share, and notwithstanding anything contained in any other law or in any contract to the contrary, a person who fails to make a declaration as aforesaid in respect of any share shall be deemed to have no right or title whatsoever in that share :

Provided that nothing in this section shall affect the right of any person who has an interest in any such share to establishing in a Court his right thereto, if the person, in whose name the share is registered, refuses to sign the declaration as required in this section."

The object is to avoid *binami* shareholders. It is self-explanatory and I need not take the time of the House.

**Mr. Deputy-Speaker:** The question is:

"That after clause 6, the following new clause be inserted :

'6A. Every person, who has any interest in any share of the Company, which stands in the name of another person in the Register of Shareholders of the Company, shall, within such period as may be prescribed by the Central Government by notified Order, make a declaration in such form as may be prescribed (which shall be countersigned by the person in whose name the share is registered) to the Company declaring his interest in such share, and notwithstanding anything contained in any other law or in any contract to the contrary, a person who fails to make a declaration as aforesaid in respect of any share shall be deemed to have no right or title whatsoever in that share :

Provided that nothing in this section shall affect the right of any person who has an interest in any such share to establish in a Court his right thereto, if the person, in whose name the share is registered, refuses to sign the declaration as required in this section."

*The motion was adopted.*

*New clause 6A was added to the Bill.*

**Mr. Deputy-Speaker:** The question is:

"That clauses 17 and 18 stand part of the Bill".

*The motion was adopted.*

*Clauses 17 and 18 were added to the Bill.*

**Mr. Deputy-Speaker:** There must be some Member belonging to the Ministry of Parliamentary Affairs to say "Aye". Otherwise it is difficult for the Chair to declare whether the 'Ayes' have it or the 'Noes'. It should not be left to the Mover alone to say 'Aye'. He cannot speak for himself.

The question is:

"That clause 1 stand part of the Bill".

*The motion was adopted.*

*Clause 1 was added to the Bill.*

*The Title and the Enacting Formula were added to the Bill.*

**Dr. S. P. Mookerjee:** I beg to move:

"That the Bill, as amended, be passed".

**Mr. Deputy-Speaker:** The question is:

"That the Bill, as amended, be passed".

*The motion was adopted.*

*The House then adjourned till a Quarter to Eleven of the Clock on Saturday, the 1st April, 1950.*

