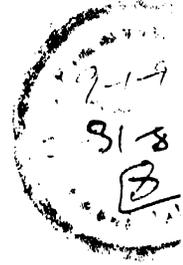
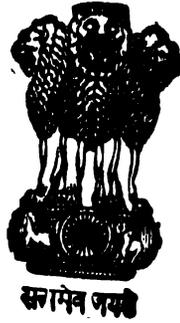


Tuesday, 24th April, 1951



# PARLIAMENTARY DEBATES

(Part I—Questions and Answers)

OFFICIAL REPORT

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VOLUME VII, 1951

(2nd April to 16th May, 1951)

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Third Session (Second Part)

of the

PARLIAMENT OF INDIA

1951

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## CORRIGENDA

In the Parliamentary Debates (Part I—Questions and Answers) Third Session of Parliament (Second Part), 1951,—

In Volume VII—

1. No. 1, dated the 2nd April, 1951,—

(i) कालम २७८२, पंक्ति ३, "हम" के स्थान पर "इस" पढ़ें ।

(ii) - کالم ۲۷۸۳ نہجے سے سطر ۸ میں "بھی" کے بجائے "اسی" پڑھیں۔

(iii) Col. 2807, line 30 for "Archaeological" read "archaeological" and line 5 from bottom for "Ttransport" read "Transport".

2. No. 7, dated the 10th April, 1951,—

(i) कालम ३०३२, नीचे से पंक्ति ४ "बगैरह" के स्थान पर "बगैरह" पढ़ें ।

(ii) Col. 3055, lines 16 and 17 for the word "Consituation" read "Constitution".

3. No. 8, dated the 11th April, 1951,—

कालम ३१२५, नीचे से पंक्ति ९ "यागिज्य" के स्थान पर "वाधिज्य" पढ़ें ।

4. No. 11, dated the 16th April, 1951,—

(i) Col. 3230, line 27 from bottom for "ment" read "meant".

(ii) Col. 3244, line 23 insert "of" after the words "abolition of any".

(iii) कालम ३२५१, नीचे से पंक्ति २ "श्री जागडे" के स्थान पर "श्री सापडे" पढ़ें ।

(iv) Col. 3254, line 14 for "yards" read "years".

5. No. 12, dated the 17th April, 1951,—

Col. 3267, line 24 for "clerllago" read "clerkage".

6. No. 13, dated the 18th April, 1951,—

(i) Cols. 3301 & 3302, lines 22 from bottom and 24 respectively for the words "statu-  
tary" and "statutory" read "statuary".

(ii) Col. 3330, line 21 for "landing" read "landed".

(iii) Col. 3340, lines 16 and 18 for "manzas" read "mouzas".

7. No. 15, dated the 20th April, 1951,—

Col. 3402, line 2 from bottom for "Curch" read "Church".

8. No. 16, dated the 21st April, 1951,—

Col. 3447, for the existing line 24 substitute "ship Scholarship ; and "

9. No. 17, dated the 23rd April, 1951,—

(i) Col. 3478, line 27 from bottom for "so" read "of".

(ii) Col. 3491, between lines 4 and 5 from bottom insert new line "and (iii) Raw materials during the period October 1950 to February".

10. No. 19, dated the 25th April, 1951,—

(i) Col. 3548, for the existing line 20 from bottom substitute "satisfaction of Members. It is the".

(ii) Col. 3556 for the existing line 1 from bottom substitute "Indian Rupee or Sterling ?" and for line 26 from bottom substitute "meet for the first session. Accord"

- کالم ۳۵۱۳ نہجے سے سطر ۱۱ و سطر ۲۲ کے بجائے ۲۲ طور پر پڑھیں۔

11. No. 20, dated the 26th April, 1951,—

(i) Col. 3621, line 7 from bottom for the figures "1,420" read "41,420".

(ii) Col. 3626, line 1 for "condeming" read "condemning".

12. No. 22, dated the 28th April, 1951,—

Col. 3687, line 26 for "complete" read "compete".

13. No. 26, dated the 3rd May 1951,—

Col. 3881 for the existing line 17 from bottom *substitute* "and Supply (Shri Gadgil):(a) 105".

14. No. 27, dated the 4th May, 1951,—

Col. 3925, line 25 from bottom for "fireman" read "firman".

15. No. 30, dated the 8th May 1951,—

(i) Col. 4041, for the existing line 15 from bottom *substitute* "(c) No, as none is considered neces-".

(ii) Col. 4042, line 31 *insert* "such" before the word "circums-".

16. No. 31, dated the 9th May, 1951,—

Col. 4087, line 21 for "Rama" read "Rana".

17. No. 32, dated the 10th May, 1951,—

(i) Col. 4124, line 20 from bottom for "member" read "number".

(ii) Col. 4129, line 21 for the words "having come" read "coming out of", lines 6 & 8 from bottom for the figure "1.4.51" read "15.4.51", and for "15.4.51" read "1.4.51" respectively.

- (iii) कालम ४१३३, पंक्ति १२ "नियम" के स्थान पर "नियंत्रणों" पढ़ें ।

18. No. 33, dated the 11th May, 1951,—

(i) Col. 4150, line 10 from bottom for "of" read "to".

(ii) Col. 4161, line 17 for the figure "85" read "185".

(iii) Col. 4162, line 24 for "in view of" read "in lieu of".

19. No. 36, dated the 15th May, 1951,—

(i) Col. 4270, line 30 for "pait-mixture" read "paint-mixture"

(ii) कालम ४२८८, पंक्ति २८, "\*२९५" के स्थान पर "२९५" पढ़ें ।

(iii) कालम ४२८९, नीचे से पंक्ति १९, "बद्य" के स्थान पर "लाद्य" पढ़ें ।

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PARLIAMENT OF INDIA

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*The-Speaker*

The Honourable Shri G. V. Mavalankar.

*The Deputy-Speaker*

Shri M. Ananthasayanam Ayyangar.

*Panel of Chairmen*

Pandit Thakur Das Bhargava.

Shrimati G. Durgabai.

Shri Prabhu Dayal Himatsingka.

Sardar Hukam Singh.

Shri Manilal Chaturbhai Shah.

*Secretary*

Shri M. N. Kaul, Barrister-at-Law.

*Assistants of the Secretary*

Shri A. J. M. Atkinson.

Shri N. C. Nandi.

Shri D. N. Majumdar.

Shri C. V. Narayana Rao.

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## GOVERNMENT OF INDIA

### *Members of the Cabinet*

- Prime Minister and Minister of External Affairs—The Honourable Shri Jawaharlal Nehru.**  
**Deputy Prime Minister and Minister of Home Affairs and the States—The Honourable Sardar Vallabhbhai Patel.**  
**Minister of Education—The Honourable Maulana Abul Kalam Azad.**  
**Minister Without Portfolio—The Honourable Shri C. Rajagopalachari.**  
**Minister of Defence—The Honourable Sardar Baldev Singh.**  
**Minister of Labour—The Honourable Shri Jagjivan Ram.**  
**Minister of Communications—The Honourable Shri Rafi Ahmad Kidwai.**  
**Minister of Health—The Honourable Rajkumari Amrit Kaur.**  
**Minister of Law—The Honourable Dr. B. R. Ambedkar.**  
**Minister of Works, Mines and Power—The Honourable Shri N. V. Gadgil.**  
**Minister of Transport and Railways—The Honourable Shri N. Gopalaswami Ayyangar.**  
**Minister of Industry and Supply—The Honourable Shri Hare Krishna Mahtab.**  
**Minister of Food and Agriculture—The Honourable Shri K. M. Munshi.**  
**Minister of Commerce—The Honourable Shri Sri Prakasa.**  
**Minister of Finance—The Honourable Shri Chintaman Dwarkanath Deshmukh.**

### *Ministers not in the Cabinet.*

- Minister for the purposes of agreement between the Prime Ministers of India and Pakistan of the 8th April, 1950—The Honourable Shri C. C. Biswas.**  
**Minister of State for Transport and Railways—The Honourable Shri K. Santhanam.**  
**Minister of State for Information and Broadcasting—The Honourable Shri R. R. Diwakar.**  
**Minister of State for Parliamentary Affairs—The Honourable Shri Satyanarayan Sinha.**  
**Minister of State for Rehabilitation—The Honourable Shri Ajit Prasad Jain.**  
**Deputy Minister of Communications—Shri Khurshed Lal.**  
**Deputy Minister of External Affairs—Dr. B. V. Keekar.**  
**Deputy Minister of Commerce—Shri Dattatraya Parasahuram Karmarkar.**  
**Deputy Minister of Defence—Major General Himatsinghji.**  
**Deputy Minister of Works, Mines and Power—Shri S. N. Buragohain.**  
**Deputy Minister of Food and Agriculture—Shri M. Thirumala Rao.**

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

3503

3504

**PARLIAMENT OF INDIA**

*Tuesday, 24th April, 1951.*

*The House met at Half-past Eight of the Clock.*

[MR. SPEAKER in the Chair]

**ORAL ANSWERS TO QUESTIONS**

**PATHANKOT AIR CRASH INQUIRY  
(REPORT)**

**\*3427. Shri Kamath:** Will the Minister of Communications be pleased to state:

(a) whether the report of the inquiry into the Pathankot Air Crash has been received; and

(b) if so, what are the findings and conclusions?

**The Minister of Communications (Shri Kidwai):** (a) and (b). The report has not yet been received.

**Shri Kamath:** What is the hitch, and what are the reasons for the delay in the receipt of the report?

**Shri Kidwai:** As I had explained on the last occasion when such questions were put, some parts had to be sent to England for testing. Then they required other parts which had to be collected and sent. Now the report has been received from England and the Court of Inquiry is considering that. The report has been received at the end of March.

**Shri Kamath:** When does the Court of Inquiry expect to finish consideration of that report?

**Shri Kidwai:** I hope in the course of the next two weeks.

**MINISTRIES IN PART B STATES**

**\*3433. Shri Raj Kanwar:** Will the Minister of States be pleased to state:

(a) the names of Part B States in which (i) purely official; and (ii)

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official and non-official mixed Ministries are at present functioning; and

(b) the date or dates by which popular Ministries are likely to be set up in all these places?

**The Minister of States, Transport and Railways (Shri Gopaldaswami):** (a) (i) Rajasthan and Patiala and East Punjab States Union.

(ii) Hyderabad.

(b) Negotiations are in progress for setting up popular Ministries in Rajasthan and Patiala and East Punjab States Union; and I hope they will be finalised shortly.

As regards Hyderabad, the attention of the hon. Member is invited to my statement during the debate on Shri Mukut Bihari Lal Bhargava's Resolution on Part C States on the 16th March, 1951.

**Shri Raj Kanwar:** May I know whether the popular Ministries to be set up in certain Part B States will be cent per cent. popular Ministries and will not have an admixture of the Adviser element as they have at present?

**Shri Gopaldaswami:** In Rajasthan and P.E.P.S.U. the negotiations are for the purpose of establishing an all popular Ministry.

**RURAL POST OFFICES**

**\*3434. Shri S. N. Das:** (a) Will the Minister of Communications be pleased to state whether the target fixed for opening of new rural Post Offices has been reached during the financial year 1950-51?

(b) If not, how many villages with a population of 2,000 or more still remain to be provided with post offices?

(c) What is the future programme in this respect?

**The Minister of Communications (Shri Kidwai):** (a) No. 3748 out of 4837 were opened.

(b) 1089. This figure may have to be revised when the figures of the recent census are available.

(c) It is proposed to open Post Offices in all the villages with a population of 2,000 or over. But no definite programme can be laid down unless the number of such villages is known including such villages in 'B' and 'C' States.

**Shri S. N. Das:** May I know what is the number or percentage of the newly opened rural Post Offices which had earning sufficient to cover the cost of their establishment?

**Shri Kidwai:** No rural Post Office in the first year of its existence can be expected to meet its cost.

**Shri S. N. Das:** May I know how many of these newly opened Post Offices have since become permanent?

**Shri Kidwai:** In the first year no Post Office becomes permanent.

**Pandit Munishwar Datt Upadhyay:** How many such villages with a population of 2,000 or more are still without Post Offices in Uttar Pradesh?

**Shri Kidwai:** That will depend upon the new census figures when they are available. Otherwise a few had remained without a Post Office.

**Shri Krishnanand Rai:** Is it a fact that in rural Post Offices the work of a postal peon and post master is combined in a meagrely paid man and letters are not delivered from door to door but the village people go to the Post Office and bring their deliveries?

**Shri Kidwai:** In some Post Offices it has proved satisfactory because there they have opened what is called an agency basis, i.e., the persons who have other means of livelihood are given this work also and they get some extra payment for this.

**Shri A. C. Guha:** May I ask what are the plans of Government for opening rural Post Offices in Tripura and Manipur?

**Shri Kidwai:** As I have said when the figures are available in those States, as to how many villages there are with a population of 2,000 or more, the question will be decided.

**Shri Chaliha:** May I know what is the average distance between one Post Office and the other in Madhya Pradesh and Assam?

**Shri Kidwai:** I have not got that figure with me but I think in Madhya Pradesh last year the area under a Post Office was more than 100 miles,

but I think with the opening of new Post Offices, the distance must have been reduced.

**Dr. Ram Subhag Singh:** May I know whether the rural Post Offices are opened in the villages with a population of 2,000 or more irrespective of the fact whether those villagers apply to the proper authorities or not?

**Shri Kidwai:** That is so. We have asked the P. M. Gs. in each Circle to prepare a list of such villages and we open Post Offices according to the list.

**Shri T. N. Singh:** May I know whether any savings bank branches are attached to any of these Post Offices or not?

**Shri Kidwai:** They are not attached in the experimental Post Offices. The question will arise when they become permanent.

**Shri Jnani Ram:** Will the hon. Minister be pleased to state the number of petitions for new Post Offices rejected and the number outstanding among those recommended?

**Shri Kidwai:** This has nothing to do with the applications. It is the Postal Department itself that is opening the Post Offices.

**Mr. Speaker:** We will go to the next question.

#### BOMBAY-DELHI JANATA EXPRESS

\*3435. **Dr. Ram Subhag Singh:** (a) Will the Minister of Railways be pleased to state whether it is a fact that Government propose to discontinue the Bombay-Delhi Janata Express?

(b) If so, what are the reasons therefor?

**The Minister of State for Transport and Railways (Shri Santhanam):** (a) No.

(b) Does not arise.

**Dr. Ram Subhag Singh:** Is it a fact that this Bombay-Delhi Janata Express is not working satisfactorily because of the fact that it is not a daily service?

**Shri Santhanam:** I do not know whether it is working unsatisfactorily because it is not a daily service. But it has been running with half a load and so there was a proposal whether we should continue. We have decided to continue it.

**Dr. Ram Subhag Singh:** May I know whether this Janata Express is popular among the travelling public?

**Mr. Speaker:** 'Popular' in what sense?

**Dr. Ram Subhag Singh:** In the sense that other Janata Expresses such as Bombay.....

**Mr. Speaker:** The reply is implied there. He has already replied to that.

**Shri Rathnaswamy:** May I know whether there is any proposal to run the Janata Express between Madras and Calcutta and if so, when?

**Shri Santhanam:** I said during the Budget discussion that we have a proposal to that effect but we have not yet been able to finalize it.

**Shri Sidhva:** May I know whether my hon. friend means by the word 'popular' an over-crowded train?

**Mr. Speaker:** That is a question for the hon. Member to decide.

**Shri R. Velayudhan:** What happened to the proposal for a Janata Express between Madras and Delhi?

**Shri Santhanam:** There has been no such proposal yet.

**Mr. Speaker:** Next question.

#### AIR TRANSPORT ENQUIRY COMMITTEE (EXPENDITURE)

\*3436. **Dr. Deshmukh:** (a) Will the Minister of Communications be pleased to state the total expenditure incurred on the Air Transport Enquiry Committee?

(b) How long did the Committee function?

**The Minister of Communications (Shri Kidwai):** (a) About Rs. 1,18,000.

(b) About six months.

#### INDIAN TELEPHONE INDUSTRIES LTD.

\*3437. **Shri S. C. Samanta:** (a) Will the Minister of Communications be pleased to state the share capital of 'Indian Telephone Industries, Limited'?

(b) What amount is subscribed by the Government of India and how much by the State of Mysore?

(c) What are the conditions of Agreement entered into with "Automatic Telephone and Electric Company Limited, of London"?

(d) How many foreign technicians are working in the factory?

**The Minister of Communications (Shri Kidwai):** (a) Authorised capital Rs. 2½ crores.

Subscribed capital—Rs. 1,48,66,700 including Rs. 6,66,700 allotted to the Automatic Telephone and Electric Com-

pany Limited as free scrip under the terms of Agreement with that Company.

(b) Rs. 117 lakhs and Rs. 25 lakhs respectively.

(c) The attention of the hon. Member is invited to the reply given to part (c) of Starred Question No. 860 on the 4th September, 1948. A copy of the Agreement is in the Library of the House.

(d) Eight.

**Shri S. C. Samanta:** May I know whether any share is available to the public?

**Shri Kidwai:** No.

**Shri S. C. Samanta:** May I know whether the purchase of machinery and other equipment has been completed, and if not when it is expected to be completed?

**Shri Kidwai:** I hope it has been completed.

**Shri S. C. Samanta:** May I know by which time the factory will be self-sufficient in production?

**Shri Kidwai:** I have explained it again and again that it was a five year programme. We are sticking to the schedule. That means, in another two years, complete production will be effected.

**Shri S. C. Samanta:** May I know the number of staff engaged in this factory?

**Shri Kidwai:** I have not got those figures here because the question did not relate to the staff.

**Shri Sidhva:** What does the last balance sheet show; is there a profit or a loss?

**Shri Kidwai:** It does not come under the terms of the Agreement which have been asked here.

**Shri T. N. Singh:** May I know if any raw materials required for the factory are imported from abroad?

**Shri Kidwai:** Yes.

#### AIR AGREEMENT WITH NETHERLANDS

\*3440. **Shri Sidhva:** (a) Will the Minister of Communications be pleased to state whether any talks are going on for revision of the Agreement with the Government of Netherlands for air communication?

(b) If so, what are the revised terms and what is the period of Agreement?

**The Minister of Communications (Shri Kidwai):** (a) The talks commenced on 28th March 1951 and concluded on 20th April 1951,

(b) An Agreement has not yet been signed. An agreed draft has been evolved by the Indian and the Netherlands delegations, which will now be submitted to the two Governments for approval. When such approval is given by both the Governments and the Agreement is signed, a copy of the Agreement will be placed on the Table of the House.

**Shri Sidhva:** May I know the important terms that have been agreed upon by both the parties?

**Shri Kidwai:** I cannot disclose the terms unless they have been approved by both the Governments.

#### PORT TRUSTS

\*3441. **Shri Sidhva:** Will the Minister of Transport be pleased to state:

(a) the number of Pilots employed at all major ports in India by Port Trusts;

(b) the number of Deputy Conservators employed by Port Trusts;

(c) what are the qualifications needed for posts of Pilots and Deputy Conservators; and

(d) whether there exists any training centres for training Pilots and Deputy Conservators?

**The Minister of State for Transport and Railways (Shri Santhanam):** (a) to (c). A statement giving the required information is laid on the Table of the House. [See Appendix XXII, annexure No. 53.]

(d) No, there are no training centres as such for training Pilots and Deputy Conservators but the Port authorities of Calcutta, Bombay and Madras provide training for probationers for the post of Pilots. These probationers have to possess a foreign-going Master's certificate of competency.

**Shri Sidhva:** From the statement that is supplied in the Calcutta Port Trust, it is seen that the scheduled posts of pilots are 39 whereas actually 53 are in service. May I know whether the necessary sanction has been obtained, because the sanctioned schedule does not make any change in the number 39?

**Shri Santhanam:** If the hon. Member will look into the statement, he will find that the number 53 includes Pilots, Leadsman and Pilot Officer.

**Shri Sidhva:** Leadsman are separately shown in the Remarks column as 24.

**Shri Santhanam:** I do not know what the hon. Member wants.

**Shri Sidhva:** I wanted to know whether sanction has been obtained for 53 Pilots when the scheduled strength is only 39.

**Mr. Speaker:** May I point out that, if there is any irregularity for want of sanction, this is a matter which is sure to be taken up by the Audit.

**Shri Sidhva:** I want to know whether I should wait for the Audit. May I pass some remarks.....

**Mr. Speaker:** These are administrative details into which the House need not go.

**Shri Sidhva:** My information is that these Pilots have exceeded the sanctioned cadre and that some remarks were passed by the Board. I wanted to verify.

**Mr. Speaker:** Then, he can ask for the remarks.

**Shri Sidhva:** May I know whether the Board has passed any remarks regarding the excess number employed without sanction?

**Shri Santhanam:** The Pilot service is under the Calcutta Port Commissioners. They have sanctioned 64. There are only 53 actually employed. I do not see what the point is in the question.

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

**Shri Sidhva:** If you will excuse me, Sir, there is one point. I must say I am not satisfied because those remarks were that sanction was not...

**Mr. Speaker:** I do not propose to permit time to hon. Members to satisfy themselves by putting questions.

**Shri Sidhva:** I got the statement just now, Sir.

**Mr. Speaker:** He should pursue the matter privately with the hon. Minister.

**Shri Sidhva:** Privately, they are not available. For the Deputy Conservator in Bombay, the statement says that a Certificate of Master, Foreign-going or Extra Master with a knowledge of port administration is prescribed. For Madras, no special qualifications have been laid down for this post. May I know the reason why different qualifications have been laid down though the post is of a uniform nature?

**Shri Santhanam:** The conditions are different. If the hon. Member will look into the statement he will find that it is stated that recruitment is made from Harbour Master and the

Pilots. These people possess the necessary qualifications.

**Shri Sidhva:** Is he sure.....

**Mr. Speaker:** I do not propose to allow any more questions. Next question.

#### SEEDS FOR CASH AND FOOD CROPS

\*3442. **Shri Sidhva:** (a) Will the Minister of Food and Agriculture be pleased to state the quantity and amount of various kinds of seeds for cash and food crops purchased during 1949 and 1950 each year separately?

(b) How much of the same is sold or given as Grants for cultivation to States?

**The Deputy Minister of Food and Agriculture (Shri Thirumala Rao):** (a) and (b). The Central Government do not normally undertake purchase of seed. They merely assist the Governments of deficit States in meeting their seed requirements by coordinating seed movement from surplus to deficit areas. However, as an exceptional measure, the Central Government purchased about 9000 maunds of jute seed in 1950 only. Except for 900 maunds supplied free in Assam, for encouragement of jute cultivation, the rest of the quantity was sold to the other State Governments at cost. Information regarding the terms on which the State Governments sold the seed to the cultivators is not available.

**Shri Sidhva:** May I know from what sources the seeds were purchased by the Central Government and whether it is a fact that first class quality was not obtained with the result that in some cases the State Governments have complained about it? May I know the details of that?

**Shri Thirumala Rao:** Yes, Sir. With regard to the prosecution of the integrated programme, our officers had to purchase the seed that was available and a certain percentage of it did not sprout.

**Shri Sidhva:** May I know from what source the seeds were purchased, and what action has been taken and whether it was intentionally purchased with the knowledge that the seed was not good?

**Shri Thirumala Rao:** It was made clear once before that the officers concerned were being suspended and some enquiry is instituted against them for this faulty purchase.

**Shri Sidhva:** From where were the seeds purchased?

**Shri Thirumala Rao:** This is done from the surplus areas through some private agency; some of it has come from Pakistan also.

**Shri S. N. Das:** May I know whether the attention of Government has been drawn to the fact that due to successive failure of crops, in Bihar, there is going to be acute shortage of seeds?

**Shri Thirumaia Rao:** That does not arise; I have no information about it.

**Dr. Ram Subhag Singh:** May I know whether the Government did assist the Government of Bihar in distributing seeds in the flood-damaged area in that State last year?

**Shri Thirumala Rao:** We have purchased seeds for supplying to those areas where we are intensifying cultivation of jute namely Bengal, Bihar and Orissa. We have supplied seeds to those areas.

**Shri Syamnandan Sahaya:** With reference to the answer given by the hon. Minister that the Government have no policy of purchasing and supplying seeds, I believe that question arises. In view of the acute conditions in Bihar and the likelihood of seedgrains being consumed as foodgrains, have Government considered the question of supplying seeds to Bihar?

**Mr. Speaker:** Did he say that it is not the policy to supply seeds?

**Shri Syamnandan Sabaya:** Yes.

**Mr. Speaker:** My impression is that in pursuance of the integrated policy, they are now taking to supply of seeds.

**Shri Thirumala Rao:** If I may submit, Sir, we ourselves do not purchase seed and supply. We get into touch with the States where the seeds are available and bring them into contact with those States which require seed and make them sell to these people.

**Shri Syamnandan Sahaya:** Therefore, I submit that the question arises that in view of the special difficulty that is likely to arise in Bihar, have Government considered the proposal and made any arrangement for the supply of seeds to Bihar.

**Mr. Speaker:** How does it arise? He has already said that there is arrangement through the States where they can purchase seeds and distribute.

**Shri Sivan Pillay:** May I know whether the new varieties of seeds evolved in the Central Research Institute are made available to the cultivators?

**Shri Thirumala Rao:** Seeds of what?

**Shri Sivan Pillay:** Of paddy.

**Mr. Speaker:** Oh, that is something different.

**Dr. Parmar:** What quantities of seeds have been given to the Part C States which are a direct responsibility of the Centre?

**Shri Thirumala Rao:** I am not aware, Sir, of any Part C State specialising in growing jute.

#### ARMED POLICE FORCE AT TRIPURA

\*3443. **Shri B. R. Bhagat:** Will the Minister of States be pleased to state:

(a) whether it is proposed to raise an Armed Police Force at Tripura; and

(b) if so, the purpose and strength of the Force?

**The Minister of States, Transport and Railways (Shri Gopaldaswami):** (a) and (b). A scheme for the reorganisation of the armed and unarmcd Police forces in Tripura is under the consideration of the Government. There is no proposal for the raising of a separate Armed Police Force.

**Shri B. R. Bhagat:** What is the financial implication of the reorganisation scheme?

**Shri Gopaldaswami:** I am afraid I must ask for notice of that question.

**Shri Kamath:** Is there any evidence, or have there been any reports received by Government, about increasing Communist activity in Tripura?

**Shri Gopaldaswami:** Yes, we have received reports.

#### LAND RECLAMATION

\*3444. **Shri B. R. Bhagat:** Will the Minister of Food and Agriculture be pleased to state:

(a) the acres of lands reclaimed under cotton and jute cultivation in the year 1950-51;

(b) the estimated yield as a result of this reclamation; and

(c) the cost per acre of reclamation?

**The Deputy Minister of Food and Agriculture (Shri Thirumala Rao):** (a) to (c). The information is being collected from the State Governments concerned and will be laid down on the Table of the House on receipt.

**Shri B. R. Bhagat:** What was the target for 1950-1951 for jute and cotton reclamation?

**Shri Thirumala Rao:** I have given the figures more than once on the floor of the House; I do not have them now

and so I am not able to give the exact figures. I want notice for that.

**Shri T. N. Singh:** With reference to the answer given by the hon. Minister, is it the policy of the Government to set apart certain reclaimed lands specifically for jute and others specially for cotton? Otherwise how are the figures being collected?

**Shri Thirumala Rao:** Such lands from the reclaimed lands which are suitable for cotton are being utilised for cotton, as for instance in West Bengal.

**Shri B. R. Bhagat:** May I know whether the Government has under contemplation the evolving of a new cotton policy?

**Shri Thirumala Rao:** The question is too big—evolving a new cotton policy.

**Mr. Speaker:** And it is also a suggestion for action.

**Dr. Deshmukh:** If the hon. Minister is correct in stating that he had already given the figures, then what remains to be collected. Sir?

**Mr. Speaker:** No, the figures were with reference to the supplementary question asked and not with reference to the question tabled.

#### PASSENGER BOOKING

\*3445. **Shri Chattopadhyay:** Will the Minister of Railways be pleased to state:

(a) whether introduction of passenger booking on Kastagram-Parlharpur Branch of E. I. Railway has been recently re-examined;

(b) when was this branch line constructed and at what cost;

(c) why no passenger booking is done on this line; and

(d) when passenger booking will be commenced on this line?

**The Minister of State for Transport and Railways (Shri Santhanam):** (a) The matter is yet under re-examination.

(b) It was constructed in 1922 at a cost of a little over Rs. 26 lacs.

(c) The condition of the track is not up to standard for a passenger service.

(d) It is dependent on the results of the re-examination.

**Shri Chattopadhyay:** How long has this been under consideration?

**Shri Santhanam:** For about a year, I think.

**Shri Chattopadhyay:** When will the re-examination be finalised?

**Shri Santhanam:** In a month or two.

**Shri Chattopadhyay:** May I know whether the views of the Government of West Bengal or the administrative authorities of the Districts were ascertained regarding the propriety and the necessity of running passenger trains on this line?

**Shri Santhanam:** This is a question of expenditure by the Railways. So first we examine the financial and other implication of it and when we decide that it is suitable, then we consult the others.

**Shri Chattopadhyay:** May I know whether the question of the profit and loss that will be incurred due to the running of passenger traffic has been examined as yet?

**Shri Santhanam:** That is exactly the matter that is under examination now.

**Shri A. C. Guha:** Railways being a Union subject, do Government propose to take over these lines?

**Shri Santhanam:** Which lines? The hon. Member probably is referring to the next question.

**Mr. Speaker:** Very well. I will now call the next question.

#### AHMEDPUR-KATWA AND BURDWAN-KATWA RAILWAYS

\*3446. **Shri Chattopadhyay:** Will the Minister of Railways be pleased to state:

(a) how long the Ahmedpur-Katwa and Burdwan-Katwa Railways have been enjoying subsidy from Government;

(b) whether they are running at a loss;

(c) how long such subsidy will continue;

(d) the number of passengers who travelled on each of these lines in 1948-49 and 1949-50;

(e) the income from passenger and goods traffic during the two years;

(f) the amount spent on passenger amenities during the period; and

(g) whether Government have examined the necessity of taking over these lines under their management?

**The Minister of State for Transport and Railways (Shri Santhanam):** (a) For the last 33 years in the case of Ahmedpur-Katwa Railway and 34 years in the case of Burdwan-Katwa Railway.

(b) The results of working for the five years ending 31st March, 1950 show that the Ahmedpur-Katwa Railway has not run at a loss; while the

Burdwan-Katwa Railway was worked at a loss during 3 out of these 5 years.

(c) As long as these lines are not taken over by Government.

(d) Ahmedpur-Katwa Railway—7.5 lakhs in 1948-49 and 7.7 lakhs in 1949-50.

Burdwan-Katwa Railway—9 lakhs in 1948-49 and 8.3 lakhs in 1949-50.

(e) Ahmedpur-Katwa Railway passenger earnings Rs. 3 lakhs in 1948-49 and Rs. 3.3 lakhs in 1949-50. Goods earnings in the corresponding years, Rs. 76 thousand and 70 thousand respectively.

Burdwan-Katwa Railway passenger earnings, Rs. 3.7 lakhs in 1948-49, and Rs. 4 lakhs in 1949-50. Goods earnings in the corresponding years Rs. 67 thousand and 61 thousand respectively.

(f) Ahmedpur-Katwa Railway Rs. 9,000 in 1948-49 and Rs. 6,000 in 1949-50. Burdwan-Katwa Railway Rs. 6,000 and 5,000 in the corresponding years.

(g) The question of Government purchasing the Burdwan-Katwa and Ahmedpur-Katwa Railways on 31st March, 1946 and 31st March, 1948 respectively was considered at the appropriate time, but the purchase was not found justified on financial and administrative considerations. The next option for Government to acquire these lines will, under the contracts, occur in 1956 and 1958 only, and till then the question of taking them over under Government management cannot be taken up for consideration.

**Shri Chattopadhyay:** What authority is exercised by the Government regarding the extension of passenger amenities on these lines?

**Shri Santhanam:** The Government Inspector inspects these lines and he certifies that things are in normal condition. If the report is adverse, then he issues necessary instructions and he sees that these instructions are followed.

**Shri Chattopadhyay:** May I know whether Government are satisfied that the passenger amenities obtaining on these lines are the same as those in Government Railways?

**Shri Santhanam:** It is always difficult to ensure sufficient amenities in narrow gauge railways and these are narrow gauge lines and so naturally the amenities are of a lower standard.

#### Mazdoors ON G.I.P. AND B.B. AND C.I. RAILWAYS

\*3447. **Shri Sonavane:** (a) Will the Minister of Railways be pleased to state whether it is a fact that Mazdoors

on G.I.P. and B.B. and C.I. Railways are required to carry, load and unload parcels without payment?

(b) If so, what are the reasons for the same and if not, what wages the *Mazdoors* get for the work they do?

(c) On what terms are the *Mazdoors* allowed to work on the stations?

**The Minister of State for Transport and Railways (Shri Santhanam):** (a) No.

(b) Suitable remuneration is paid to licensed porters when called upon to perform railway work. The rate is dependant on the type of stations, the nature of work and the hours for which employed.

(c) Licensed porters are required to render satisfactory service to the public and the Railway at rates authorised by the administration and to pay nominal licence fees.

**Shri Sonavane:** May I know whether the Railways guarantee a minimum wage to these *Mazdoors* and whether any uniform rate has been sanctioned throughout the Railways?

**Shri Santhanam:** There is some standard so far as the rate per bundle or per passenger luggage or per hour of work is concerned. But so far as minimum wage per worker is concerned, no such guarantee is possible because it is impossible to ascertain what a porter gets at any station.

#### AUTOMATIC SIGNALLING ON RAILWAYS

\*3448. **Shri Sonavane:** (a) Will the Minister of Railways be pleased to state as to how far semi-automatic or automatic signalling has been introduced over the Railways in India?

(b) What is the railway mileage under each of the above category and the mileage yet to be brought under the system?

(c) By what time would the automatic or semi-automatic signalling be spread over the entire Railways?

(d) Have any accidents either been averted or occurred as a result of this system?

(e) What are the advantages or disadvantages of this type signalling over the orthodox type?

**The Minister of State for Transport and Railways (Shri Santhanam):** (a) and (b). Semi-automatic signalling is in use on 6 stations on E. I., 3 stations on S. I. and 1 on E. P. Railway. Automatic signalling is in use over 135½ track miles as follows:

B. B. & C. I. 27.

E. I. 32½.

G. I. P. 40 and

S. I. 36 track miles.

(c) There is no scheme at present for extending the system over the entire railways.

(d) It is not possible to state whether any accidents have been averted through the use of this system. No accident is reported to have occurred as a result of this system.

(e) The main advantages are:

Increase in line capacity,  
Greater safety, and  
Savings in operating staff.

The chief disadvantage is the heavy capital outlay, which is estimated at over 2 lakhs per mile for a double line.

**Shri Sidhva:** In view of the satisfactory results of this system of signalling, what are the reasons of the Government for not extending this system to more railways?

**Shri Santhanam:** In fact, the chief disadvantage, as I have already stated, is the fact that a very heavy capital outlay is involved, as much as Rs. 2 lakhs per mile for a double line.

**Shri T. N. Singh:** May I know, Sir, whether any accident has occurred on the lines where this semi-automatic signalling system is in operation?

**Mr. Speaker:** He has said, no.

**Shri T. N. Singh:** No, Sir. His reply was that no accident has occurred as a result of this system.

**Shri Santhanam:** There have been accidents both on lines where there are automatic and semi-automatic signalling and on those lines where there is no such arrangement. These accidents have nothing to do with the method of signalling.

#### ARTIFICIAL METHOD OF BREEDING CALVES

\*3449. **Shri J. N. Hazarika:** Will the Minister of Food and Agriculture be pleased to state how far the artificial method of breeding calves has proved successful?

**The Deputy Minister of Food and Agriculture (Shri Thirumala Rao):** The results obtained at the Indian Veterinary Research Institute and other Centres run by the Central Government have been very encouraging and the work has demonstrated the practicability of Artificial Insemination on an extensive scale in the country among animals.

**Shri J. N. Hazarika:** What is the total population of bovine cattle produced as a result of methods of artificial insemination? Is there any likelihood of improving the shortage of plough cattle through this means?

**Shri Thirumala Rao:** From March 31st, 1950 about 30,000 cattle had been inseminated at several centres and the success of insemination is about 60 to 75 per cent.

**Shri J. N. Hazarika:** How many of the *goshalas* and pinjrapoles have been receiving any special facilities, financial or otherwise from the Government?

**Shri Thirumala Rao:** This is a scientific process and it is possible only at certain centres where there is the necessary equipment. The equipment cannot be taken round to every *goshala* or pinjrapole.

**Shri Karunakara Menon:** What steps are taken to record the parentage of calves to know what breed they belong to?

**Shri Thirumala Rao:** Statistical tables are maintained in several centres giving the description and the heredity of the bull, from which semen was taken out for distribution.

**Shri Shiv Charan Lal:** In view of the success of this method is the Government going to evolve a scheme to open many other centres for the purpose?

**Shri Thirumala Rao:** For the present there are three centres run by provincial or State Governments. One is run by the Central Government. If more State Governments come forward and ask for similar centres we will consider it.

**Shri Shiv Charan Lal:** What State Governments have taken up this work?

**Shri Thirumala Rao:** Bihar, Bengal and there is a centre in Bangalore.

#### TICKETLESS TRAVELLING

\*3450. **Shri A. C. Guha:** Will the Minister of Railways be pleased to state:

(a) the estimated loss to the Indian Railways on account of ticketless travelling;

(b) the collections made during the preceding three calendar years (1948, 1949 and 1950) from travellers detected to be travelling without ticket; and

(c) what are the methods now used for detecting ticketless travellers?

**The Minister of State for Transport and Railways (Shri Santhanam):** (a) It is not possible to make an accurate estimate of the loss to the Indian Railways on account of ticketless travelling. On a rough appraisal of the position this may, however, be

placed at anything between Rs. 2 to 3 crores per year.

(b) The collections made from passengers detected travelling without tickets were as under:

Year.	Amount realised.
	Rs.
1948	1,86,36,355.
1949	1,95,09,571
1950	1,86,80,845

(c) The methods now used for detecting and checking ticketless travellers are as follows:

(i) checks by sectional, flying and special squads of travelling ticket examiners;

(ii) surprise and concentrated checks in running trains and at specified terminals;

(iii) checks by magisterial, police and watch and ward squads;

(iv) tightening up of control at station entrances, exits and ends of platforms by appointing additional ticket checking staff and arranging a long term programme for the provision of adequate fencing of stations;

(v) drive against footboard travellers with the assistance of magistrates and police; and

(vi) opening of additional booking offices.

**Shri A. C. Guha:** In how many cases have there been prosecutions and convictions for these offences?

**Shri Santhanam:** I have got only figures of collection and not figures for prosecution and conviction.

**Shri A. C. Guha:** Have any officers been found to be implicated in or conniving at this kind of illicit travel?

**Shri Santhanam:** We have taken action against some ticket inspectors and ticket collectors but I have no details with me here.

**Dr. Deshmukh:** What percentage of passengers who were fined for travelling without tickets actually paid their fare?

**Shri Santhanam:** Hardly any passenger detected can get away without paying the fare and the penalty.

**Ch. Ranbir Singh:** What is the total extra expenditure for the checking staff?

**Shri Santhanam:** It is very difficult to say what is the additional expenditure. Even if there is no ticketless travel we have to maintain the staff. It is both normal and abnormal and it is difficult to separate them.

**Sardar Sochet Singh:** Is it a fact that these special ticket examiners are required to show a minimum monthly earning on their checking and in order to do that they persuade long distance passengers to purchase tickets for intermediate stations, so that they can come in and renew the tickets and thus show the minimum earnings?

**Shri Santhanam:** The booking clerks are quite different from ticket checkers and I cannot imagine any conspiracy between them.

#### FOOD PROCUREMENT BONUS

\*3451. **Shri A. C. Guha:** Will the Minister of Food and Agriculture be pleased to state:

(a) the total amount spent by Government during the last four years as bonus for internal procurement of cereals;

(b) whether any new scheme has now been adopted for procurement bonus; and

(c) if so, what is the new scheme?

**The Deputy Minister of Food and Agriculture (Shri Thirumala Rao):** (a) Approximate Rs. 16 crores during the financial years 1948-49 to 1950-51. No bonus was paid during 1947-48 as the scheme for payment of bonus came into effect from 1st January 1948, only.

(b) and (c). The bonus scheme has been revised with effect from 1st January, 1951. A note detailing the salient points of the scheme is laid on the Table of the House. [See Appendix XXII, annexure No. 54.]

**Shri A. C. Guha:** Under the scheme he has given—no bonus is payable on grains procured by a State for internal consumption. Does it mean that the deficit States do not get any bonus?

**Shri Thirumala Rao:** Not exactly. If the deficit State offers to procure a certain quantity of grain and its imports are minimised it is given some bonus.

**Shri A. C. Guha:** How is the bonus money being spent by the State Governments? Is any portion given to the cultivators as production bonus?

**Shri Thirumala Rao:** This bonus money is spent in two ways— with regard to 'Grow More Food' and with regard to improving the procurement. As regards 'Grow More Food' I have already said that it is being subsidised by purchase of manures and good seeds by the cultivator. With regard to improving procurement money is

spent on building of storage and preventing of insects and pests.

**Shri A. C. Guha:** Is nothing given to the producers as production bonus?

**Shri Thirumala Rao:** Producers are subsidised with regard to their manures.

**Shri R. Velayudhan:** May I know whether in any State where the monopoly procurement system has been replaced by the levy system, the quantity of procurement has gone down?

**Shri Thirumala Rao:** I want notice for that.

**Shri T. N. Singh:** As I understand it, the bonus is given for increased quantitative procurement. May I know whether this bonus is also being utilised for keeping down the prices of foodgrains?

**Shri Thirumala Rao:** No, Sir.

**Sardar Sochet Singh:** What percentage of the procurement bonus goes to the pocket of the cultivator and how much is retained by the State Government for the purpose of their various schemes?

**Shri Thirumala Rao:** I have not got the details. The States have got separate accounts.

**Shri A. C. Guha:** How was this 16 crores in three years distributed State-wise?

**Shri Thirumala Rao:** I can give the breakup for the three years.

**Mr. Speaker:** He may as well lay a statement on the Table instead of taking up the time of the House with reading it.

**Shri Thirumala Rao:** It will be a short answer.

1948-49	4.7 crores
1949-50	5.6 crores
1950-51	7.8 crores

#### LAND STATISTICS

\*3454. **Shri M. V. Rama Rao:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether in view of his reply to Starred Question No. 1488 asked on 15th February, 1951 Government have any proposal under consideration for obtaining up-to-date statistics of the extent of current fallows, cultivable waste, disafforested land and pasture land in the Indian Union;

(b) if the answer to part (a) is in the negative, the material upon which the policy of self-sufficiency in food is being formulated; and

(c) If the answer to part (a) is in the affirmative, the particular agencies which Government intend to employ for this purpose?

**The Deputy Minister of Food and Agriculture (Shri Thirumala Rao):** (a) Yes. A circular has been issued to the important State Governments in March, 1951 asking them to prepare schemes for conducting preliminary surveys of the lands at present classified as "uncultivated land excluding current fallows" and "current fallows", in order to discover what lands falling under these categories can be considered as cultivable and what are the causes which hamper their cultivation at present. There is no scheme at present to collect statistics of disafforested land and pasture land.

(b) Although detailed information is not available regarding the causes for land lying uncultivated or fallow, figures of "current fallows" and "uncultivated land excluding current fallows" are collected as part of routine agricultural statistics. This information is utilised while framing the policy of self-sufficiency in food.

(c) The State Governments have been advised to appoint Special Officers for conducting the necessary surveys.

**Shri Sidhva:** How have the State Governments responded to this suggestion?

**Shri Thirumala Rao:** We have sent the circular letter only in March and we have to watch the reaction.

#### INDIAN CENTRAL OIL SEEDS COMMITTEE

\*3455. **Shri V. K. Reddy:** (a) Will the Minister of Food and Agriculture be pleased to state whether it is a fact that the Indian Central Oil Seeds Committee decided two years back to shift its Headquarters from Delhi to some other place?

(b) What are the reasons for not shifting them so far?

**The Deputy Minister of Food and Agriculture (Shri Thirumala Rao):**

(a) The Committee at its meeting held in April, 1950, recommended that the Headquarters of the Indian Central Oilseeds Committee should be shifted from Delhi.

(b) The Vice-Chairman, Indian Council of Agricultural Research whose Headquarters are at Delhi is the ex-officio President of the Oilseeds Committee according to the Constitution. The Secretary of the Committee who is incharge of the executive duties has constantly to consult and remain in touch with the President of the Committee. Any change

in the Headquarters of the Committee for the present, will delay and dislocate the work besides causing considerable increase in expenditure.

**Shri V. K. Reddy:** Is it not the intention of the Government to shift the Headquarters to a place where oilseeds are produced most?

**Shri Thirumala Rao:** With that point in view the Committee passed a resolution asking to shift the Headquarters to Madras, but the U. P. has also a large acreage though its produce is less than that of Madras. For the present the Committee will remain in Delhi.

**Shri V. K. Reddy:** May I know what is the inconvenience to the President of the Committee if the Headquarters are shifted from Delhi?

**Shri Thirumala Rao:** I have already stated in my reply that the Secretary has to be in consultation with the President as often as possible.

**Shri Kesava Rao:** Is it not a fact that the President of the Oilseeds Committee is also the President of so many other Committees which are located in different places other than Delhi, and that those Committees are working satisfactorily? Is it not right to change the Headquarters of this Oilseeds Committee.....

**Mr. Speaker:** He can put only first part of his question asking for information, and not the latter part.

**Shri Thirumala Rao:** It is true that one President has to look after as President of several of these commodity Committees, but we are considering a reorganisation of all these things to relieve the gentleman of too much of this work.

**Pandit Munishwar Datt Upadhyay:** May I know whether the Headquarters were not shifted to Madras because that is not the central place and the central location is in U. P.?

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

**Shri Karunakara Menon:** Are there not other Committees whose Presidents have got Headquarters in Delhi?

**Shri Thirumala Rao:** I answered in the affirmative to a similar question put by another hon. Member.

#### LANDING FEES OF FOREIGN AEROPLANES

\*3456. **Dr. M. M. Das:** Will the Minister of Communications be pleased to state whether any fee or revenue is charged upon the landing of foreign aeroplanes on Indian aerodromes; and if so, what is (1) the

rate of charge per plane; and (ii) the total amount realised by Government as landing fees during the year 1950-51?

**The Minister of Communications (Shri Kidwai):** Yes; landing charges are levied.

(i) The rates vary according to the weight of the aircraft, as given in Section B of Schedule V to the Indian Aircraft Rules, 1937.

(ii) The amount realised for the landings of foreign aircraft in 1950-51 was Rs. 8,14,301.

**Dr. M. M. Das:** May I know how the rates of the landing fees are determined and whether there is any international body for determination of these rates?

**Shri Kidwai:** No, each country fixes its own rates but all that it has to do is to see that there is no discrimination between national planes and international planes.

**Dr. M. M. Das:** May I know whether the normal services that are rendered to the landing planes are charged separately or are included within these charges?

**Shri Kidwai:** The charge is all-inclusive.

**Dr. M. M. Das:** May I know whether there are any international set of rules for the guidance and control of aerodromes, for the amenities to be rendered to the crews and passengers and for the services to be rendered to the planes?

**Shri Kidwai:** Now-a-days there are international rules for all international services.

**Dr. V. Subramaniam:** What are the normal services rendered to the planes?

**An Hon. Member:** Lubricating.

**Shri Kidwai:** Not lubricating. The normal services rendered are: weather chart, guidance as to landing site, and the landing place.

**Pandit Munishwar Datt Upadhyay:** How do the landing charges in India compare with the landing charges in other countries?

**Shri Kidwai:** I will have to have before me the figures of the whole world to give a comparison.

#### FOOD FROM BURMA

\*3457. **Dr. M. M. Das:** Will the Minister of Food and Agriculture be pleased to state the quantities and rates of purchase of different food

materials imported from Burma into India during the last three years?

**The Deputy Minister of Food and Agriculture (Shri Thirumala Rao):** Government of India has imported only rice from Burma during the last three years. A statement showing the quantities of rice and the rates of purchase is laid on the Table of the House.

Other food materials such as pulses and beans are imported on commercial account only.

Imports of pulses and beans from Burma on commercial account were as under:

<i>Pulses.</i>		
	Quantity	Value
1948-49	Information not available	Rs. 39.97 lakhs.
1949-50	7663 tons	Rs. 39.87 lakhs.
1950-51	Information not available	Rs. 53.77 lakhs.
(for 10 months April '50 January '51).		

<i>Beans.</i>		
1947-48	5678 tons	Rs. 24.04 lakhs.

There have been no imports of beans since.

#### STATEMENT

*Quantities and rates of purchases of rice imported from Burma during the 3 years 1948-1950.*

	1948	1949	1950
Quantity in '000 tons	497	373	178
Rate per maund f. o. b.	Rs. 18/0/0 to Rs. 19/12/8	Rs. 19/1/8 to Rs. 19/12/8	Rs. 19/0/6 to Rs. 20/0/2
	per maund. per maund. per maund		

**Dr. M. M. Das:** May I know what part of these imports was received on a barter basis?

**Shri Thirumala Rao:** I don't think any part of it was imported on a barter system—we have paid its price.

**Dr. M. M. Das:** The statement laid on the Table shows that import has diminished to one-third during 1950 in

comparison with what it was in 1948. What are the reasons for this diminution in imports?

**Shri Thirumala Rao:** The import programme was cut down to 1.5 million tons last year. Proportionately, this figure was also cut down.

**Dr. M. M. Das:** Is it a fact that one of the main factors for the diminished imports is the absence of timely response on the part of the Government of India to the proposals of the Burma Government?

**Shri Thirumala Rao:** He is leading to some conclusion, Sir. I said that as our import programme was cut down to 1.5 million tons last year the figure of imports from Burma has come down to that.

**Dr. M. M. Das:** What arrangement has been made or is being made for the current year for the import of food grains from Burma?

**Shri Thirumala Rao:** The hon. Member is aware that under the leadership of the Minister of Food and Agriculture a delegation is going very shortly to Burma to conclude a trade agreement. The main purpose of the delegation will be procurement of rice from Burma.

**Shri Rathnaswamy:** Do Government propose to enter into a long-term agreement with Burma with regard to import of food grains?

**Shri Thirumala Rao:** We propose to enter into an agreement for some years.

**Shri Sidhva:** The hon. Minister stated that the Food Minister is proceeding to Burma to conclude an agreement. May I know whether any negotiations or correspondence have actually taken place regarding the quantity, price and quality of rice to be supplied and.....

**Mr. Speaker:** This question was suggested by the hon. Member himself.....

**Shri Sidhva:** Yes, but the answer was not clear.

**Mr. Speaker:** .....I intervened and said the delegation was going there and let us await the result.

**Shri Sidhva:** I wanted to know what was the necessity.....

**Shri R. Velayudhan:** May I know whether the Government of India have accepted the entire quantity of rice offered by Burma, and, if not, why was it rejected?

**Shri Thirumala Rao:** How does it arise, Sir? The delegation is going to

conclude an agreement with regard to the rice available from Burma.

**Shri R. Velayudhan:** I mean last year?

**Mr. Speaker:** I think the hon. Member has not heard the reply given to the question. What he stated was that Government called for their requirements of rice which amounted to 178,000 tons last year.

**Dr. Deshmukh:** What is the precise purpose for which the delegation is going?

**Mr. Speaker:** I won't allow that question. The precise purpose is to get rice.

#### CULTIVATION IN RELATION TO POPULATION (STATISTICS)

\*3459. **Shri Krishnanand Rai:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether Government maintain any statistics or estimate of the acreage of cultivation in relation to population in India, if so, what is the acreage per thousand at present;

(b) if so, whether the average acreage of cultivation in India in relation to population has decreased, since 1947-48; and

(c) What was the area under cultivation per thousand population in the years 1938-39, 1947-48 and 1949-50?

**The Deputy Minister of Food and Agriculture (Shri Thirumala Rao):**

(a) Yes. But since figures of cultivated area for the current year 1950-51 are not yet available, the present acreage per thousand of the population cannot be calculated.

(b) No.

(c) The areas under cultivation per thousand of the population during 1938-39 and 1947-48 were 753.4 million acres and 715.4 million acres respectively. Similar figures for 1949-50 are not yet available.

**Shri Krishnanand Rai:** May I know in which State the area under cultivation per thousand of the population is the largest and in which it is the lowest?

**Shri Thirumala Rao:** I have not got a break-up of all the States here—I want notice.

**Dr. Deshmukh:** If the population in a particular year as well as the cultivated area in that year is known, what is the difficulty in calculating the cultivated area per thousand of the population?

**Mr. Speaker:** 'If it is known'—so, that 'if' is there.

**Shri T. N. Singh:** The hon. Minister stated in reply to part (c) that the cultivated area is so many millions of acres. I cannot understand how this corresponds to a thousand of the population.

**Shri Thirumala Rao:** I am sorry I have committed a mistake. It is 718 acres per thousand of population.

**Pandit Munishwar Datt Upadhyay:** May I know whether the increase in production is consistent with the increase in the area under cultivation?

**Shri Thirumala Rao:** It is too general a question. It all depends upon the methods used. In certain areas it is more and in certain areas it is less.

**Pandit Munishwar Datt Upadhyay:** What is the position for the whole country?

**Shri Thirumala Rao:** I want notice for making the 'calculation'.

#### REGIONAL SELF-SUFFICIENCY IN FOOD

\*3461. **Shri Kishorimohan Tripathi:** (a) Will the Minister of Food and Agriculture be pleased to state whether it is a fact that the Government of India have evolved a new plan of regional self-sufficiency in food?

(b) Into how many regions is India divided according to the plan?

**The Deputy Minister of Food and Agriculture (Shri Thirumala Rao):** (a) No. The plan of self-sufficiency applies to India as a whole.

(b) Does not arise.

#### NATIONAL HIGHWAYS IN ORISSA

\*3464. **Shri M. Naik:** (a) Will the Minister of Transport be pleased to state what is the mileage of National Highways falling within State jurisdiction of Orissa?

(b) What is the annual expenditure granted by the Government of India to the State for maintenance and repair of these Highways?

(c) Do National Highways in Orissa conform to the standard prescribed for other first class National Highways in other parts of India?

(d) If the answer to part (c) above be in the negative, when is it likely to bring these Highways to the level of the prescribed standard?

**The Minister of State for Transport and Railways (Shri Santhanam):** (a) about 827 miles.

(b) Rs. 16.412 lakhs.

(c) and (d). No standards of road surfaces are prescribed for National Highways other than that the surface should be fit for the traffic the road is to carry. Orissa has not been treated differently from other States. Road surfaces are being gradually upgraded in all States as traffic warrants and funds become available.

**Shri M. Naik:** Is it a fact that the portion of the National Highways which falls within the former State of Mayurbhanj remains for the most part of the year unnegotiable?

**Shri Santhanam:** It is quite possible. I have no information.

**Shri M. Naik:** Will Government see to it that this portion of the National Highways actually comes up to the standard which is maintained in other parts?

**Shri Santhanam:** We are developing the National Highways according to the standards of the neighbouring State roads and the intensity of traffic. If the intensity of traffic justifies further expenditure, we shall do so.

**Shri M. Naik:** Have Government collected any statistics about the volume of traffic?

**Shri Santhanam:** Yes, Sir. Attempts are being made periodically to ascertain the intensity of traffic in the various sectors.

#### FOOD GRAINS TRANSACTION (PROFITS)

\*3465. **Shri M. Naik:** (a) Will the Minister of Food and Agriculture be pleased to state the amounts of annual profits made by Government from the food grains transaction for the last three years?

(b) How have the profits been disposed of?

(c) What are the amounts of expenditure under different main heads in connection with procurement and disposal of food grains?

**The Deputy Minister of Food and Agriculture (Shri Thirumala Rao):** (a) and (b). It is the policy of the Government of India to supply imported food-grains to the recipient States on a "no-profit-no-loss" basis. The method of pricing of the imported foodgrains is to fix a pool price for each kind of grain at the beginning of the year on the best estimates of sources of supply and the prices likely to be paid. Adjustments, if found necessary on the review of these prices on the basis of actuals, is carried out in subsequent price periods. The audited accounts from 1943-44 upto end

of 1947-48 show a net profit of 58 lakhs only. Those for the years 1948-49 and 1949-50 are under final scrutiny.

(c) A statement is laid on the Table of the House. [See Appendix XXII, annexure No. 55.]

**Shri M. Naik:** May I know what percentage of the profit is distributed as procurement bonus?

**Shri Thirumala Rao:** There was nothing to distribute.

**Mr. Speaker:** I think he said that it was on 'no-profit-no-loss' basis.

**Shri M. Naik:** I want to know what is the basis on which procurement bonus is given to the different States.

**Shri Thirumala Rao:** As I stated, in 1948-47 we incurred a loss of Rs. 1.07 crores and got a profit of Rs. 58 lakhs. Therefore, the question of distributing this to the States does not arise. With regard to the distribution of bonus, I answered a question only a few minutes ago. I gave all details in a statement.

**Dr. Ram Subhag Singh:** May I know the cost of procurement of foodgrains per maund or per ton?

**Shri Thirumala Rao:** We are allowed to have some incidentals which vary from Rs. 2 to Rs. 2-8-0 to meet the cost of procurement. I have said this more than once.

**Shri T. N. Sigh:** May I know the causes for the overall loss incurred in 1946-47 and also enquire whether the knowledge gained thereby has been utilised for future transactions?

**Shri Thirumala Rao:** Yes, Sir. As I said, the pool prices will be fixed having regard to the estimated arrivals and the probable cost of these arrivals. In the estimate, there was some margin which resulted in a loss in that particular year and we profited by the experience and therefore made a profit next year.

**Shri Shankaraiya:** In striking the profit or loss, may I know whether shortages and dryages are taken into consideration and if so, what is the percentage allowed?

**Shri Thirumala Rao:** There is no fixed percentage. Supposing we put 100 bags in a wagon, and at the end of the destination we find half a bag less or one bag less, we calculate the shortage on the basis of experience.

**Shri Shankaraiya:** What is the exact percentage that has worked out?

**Shri Thirumala Rao:** From my study of the figures, it is not more than 1 or 1.5 per cent.

**Ch. Ranbir Singh:** In calculating 'no-profit-no-loss', may I know whether interest charges on the investment are taken into account?

**Shri Thirumala Rao:** I do not think that interest charges are taken into account.

**Pandit Munishwar Datt Upadhyay:** In supplying foodgrains to the States, may I know whether the charges for transit, packing etc. are borne by the State Governments or by the Central Government?

**Shri Thirumala Rao:** Whoever takes the grain bears those charges.

**Shri T. N. Singh:** Since the transactions are financed by ways and means resources, may I know whether allowance is made for interest charges or not?

**Shri Thirumala Rao:** As far as my information goes, no interest is added to the consumer's price.

**Shri Hussain Imam:** Are the bags for these foodgrains purchased by a Central Organisation, or does each Government purchase its own bags?

**Shri Thirumala Rao:** It is partly Central and partly States'.

**Dr. Deshmukh:** Now that the prices prevailing in India in regard to foodgrains have gone up, is there any possibility of the loss suffered by Government being made good?

**Shri Thirumala Rao:** Whatever loss Government suffers is considered as a subsidy to the consumer.

#### WRITTEN ANSWERS TO QUESTIONS: HIMACHAL PRADESH

\*3426. **Seth Govind Das:** Will the Minister of States be pleased to state:

(a) the area of Himachal Pradesh transferred to the Punjab and vice-versa; and

(b) what steps were taken to ascertain the wishes of the people?

**The Minister of States, Transport and Railways (Shri Gopaldaswami):** (a) Area transferred from Himachal Pradesh to Punjab is 526.6 acres and from Punjab to Himachal Pradesh 31,650 acres.

(b) These transfers were made in consultation with the Chief Commissioner and the Government of Punjab in order to exchange small islands of territory; and in accordance with the general practice adopted in such cases, it was not felt necessary to consult local opinion.

**SENDING OF ELEPHANTS TO ANDAMANS**

**\*3428. Shri B. K. Pani:** Will the Minister of Food and Agriculture be pleased to state:

(a) how many elephants have been sent by Government to Andaman and Nicobar Islands since 1949 till March, 1951 and for what purposes they have been sent;

(b) the total amount paid towards the cost of these elephants;

(c) the machinery through which these purchases have been made;

(d) the monthly maintenance charges for these elephants in Andaman and Nicobar Islands; and

(e) whether Government propose to send any more number of elephants to Andaman and Nicobar Islands during the current year?

**The Deputy Minister of Food and Agriculture (Shri Thirumala Rao):**

(a) to (d). The elephants are imported by the Chief Commissioner from different States. The required information has been called for from him, and will be placed on the Table of the House when received.

(e) No.

**I.C.A.R. AND I.A.R.I.**

**\*3429. Shri Karunakara Menon:** Will the Minister of Food and Agriculture be pleased to state how I.C.A.R. is related to I.A.R.I. of the Ministry of Food and Agriculture?

**The Deputy Minister of Food and Agriculture (Shri Thirumala Rao):** The main function of the Indian Agricultural Research Institute is to conduct research on fundamental problems of all India importance. The Indian Council of Agricultural Research promotes, guides and coordinates research in agriculture and veterinary science throughout India.

There is close liaison between the Institute and the Council. The research programmes of the Institute are sometimes suggested by the Council and are always reviewed by the Council every year in order to secure proper co-ordination. The Director of the Institute is a member of the Advisory Board and the Research and Extension Boards of the Council. The Heads of the various Divisions of the Institute are also members of the scientific and commodity Committees of the Council.

**BLACK MARKETING IN CLOTH, SUGAR ETC.**

**\*3430. Thakur Lal Singh:** Will the Minister of States be pleased to state how many cases of (i) irregularities and (ii) actual black marketing in cloth, sugar etc., were filed in the

courts in Bhopal State during the years 1949 and 1950 and with what results?

**The Minister of States, Transport and Railways (Shri Gopalaswami):** A statement is laid on the Table of the House. [See Appendix XXII, annexure No. 56.]

**TELEPHONES FEES IN HYDERABAD**

**\*3431. Shri A. H. S. Ali:** (a) Will the Minister of Communications be pleased to state whether the new scale of telephone fees in Hyderabad is introduced to bring it on an equal level with the rates in the rest of India from 4th April, 1951?

(b) What is the new scale?

(c) Have the subscribers been given notices that it has been given retrospective effect and will be charged from 4th April, 1950?

**The Minister of Communications (Shri Kidwai):** (a) Yes, but the date is 16th April, 1951.

(b) (i) For Hyderabad City Exchange—Rates prescribed under para. III (i) (b) of P. & T. Guide (page 382).

(ii) For other exchanges in Hyderabad State—Rates prescribed in para. III (i) (a) of the Table.

(c) Notice has been given to the subscribers that the rents will be revised from the 16th April, 1951.

**NIZAM SUGAR FACTORY**

**\*3432. Shri A. H. S. Ali:** Will the Minister of Food and Agriculture be pleased to state:

(a) what quantity of sugar up till the end of March, 1951 has been produced by the Nizam sugar factory since October, 1950;

(b) what quantity out of the entire production has been sold out and what quantity is now stocked in the factory godowns; and

(c) what quantity of sugar produced by that factory has been allotted to various States?

**The Deputy Minister of Food and Agriculture (Shri Thirumala Rao):** (a) 19,627 tons.

(b) The quantity despatched up to 31st March, 1951 was 10,362 tons, leaving 9,266 tons in stock.

(c) 15,488 tons have been allotted, for consumption up to end of June, 1951, to the Hyderabad and Bombay States.

**INDUSTRIAL INVESTIGATIONS COMMITTEES REPORTS**

\*3438. **Shri M. L. Gupta:** (a) Will the Minister of States be pleased to state whether Government are aware that the reports of industrial investigations Committees, such as (1) Wadia Committee and (2) Kasturbhai Lalbhai, appointed by the States Ministry for Hyderabad has not been published so far?

(b) Do Government propose to place those reports on the Table of the House?

(c) Is it true that, like Gorwala Committee, these other Committees have also expressed their dissatisfaction on the working of the Hyderabad Industrial Trust Fund?

**The Minister of States, Transport and Railways (Shri Gopalaswami):**

(a) Yes.

(b) It is not proposed to place copies of the reports on the Table of the House, as they contain confidential information obtained from the companies. The Hyderabad Government have, however, released to the Press a summary of the main recommendations made by Shri Kasturbhai Lalbhai. Copies of the summary are available in the Library of the House.

(c) An indication of Shri Kasturbhai Lalbhai's comments on the Industrial Trust Fund has been given in the Press summary referred to.

**AMMONIUM SULPHATE**

\*3439. **Shri M. L. Gupta:** Will the Minister of Food and Agriculture be pleased to state whether ammonium sulphate is made available to State Governments for supplying to cultivators for growing better foodgrain crops?

**The Deputy Minister of Food and Agriculture (Shri Thirumala Rao):** Yes. The requirements of the State Governments were met in full during 1950. Arrangements have been made to meet all the requirements during 1951.

**STRAW-BOARDS FROM Ullah GRASS**

\*3452. **Shri Lakshmanan:** Will the Minister of Food and Agriculture be pleased to state:

(a) whether investigation carried out at the Forest Research Institute at Dehra Dun has shown that straw-boards could be manufactured from *ullah* grass; and

(b) whether sufficient quantities of this grass is available so as to replace the wheat and rice straw now used?

**The Deputy Minister of Food and Agriculture (Shri Thirumala Rao):** (a) Yes, but it requires to be mixed with pulps from wheat and rice straws to get the colour of straw-boards.

(b) *Ullah* grass is reported to be available in fairly large quantities in the forest Savannahs of Northern India only.

**TOURIST TRAFFIC**

\*3453. **Shri Lakshmanan:** Will the Minister of Transport be pleased to state:

(a) the number of foreign tourists who visited India during the years 1949 and 1950;

(b) the nationalities of these tourists and their number according to nationality;

(c) the expenses incurred by the Central Tourist Traffic Advisory Committee during each of these two years; and

(d) whether there are Regional Tourist Traffic Committees set up in different parts of the country and if so, at what places?

**The Minister of State for Transport and Railways (Shri Santhanam):** (a) and (b). Arrangements have been made for the collection of tourist statistics at all customs ports from January, 1951. Complete statistics for 1949 and 1950 regarding foreign tourists to India are not available. The returns for the period September, 1950 to December, 1950 for all ports except Bombay show that 2389 foreign tourists visited India during this period. A statement showing their nationalities is laid on the Table of the House. [See Appendix XXII, annexure No. 57.] The statistics for Bombay are being collected only from the 1st March, 1951.

(c) An expenditure of Rs. 457 and Rs. 2,986 was incurred in connection with the meetings of the Tourist Traffic Advisory Committee during the years 1949 and 1950 respectively.

(d) No, but the question of setting up such Committees is under consideration.

**AIR AGREEMENTS**

\*3458. **Shri Blyani:** Will the Minister of Communications be pleased to state:

(a) with what countries India has entered into Air agreements; and

(b) what other Air agreements are in the offing?

**The Minister of Communications (Shri Kidwai):** (a) The attention of the hon. Member is invited to the replies given to Dr. Ram Subhag Singh's Starred Question No. 1469 and to his

supplementary questions on the 15th February, 1951.

(b) Agreements with the United Kingdom and the Netherlands have recently been discussed and are likely soon to be concluded. Agreements with Thailand, Egypt, Ethiopia and Iran are contemplated in the near future.

#### TRAMWAY SERVICE IN DELHI

\*3460. **Shri B. K. Pani:** Will the Minister of Transport be pleased to state:

(a) the terms of agreement with Delhi Central Electrical Power Authority for taking over the Tramway system in Delhi by Delhi Road Transport Authority;

(b) whether Government propose to place a copy of the Agreement reached on the Table of the House;

(c) when it is expected to replace the present old tram cars;

(d) what is the total strength of staff for Tramway service; and

(e) what are the proposed routes to which Tramway service will be extended and when?

**The Minister of States for Transport and Railways (Shri Santhanam):** (a) and (b). A statement giving the terms and conditions of the transfer is placed on the Table of the House. [See Appendix XXII, annexure No. 58.] The transfer was effected by mere exchange of letters and no formal agreement was executed.

(c) and (e). These are questions needing examination and the Delhi Road Transport Authority will no doubt go into them as early as possible. The Service was taken over by the Authority only on the 1st April, 1951.

(d) 369.

#### COMMERCIAL AND PRIVATE PLANES (INSPECTION)

\*3462. **Dr. M. V. Gangadhara Siva:** Will the Minister of Communications be pleased to state:

(a) whether all commercial and private planes operating in India are inspected and overhauled at frequent intervals to ensure safe air travel;

(b) whether safety requirements are set up by the Civil Aeronautics Board, an India Government agency; and

(c) whether the planes are inspected and pronounced airworthy by representatives of any other Agency before taking off?

**The Minister of Communications (Shri Kidwai):** (a) Yes.

(b) In India safety requirements are prescribed in the Indian Aircraft Rules, 1937 by the Central Government. There is no Civil Aeronautics Board in India.

(c) Every commercial aircraft has to possess a daily certificate of safety for flight. The certificate is issued by engineers in the employment of the air company concerned. He must be qualified and must hold a licence issued by the Government. Surprise checks of daily certificates of safety for flight are made by the Aeronautical Inspectors of the Civil Aviation Department. These Inspectors also exercise direct supervision when the air company's engineer carries out work on the aircraft according to schedules made by the manufacturers. Further, all commercial aircraft are inspected every year at the time of over-haul for certificates of air-worthiness issued by the Civil Aviation Department.

In the case of private planes a certificate of air-worthiness is not necessary in India, but officers of the Civil Aviation Department may ground any aircraft if they consider it unsafe for flight.

#### AGRICULTURAL METHODS (IMPROVEMENT)

\*3463. **Dr. M. V. Gangadhara Siva:** Will the Minister of Food and Agriculture be pleased to state:

(a) what steps the Government of India are taking at present to improve the agricultural methods;

(b) whether any allotment of funds has been made to the Madras State, for the purpose of irrigation for the years, 1948, 1949 and 1950; and

(c) the names of all agricultural modern machinery available for the development of agriculture in India?

**The Deputy Minister of Food and Agriculture (Shri Thirumala Rao):** (a) Attention of the hon. Member is drawn to para. 20 of my note on the Grow More Food Campaign recently circulated to the Members of the House.

(b) Yes. The amounts allotted are:

(Figures in lakhs of rupees.)

Year.	Grants.	Loans.
1948-1949	180.19	Nil
1949-1950	208.14	
1950-1951	123. —58	105.00
Total	470.	105.00

(c) A list is placed on the Table of the House. [See Appendix XXII annexure No. 59.]

#### COLLAPSE OF RAILWAY GOODS-SHED

\*3466. **Shri V. K. Reddy:** (a) Will the Minister of Railways be pleased to state what are the reasons for the collapse of Railway goods-shed at Srikaculam Road Railway Station?

(b) What is the number of persons who died on account of the collapse?

(c) How many are injured?

(d) Do Government propose to enquire into this incident and award compensation to the family members of those who died due to the accident?

**The Minister of State for Transport and Railways (Shri Santhanam):** (a) An inquiry is being made to determine the reason for the collapse of the goods shed.

(b) Three.

(c) Three.

(d) The case is already under enquiry. The question of award of compensation is being looked into.

#### AIR ACCIDENT (ENQUIRY)

\*3467. **Shri Kamath:** Will the Minister of Communications be pleased to state:

(a) whether the inquiry into the accident resulting in the forced-landing of an Airways (India) Ltd. aircraft on the 17th December, 1950 has been completed?

(b) if so, what are the findings and conclusions; and

(c) what action is being considered by Government in order to prevent such accidents in future, as also the steps that are proposed to be taken against those responsible in this case?

**The Minister of Communications (Shri Kidwai):** (a) Yes.

(b) A copy of the Report has been placed in the Library.

(c) A Notice to Airmen has been issued prohibiting the carriage of dangerous articles, of which 48 are specified in the Notice.

Government is advised that no prosecution can be instituted against any person for violation of any existing law. We are taking steps to amend the law and are also consulting scientific advisers in respect of certain scientific matters arising out of the incident.

#### KALA BHAWAN INSTITUTE, BARODA

\*3468. **Shri Kamath:** Will the Minister of Communications be pleased to refer to the answer given to my Starred Question No. 2928 asked on the 9th April, 1951 and state:

(a) the status and functions of the Kala Bhawan Institute of Baroda;

(b) on what terms and conditions the two gliders were handed over to Kala Bhawan; and

(c) whether all the three gliders are in working order today?

**The Minister of Communications (Shri Kidwai):** (a) The Institute is a State Government Engineering School giving training in electrical and mechanical engineering leading to diploma certificates.

(b) The two gliders were the property of the Baroda Government. I presume the State Government made a present of them to the Kala Bhawan.

(c) No, Sir, none of them.

#### PAKISTANI RAIDS ON RAJASTHAN BORDER

\*3470. **Shri Balwant Sinha Mehta:**

(a) Will the Minister of States be pleased to state how many raids have been made on Rajasthan border by Pakistanis up to March, 1951?

(b) How many cattle have been lifted away and what is the value of goods taken away by them?

**The Minister of States, Transport and Railways (Shri Gopalaswami):** (a) According to the information available with us, 160 raids were made on Rajasthan border by Pakistanis during the year 1950, and 41 raids during the first three months of 1951.

(b) They carried away in all 4229 heads of cattle and sheep. The total value of goods taken away is Rs. 4,26,298.

#### RECOMMENDATIONS OF METEOROLOGICAL EXPERTS

\*3471. **Shri S. V. Naik:** Will the Minister of Communications be pleased to state:

(a) what have been the main recommendations of the meteorological experts who met in a conference in Poona during February, 1951;

(b) whether any measures are being taken to expand and improve weather forecasting service in India; and

(c) if so, what are these measures and during what period they would be implemented?

**The Minister of Communications (Shri Kidwai):** (a) The main recommendations relate to—

- (1) preparation of additional weather charts for aviation and other forecasts;
- (2) provision of mobile radiosonde observations for studying important weather situations like cyclones etc.;
- (3) provision of equipment for measurement of cloud ceilings at aerodromes; and
- (4) standardisation of methods of forecasting, briefing of pilots and of training of pilots in meteorology.

(b) and (c). These recommendations are being examined by the India Meteorological Department and they will be implemented during the current year to the extent it is possible to do so within the budget allotment.

#### GRANT OF Taccavi, SUBSIDY IN VINDHYA PRADESH

**235. Shri Dwivedi:** Will the Minister of States be pleased to state:

(a) how many applications were received by the Directorate of Agriculture, Vindhya Pradesh for the grant of (i) Taccavi (ii) subsidy or (iii) any other kinds of aid for agricultural purposes;

(b) whether financial positions of the applicants were inquired into before making the sanctions;

(c) whether any amounts for which provision existed have lapsed; and

(d) if so, for whose fault?

**The Minister of States, Transport and Railways (Shri Gopalswami):**

(a) No applications were received by the Directorate of Agriculture for the grant of Taccavi, loans or other aid.

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

#### PITHNORA DAM IN VINDHYA PRADESH

**236. Shri Dwivedi:** Will the Minister of States be pleased to state:

(a) whether any information is available regarding the survey work done in connection with the construction of Pithnora dam in river Jamner in Tikamgarh District of Vindhya Pradesh,

(b) whether Government propose to place it on the Table of the House in case a report is ready; and

(c) whether it is a fact that Hydro-electric energy can be obtained through this project at nominal cost?

**The Minister of States, Transport and Railways (Shri Gopalswami):** (a) to (c). It appears that the survey was conducted before the formation of Vindhya Pradesh by the Uttar Pradesh Government in consultation with the then administration of Orchha State. Details of this survey are being obtained from the Uttar Pradesh Government.

#### JUNGLE (COMPENSATORY) ALLOWANCE FOR RAILWAY EMPLOYEES

**237. Shri B. B. Varma:** (a) Will the Minister of Railways be pleased to state whether the Railway employees of Lumding and of the neighbouring stations of Lumding, Assam Railways, were allowed jungle allowance as compensatory allowance due to the bad climate of the places?

(b) Why has the jungle allowance been discontinued from April, 1950?

(c) Did the Central Pay Commission recommend compensatory allowance for such stations?

(d) Has the recommendation been implemented?

**The Minister of State for Transport and Railways (Shri Santhanam):** (a) The reply is in the affirmative.

(b) The Jungle Allowance has been discontinued only at Lumding Station with effect from 1st April, 1950 in view of the greatly improved sanitary conditions provided by the Railway Administration in the locality.

(c) The recommendation of the Central Pay Commission in regard to the grant of bad climate allowance in unhealthy areas is "that the classification made by Provincial Governments may be followed as they are in the best position to decide what areas are particularly unhealthy and require the grant of such an allowance." Lumding station has not been classified as unhealthy by the Assam Government.

(d) The recommendation has been accepted by the Government and in its light the grant of bad climate allowance at stations other than Lumding is also being reviewed.

#### IRRIGATION PROJECTS (REPAIRS)

**238. Shri Dwivedi:** Will the Minister of Food and Agriculture be pleased to state:

(a) the number of tanks for the repairs of which a sum of rupees two

lakhs has been sanctioned for irrigation projects in Vindhya Pradesh; and

(b) what will be the total acreage which may have the facility of irrigation as a result of these works?

**The Deputy Minister of Food and Agriculture (Shri Thirumala Rao):** (a) 30.

(b) 1,333 acres.

#### LOCUST WARNING ORGANISATION

**239. Shri Sidhva:** (a) Will the Minister of Food and Agriculture be pleased to state what is the amount provided for the years 1950-51 and 1951-52 for Locust Warning Organisation?

(b) How much of this amount is recovered or recoverable from the States?

(c) What is the outdoor staff for this organisation?

**The Deputy Minister of Food and Agriculture (Shri Thirumala Rao):** (a) Rs. 12,62,680 for 1950-51 and Rs. 25,00,000 for 1951-52.

(b) During 1950-51, no amount was recoverable from the States as the Government of India had agreed, as a very special case, to accept entire responsibility for locust control in the initial desert breeding areas. During 1951-52, however, it is proposed to recover an approximate amount of Rs. 13,50,000 from the States, under the provisions of the Co-ordinated Locust Control Scheme.

(c) A statement is placed on the Table of the House. [See Appendix XXII, annexure No. 60.]

#### MEDICAL EXAMINATION OF SEA-MEN

**240. Shri Kamath:** Will the Minister of Transport be pleased to state:

(a) whether the attention of Government has been drawn to the judgment delivered by the Calcutta High Court on the 2nd February, 1951 (in Indian Quarter-Masters' Union and others versus P. R. Dutt and another, an application under Article 226 of the Constitution for a writ in the nature of *mandamus*) to the effect that the system of pre-entry medical examination of seamen by Government doctors has got no sanction or authority of any law or any rule having the force of law;

(b) whether that system has since been discontinued; and

(c) if not, why not?

**The Minister of State for Transport and Railways (Shri Santhanam):** (a) to (c). Yes, Sir. The judgment of the Calcutta High Court referred to contains some general observations on the Medical Examination Scheme as conducted hitherto but the only order passed by the High Court was that no endorsement of permanent unfitness should be made on seamen's C. D. Cs. This order was given effect to by Government immediately. The scheme is being continued because the Calcutta High Court has not directed that it should be discontinued. The substantive part of the judgment is quoted below:

"In my view this application should succeed to the extent that the respondents are restrained from making or causing to be made any endorsement of permanent unfitness on the Certificates of Service of seamen submitting to the pre-entry Medical Examination held under their supervision and they are directed to cancel the endorsement of permanent unfitness made on the Certificates of Service of the petitioners."

In view of this, the question of discontinuing the scheme does not arise.

#### RAILWAY ACCIDENT BETWEEN HARDINGE BRIDGE AND MINTO ROAD

**241. Shri Sidhva:** (a) Will the Minister of Railways be pleased to state whether the Railway line between Hardinge Bridge and Minto Bridge in the area of New Delhi is open on both sides?

(b) Were railings put up after this line was constructed?

(c) When were the railings removed?

(d) How many accidents have occurred since the removal of railings?

(e) Is it a fact that two weeks ago one man was killed by a moving train?

(f) Are the railway authorities bound under the provision of the Railway Act to provide railings, more particularly where the train runs through a populated area?

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

(b) At the time of construction posts were removed when quarters standard wire fencing with stone posts, were built by the Central P. W. D. on this Railway land during the war. was provided along the railway line to mark the railway boundary.

(c) The wire fencing has been cut through and removed gradually by persons unknown. Most of the stone

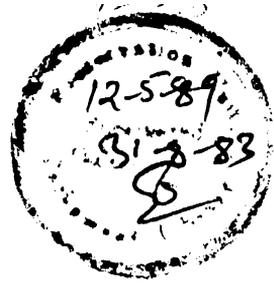
(d) Nine since 1942.

(e) Yes.

(f) No.

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Tuesday, 24th April, 1951



# PARLIAMENTARY DEBATES

(Part II—Proceedings other than Questions and Answers)

OFFICIAL REPORT

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VOLUME X, 1951

(31st March, 1951 to 20th April, 1951)

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Third Session

of the

PARLIAMENT OF INDIA

1950-51

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

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**PARLIAMENT OF INDIA**

*Tuesday, 24th April, 1951*

*The House met at Half Past eight of  
the Clock.*

[MR. SPEAKER in the Chair]

**QUESTIONS AND ANSWERS**

(See Part I)

9-30 A.M.

**MOTION FOR ADJOURNMENT**

**PUNJAB NATIONAL BANK STRIKE**

**Mr. Speaker:** I have received notice of an adjournment motion from the hon. Shri Sarangdhar Das with reference to the seven days' old strike of nearly nine hundred employees of the head office and of the branches in Delhi of the Punjab National Bank consequent upon certain reasons, which he has given, as a result of the invalidation by the Supreme Court of the award of the All India Industrial Tribunal, Bombay.

I am inclined to hold that, as the question of the bank dispute and the award of the Tribunal has been the subject of questions here and the Government have promised, during the course of the discussion, that they were alive to the gravity of the situation and are taking all steps that were possible and expect to inform the House soon, I do not think really this question can be the subject of an adjournment motion. But, in view of the situation and the anxiety of the hon. Members, I should like to know as to how the matter exactly stands, if the hon. Minister could enlighten the House on that point.

**The Minister of Works, Production and Supply (Shri Gadgil):** As I already  
77 PS.

stated in reply to a short notice question, Government are fully alive to the gravity of the situation. At the same time Government have to take into consideration and give due regard to the judgment given by the highest tribunal in the land. The matter is receiving urgent consideration of the Government and probably in about a week's time some tangible decision will be taken and perhaps we may have to come before the House.

Now, with respect to this particular motion, the strike that is going on has nothing to do with the invalidation of the award by the Supreme Court. It appears from the statement issued by the Secretary of the bank concerned, which has appeared in today's papers, that originally one clerk was asked to explain as to why he was absent without proper permission. He was charge-sheeted. He refused to take the charge-sheet. Then the Conciliation Officer of the Government of India went into that case. Meanwhile, several employees of the Bank went on strike and later on gave certain demands. From the nature of the demands, as they appear in the statement, I think no bank in this country will ever be able to work.

**Shri Hussain Imam (Bihar):** Is the hon. Minister allowed to read from the newspapers?

**Mr. Speaker:** He is only quoting them.

**Shri Gadgil:** The demands were:

"To adjust the salaries of the subordinate staff, daftries and clerks in grades of Rs. 250 per month, Rs. 400 per month and Rs. 550 per month respectively. In addition, 70 per cent. of the basic pay was demanded as dearness allowance with a minimum of Rs. 75 and maximum of Rs. 150 per month payable to all the above categories of staff. Again, six months' salary was demanded as yearly bonus, plus free quarters or house rent equivalent to 10 per

ELECTIONS TO COMMITTEES

CENTRAL ADVISORY BOARD OF EDUCATION

[Shri Gadgil]

cent. of the salary with a minimum of Rs. 30, free medical aid to employees and their dependents and children and education allowance of Rs. 20 per month per child, conveyance allowance with a minimum of Rs. 20 per month with 1½ months' privilege leave a year, three weeks' casual leave a year and three months' sick leave a year, a local allowance of Rs. 25 per month, one month's pay as gratuity per year of service....."

**Mr. Speaker:** Order, order. It is not necessary for us to go into the details of the strike. For the purposes of this motion, I take it that it has nothing to do with the award.

**Shri Gadgil:** I may also add that it is incorrect to say that many persons have been suspended or discharged. Only one person has been suspended, namely the clerk with whom this trouble started and six persons have been dismissed because they indulged in violence—they attacked the premises of certain branches of this bank. This bank has eighty branches all over the country and only six persons have been dismissed. The dismissal has nothing to do with the adjudication award.

**Shri Hussain Imam:** The hon. Minister has stated only the bank's case. Will you allow us to present the other side of the picture?

**Mr. Speaker:** I am concerned only with the admissibility of the motion. Two points are clear here: one is that the strike is not the result of delay on the part of Government in taking action on the award. The other point is. I am myself not clear as to how it is the concern or the responsibility of Government to go into the affairs of a bank and the adjustments of their affairs so far as their employees are concerned. That is an independent matter with which Government is not concerned. Nor do I think is this the proper forum for a discussion of that.

**Shri Sarangdhar Das (Orissa):** I want a clarification from the hon. Minister.....

**Mr. Speaker:** As I explained, we are not concerned here with the exact nature of the dispute or the merits of the case of the bank employees. The hon. Minister went into details. He, perhaps, wanted to show the nature of the demands and the nature of the dispute between the parties. I do not think we need take the time of the House for the purpose of agitating questions between employers and employees. We will now proceed to the next business on the agenda.

ملسٹر آف ایجوکیشن (مولانا آزاد) -  
جناب میں تحریر کرتا ہوں کہ  
یہ پارلیمنٹ ایسے طریقہ سے جسے  
آنریبل اسپیکر تھپرا دیں ، ایک  
ممبر کو چلنے کی کارروا انجام دے -  
یہ ممبر اس لئے چنا جائے گا تاکہ  
سنگل ایڈوائزری بورڈ آف ایجوکیشن  
میں اتنے دن تک ممبر رہے جو پلڈت  
لکشمی کانت میٹر کے ریگولیشن کی  
وجہ سے ان کی ممبری کے باقی رکھنے  
ہیں - ممبری کی یہ مدت ۳ دسمبر  
سنہ ۱۹۵۳ء کو ختم ہوگی -

[The Minister of Education (Maulana Azad): I beg to move:

"That this House do proceed to elect, in such manner as the Honourable the Speaker may direct, one Member to serve on the Central Advisory Board of Education in India, constituted by the Government of India, for the unexpired portion of the term ending 3rd December, 1953, vice Pandit Lakshmi Kanta Maitra, resigned."

श्री कामत : क्या वजीर तालीम यह बतलाने की कृपा करेंगे कि पंडित लक्ष्मी कान्त मैत्र ने अपने स्तीफे का कोई कारण बतलाया है ?

[Shri Kamath (Madhya Pradesh): Will the Minister of Education be pleased to state whether Pandit Lakshmi Kanta Maitra has given any reason for his resignation?]

مولانا آزاد - انہوں نے کوئی خاص  
وجہ نہیں بتلائی ہے - انہوں نے استعفی  
دیا اور استعفی منظور کر لیا گیا -

[Maulana Azad: He has not given any particular reason. He simply tendered the resignation and it was accepted.]

The motion was adopted.

"That this House do proceed to elect, in such manner as the Honourable the Speaker may direct, one Member to serve on the Central Advisory Board of Education in India constituted by the Government of India, for the unexpired portion of the term ending 3rd December, 1953, vice Pandit Lakshmi Kanta Maitra, resigned."

The motion was adopted.

GOVERNING BODY OF THE INDIAN  
COUNCIL OF MEDICAL RESEARCH

**The Minister of Health (Rajkumari Amrit Kaur):** I beg to move:

"That this House do proceed to elect, in such manner as the Honourable the Speaker may direct, two Members from among themselves to sit on the Governing Body of the Indian Council of Medical Research *vice* Acharya, J. B. Kripalani and Dr. B. Pattabhi Sitaramayya, resigned."

**Shri Kamath:** May I know whether these two Members also resigned in the ordinary course or have they given any reasons for their resignation?

**Rajkumari Amrit Kaur:** Acharya Kripalani feels that his knowledge, or lack of knowledge, does not fit him to be a member of this body.

Dr. Sitaramayya has resigned for reasons of health, I think.

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

"That this House do proceed to elect, in such manner as the Honourable the Speaker may direct, two Members from among themselves to sit on the Governing Body of the Indian Council of Medical Research *vice* Acharya J. B. Kripalani and Dr. B. Pattabhi Sitaramayya, resigned."

The motion was adopted.

STANDING FINANCE COMMITTEE

**The Minister of Finance (Shri C. D. Deshmukh):** I beg to move:

"That this House do proceed to elect, in such manner as the Honourable the Speaker may direct, one Member from among themselves to serve on the Standing Finance Committee until the end of the Financial Year 1951-52, vice Shri C. M. Poonacha, resigned."

**Shri Kamath:** I am sorry to repeat the question, but may I know the

reason for the resignation of this Member?

**Shri C. D. Deshmukh:** I will have to see the papers for the reasons for the resignation.

**Mr. Speaker:** I think the position was clarified by the Minister of State for Parliamentary Affairs when we had a large number of motions the other day.

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

"That this House do proceed to elect, in such manner as the Honourable the Speaker may direct, one Member from among themselves to serve on the Standing Finance Committee until the end of the Financial Year 1951-52, vice Shri C. M. Poonacha, resigned."

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:

	Date for nomination	Date for election
(1) Central Advisory Board of Education.	} 25-4-51	} 28-4-51
(2) Governing body of the Indian Council of Medical Research.		
(3) Standing Finance Committee.		

The nominations for these Committees will be received in the Parliamentary Notice Office up to 12 NOON on the date 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.

FORWARD CONTRACTS (REGULATION) BILL

**Shri Naziruddin Ahmad (West Bengal):** Yesterday I contended that the main provisions of the Bill were *ultra vires* of the Constitution. I shall submit some authorities in favour of that proposition.

**The Minister of Commerce and Industry (Shri Mahtab):** Sir, on a point of order. Even yesterday I wanted to bring it to the notice of the House. The hon. Member has been going on arguing that the Bill is *ultra vires*. Is it a point of order or a criticism of the Bill, I do not understand? So far as

[Shri Mahtab]

I remember, Sir, you once ruled that that point should not be discussed in detail here. As such I do not know how a long speech describing this Bill, or certain provisions of it, as *ultra vires* of the Constitution can be entertained at this stage.

**Mr. Speaker:** The position which I had made clear was that the question of *ultra vires* will not be decided by the Chair but that it may be left to the House. If it comes to the conclusion that it is *ultra vires*, the House may reject the Bill. If the House accepts the Bill for consideration, then the party aggrieved has its remedy in the Supreme Court or other courts. Therefore I said it was no use going in detail into questions of constitutional niceties, because after all, these are things which can best be argued by lawyers and it is not proper to take the time of the House over these long discussions of niceties. But it is too much for me to say that an hon. Member is not entitled to urge the point. He is certainly entitled, but he will—taking into consideration the time of the House and the importance of the matter—curtail his arguments just to the minimum and bring out his points very clearly, in short, avoiding all repetitions. And the Chair will certainly regulate—if it can, of course, in certain cases it is difficult—to see that there is no repetition of the arguments. I do not know what arguments the hon. Member is going to urge over that point. It seems he has argued the matter to some extent yesterday. But he need not repeat them again for my benefit. He may continue his speech, but he will be short.

**Shri Naziruddin Ahmad:** Yes, Sir, I shall be short. The question which I am placing before the House has been decided by the Supreme Court twice, and I will merely refer to the cases. The point was decided in the case of Rashid Ahmad. That is reported in 1950 Supreme Court Report, page 566. I will shortly deal with the points decided by their Lordships and I will not argue as to how this decision affects the Bill. In that case a certain Municipality by a bye-law decided that no market or a place of wholesale business may be started without the permission of the Board. Another bye-law was that no person shall sell or expose for sale any vegetable, fruit, etc. at any place other than the one fixed by the Board for that purpose. The Municipality fixed a place as an exclusive place where such marketing could be done. Under another bye-law the Municipality gave a monopoly right to another person to sell his goods in the market. The present petitioner

was a shopkeeper who was a wholesale dealer and he was carrying on his business. The Municipality gave him notice that as a monopoly right had already been given to another, and as no further licence or permission could be given to the petitioner, he should close the shop. He did not, however, close the shop. As a result, he was served with a notice for prosecution. He refused to obey, and he was prosecuted. He came to the Supreme Court for a declaration that the bye-law which would possibly purport to prevent him from carrying on a business—which is the relevant thing here—was *ultra vires*. The Supreme Court in this case was unanimous and the judgment was delivered by Mr. Justice Das. He said that the right to follow a profession or trade is given by article 19 of the Constitution and it could not be curtailed by virtue of any bye-law or any action of the Municipality. Although they granted a monopoly right to some-body else, taking over Rs. 70,000 from him, still they had no right to refuse to allow this man to go on with his profession. That was the decision in that case.

I have another authority which is a later ruling of the Supreme Court which is more direct and perhaps more to the point. In this case, in the old Central Provinces there was the scheme to grow more food. There were some *bidi*-makers in a certain locality. It was felt that fallow lands should be brought under the plough and therefore it was felt necessary to compel the *bidi*-makers to leave their trade so that they would be made to gravitate towards cultivation. They therefore passed a law, a kind of law which we are going to pass. The law was to the effect that the Deputy Commissioner may decide upon a certain area and declare a certain period as the cultivation season, and then prohibit anyone from carrying on the trade of *bidi*-making in that area during the cultivation season. It also prohibited anyone from employing anybody within that area to make *bides*. And it was thought that this would help the grow-more-food campaign. I think in the name of grow-more-food, many wonderful things are done in many places. As soon as this notice was given to the *bidi*-makers, one proprietor of a *bidi* firm and a *bidi*-worker came to the Supreme Court. They wanted a declaration that under article 19(1)(g) of the Constitution their right of trade was guaranteed and all that could be done by the Legislature was to impose only reasonable restrictions on the exercise of the right for the benefit of the public. The Government contended that these restrictions were reason-

able, secondly that they were for the public good, and also that the reasonableness of those restrictions was a matter for the Legislature. This case has been reported in 1950 Supreme Court Reports at page 759. That is the case of Chintaman Rao. In this case their Lordships were unanimous and the judgment was delivered by Mr. Justice Mahajan. They rejected all the arguments on behalf of the State. One of the arguments was as to the reasonableness of the restriction. The learned Judge pointed out that the restriction must be reasonable, that is, restriction does not mean that the rights would be completely stopped but there should be a balance between public convenience and the right to carry on trade. If there is a nice balance, then, of course the restriction could be reasonable, if not, it is unreasonable. It was pointed out by his Lordship that the restriction in this case was drastic, that it completely stopped the people from carrying on their trade and the object of growmore-food campaign was not a suitable one to prevent these people from carrying on with their trade. It is to be noted that the restriction was complete during the period. It applied to all persons whether they were fit for doing cultivation or not. Even the businessmen could not bring men from outside the area. All crippled men, women and children incapable of taking part in agriculture would also be prohibited and then, what is more, the prohibition was wholly complete. I shall quote only one passage from the judgment:

"These provisions of the statute in our opinion cannot be said to amount to a reasonable restriction on the right of the applicants and that being so, the statute is not in conformity with the provisions of Part III of the Constitution."

It had been argued that the law though drastic in its letter, may be applied reasonably and the drastic nature of the language is not enough to condemn the law, and that it was rather the application of the law that should be looked into. To this his Lordship observed that "the law even to the extent that it could be said to authorize the imposition of a restriction in regard to agricultural labour cannot be held valid because any label is wide enough to cover the restriction both within and without the limits of constitutionally permissible legislative action affecting the right". They said that the language permits the limit to be there and that was enough. They further make the point clear. "So long as the possibility of its being applied for purposes not sanctioned by

the Constitution cannot be ruled out, it must be held to be wholly void". Proceeding further, their Lordships also rejected the argument that it is for the Legislature to decide whether the restrictions are reasonable. That is a matter to be decided by the Court and they held that the restrictions attempted to be put were unreasonable.

I therefore submit that the restrictions attempted to be put down here are unreasonable. Different clauses attempt to regulate the activities of Associations. It is provided that unless these associations are recognized by the Government, the associations cannot carry on. These are matters connected with business, trade and occupation and I think the restrictions providing for completely stopping the activity of an association would be going too far. I submit that the so-called restrictions are not reasonable restrictions but deny the right completely. The language of the Constitution is: reasonable restrictions may be put on the exercise of the right. You cannot deny or stop the right altogether. All that you can do is to apply reasonable restrictions upon the exercise of the right. 'Reasonable restrictions' does not mean that the right can be stopped completely but it means that it may be curtailed in some way which is necessary for the benefit of the public. I therefore, submit that this attempt to interfere with the right of formation of associations as well as paralysing their activity is *ultra vires* within the meaning of the ruling quoted by me.

Then, the Bill also offends against other sub-clauses of the same article, namely article 19(1)(c) which states: "All citizens shall have the right to form associations or unions". I submit that to this only one limitation may be put and that is precisely stated in clause (4): "Nothing in sub-clause (c) of the said clause shall affect the operation of any existing law in so far as it imposes, or prevents the State from making any law imposing, in the interests of public order or morality, reasonable restrictions on the exercise of the right conferred by the said sub-clause." I submit that neither public order nor public morality is involved. The object of the Bill is to stop certain business activities. "Reasonable restrictions" must be with regard to "public order or morality". I submit therefore that under article 19(1)(c) the Bill is *ultra vires*.

Then again, the Bill is also *ultra vires*, under article 19(1) (f) which gives the right to acquire, hold and dispose of property. Every man has a right to sell his property in any way he

[Shri Naziruddin Ahmad]

likes. Under the Bill, you cannot contract to sell goods at a future date beyond eleven days. If you contract to sell the goods within eleven days of the contract, then it is not forbidden but if it exceeds that period, then, of course the contract is struck by the Bill. I submit that it is an ordinary right of every man to sell his property with effect from any date he likes. It often happens in honest transactions. I want to sell some property and somebody wants to buy and the bargain is that the sale should be held a month later. There is nothing inherently dishonest or wrong in this. Of course, there are the *phatka* markets and other markets which certainly deal with these matters to the prejudice of the public. But then the Bill is wide in its implications. It does not confine itself to the *phatka* markets or markets of that type, but would apply to all future sales. Therefore, the language of the Bill is considerably wider than is justified by the circumstances of the case. Prevention is absolutely complete and for that reason, I submit, that the Bill will be *ultra vires*.

10. A.M.

Then, there is no indication in the Bill as to the manner in which the articles which would come within the mischief of the Bill can be ascertained. I should have thought that the nature of the articles which could be notified, in which no future transaction should take place should have been indicated. The principles upon which these articles are to be selected should be indicated. Instead of that, it is left to a subordinate official to decide it at his own sweet will. The power to strike transactions is drastically given to an official who will decide upon the goods at his own sweet will, without reference to any principle. That principle will vary from time to time, or perhaps from person to person and from place to place. What is more objectionable is that this power can be delegated not only to the State Governments, but also to any other individual. The effect of all these is that the Central Government, as was pointed out by Mr. T. T. Krishnamachari, has not considered the matter and therefore, everything has been left to a notification. The House is not permitted to share the responsibility in deciding upon the principle which should guide in the selection of goods for prohibition of future sales. It may be left to a man in a remote corner in a far away State, who would be left to himself to decide upon the articles in which he can prohibit future sales. I therefore submit that this Bill has introduced another obnoxious principle of delegation of legislative authority. This House

should take the responsibility of defining the articles, and defining the proposition which would indicate the nature of the considerations which must weigh with the officer who issues the notification to prohibit the future sales of certain goods. Instead of that, even the hon. Minister stated yesterday that he did not like to deal with the features of the Bill at all and that that would be done in the Select Committee. I submit with respect that this is a wrong principle. It involves vital principles. The House should be taken into confidence as to what are the articles, and what is the nature of the principles that would guide us, and what is the nature of the mischief that is intended to be removed. These principles should be clearly enunciated in the Bill, and the House should be asked to state its opinion thereon. Here, everything is left vague. All that is done is that a certain unspecified individual, who may be an officer of the Ministry or a State Government or the meanest official in a remote district, will be empowered to select the goods. The moment that is done, all future sales in those goods would be illegal. Not merely that. If there is a future sale in any place against that notification, the result will be, the so-called law breaker would be prosecuted. The offence is again cognizable. It arms the police with drastic authority to arrest any person, put him in prison and do many other things that would be open to him. This is a mischievous situation. I do not quarrel with the need for some legislation. But, I should submit that, as Mr. T. T. Krishnamachari suggested yesterday, the principle should be carefully thought out, the Bill should be made really workable and the exact nature of the considerations which would determine the selection of the offending goods should be enunciated. But, instead of that, here is a Bill; the vital power of selecting the goods by notification is indefinite, and vague and left to be decided later on. I think, on merits, the House should not agree to give the Government or its nominees absolute power of penalising a transaction. As has been pointed out by Mr. T. T. Krishnamachari yesterday, this market is dominated by very shrewd people. They are the cleverest people not only in India, but perhaps, in this line, they are the top-ranking men in the whole world. I was reading a book yesterday relating to the subject. It was pointed out therein that some Americans came to India to understand futures markets operations and they admired the efficiency with which this indigenous system works. So, I submit, it would not be unfair on my part to suggest that these are some of the shrewdest money-

makers in the whole of the country, and also perhaps in the whole world.

[SHRIMATI DURGABAI in the Chair]

**Shri Mahtab:** Are they more shrewd than the lawyers?

**Shri Naziruddin Ahmad:** They can buy and sell not only lawyers, but even Ministers. As an hon. Member suggests, they are actually doing so; they are outwitting them.

In fact, this will create another black-market. You prevent open transactions. But, these transactions mean untold money. By their future contracts which are mostly of a bogus nature, they influence the market. They have the commodity market and naturally, at their mercy, the people of India are so many dices in their hands to play with. These are the people whom you want to control. You do not indicate the nature of the considerations that weigh with you. You prevent open transactions. Though you say that no one would be entitled to carry on business, how could you prevent a black-market being established? Whenever Government try to control anything, it has successfully created black-markets, which they cannot eradicate. Big black-marketers are not outside the knowledge of the Government; but somehow or other, there is a kind of reluctance to look at them or to touch them. They are too powerful, too influential to be touched or perhaps too intimate with the higher authorities to be safely touched by a humbler official. I submit that black-marketing goes on merrily and openly. You catch hold of the smallest fry who perhaps commit crimes for the sake of necessity. You do not touch the big blood-suckers, the big black-marketers who are sucking the blood of the people dry—unless it is already sucked by the Finance department by progressively rising taxations. I submit that black-marketing would be the natural consequence of the Bill, and many shrewd businessmen would be grateful to the Minister for controlling their activity because some people are not as clever as the others, as powerful as the others and as influential as the others and as well known to the Government as the others and they could carry on business exclusively and a monopoly trade would be established in their favour. The result would be that some big people will secretly carry on forbidden transactions and make profits of their own. You can stop the drink habit temporarily. You can seize the bottle of wine and confiscate it, and you can punish the individual. But, what about these transactions? How could any official detect this

crime and bring to book the offender? The transaction will go on. It may be done only by the eyes and perhaps a few words would be enough to complete this transaction. This is how the business will be carried out. I, therefore, submit that the objects of this Bill are impracticable and its provisions are unconstitutional. Therefore it seems that the Bill is based on wrong principles and it would fail to achieve its objective, namely to check or control the market. This Bill will drive the market underground. After all, as has been mentioned here, some of the shrewdest people are engaged in this business. And I must say that the hon. Minister's intervention in this debate has been somewhat surprising. I was raising the constitutional point. I do not think the Constitution is unworthy of being mentioned in this House. We have with pride enacted and given to ourselves this Constitution only the other day! And for width of vision and for practical principles and for the fundamental rights granted to the people, this Constitution is unique in the world. And it is only the other day that we have passed this Constitution. When our independent nationhood is in its babyhood, we are riding the Constitution rough-shod. I do not understand why the hon. Minister should try to stifle discussion on constitutional principles. After all, these transactions do not concern me. Big people in Bombay and other places will be benefited and they can, if necessary bring up their cases to the Supreme Court and get the Bill scrapped. This Bill in its provisions disregards the Constitution as also the authoritative decisions of the Supreme Court. Should we not look into these matters? I would suggest it would be better to scrap the Constitution than to flout it. During the passage of the Constitution I ventured to suggest that the fundamental rights laid down without sufficient thought might make the Constitution a "Lawyers' Paradise" and it has already proved itself to be so. I ask the House now, are we going to enact this Bill and make another similar paradise for lawyers? Anyone prosecuted for contravening the provisions of this Bill can reach the Supreme Court and it will be held that the law is *ultra vires*. Therefore the considerations that I have submitted should weigh with the Government and they should take legal opinion on this matter. It is not by way of doing any mischief or for taking up time that I am speaking these words. I have a very real apprehension that this Bill, if enacted would lead to a lot of litigation and I have every reason to believe that the whole Act would be declared *ultra vires*. Therefore it has to be considered whether.....

**Mr. Chairman:** In view of the fact that the hon. Member said that he would be reasonably short, will he please consider whether he is not repeating his arguments?

**Shri Naziruddin Ahmad:** I am grateful to you for pointing out this to me. There has certainly been some repetition. But our Rules of Business lay it down that only tedious repetitions are forbidden, and mine, I hope, have not been tedious, though unwelcome. Certain things bear repetitions, for instance, the taking of the name of God, of Mahatma Gandhi and the like. Anyway, I am not going to repeat again. The callous disregard of the principles of our Constitution which the hon. Minister displayed led me to repeat a little. I would conclude by saying that the House should consider its serious responsibility and ask the hon. Minister to take legal opinion. The Attorney-General is here and he has taken part in the decisions cited by me and his opinion may be taken. And if I am wrong, I shall be glad to be told so and I shall be glad to have my wrong or mistake pointed out. If I am right, I should rather that we take action before it is too late.

**Pandit M. B. Bhargava (Ajmer):** The Bill before the House has been characterised by the hon. Minister who has sponsored it as a simple measure. He also said that it was so simple that he did not like to elucidate Government's point of view in respect of the provisions which stand incorporated in the Bill. So far as the previous speaker—Shri Naziruddin Ahmad—is concerned, he characterised this Bill as being unconstitutional and *ultra vires* of the Constitution. The questions that he had raised, I have to submit, do not appeal to me.

These transactions, these forward contracts and future markets and others have been in vogue in India for about a century or over, and in all important towns and cities of this country these transactions were being carried on on a very large scale up to the time of the war. It was only during the war that for the first time it was thought proper to place restrictions on the forward contract trade. Under the Defence of India Rules, by rule 81, forward trade in certain commodities, certain essential commodities, I should say, was proscribed; and then the Bombay Government also tried to regulate forward trade transactions by passing an Act in the year 1947. Even before there was any interference in the carrying on of these transactions, questions frequently arose before courts of law in all parts of the country as to whether these transactions were legal or not, whether they were not

wagering and speculative transactions which fell within the mischief of section 30 of the Contract Act. These transactions are of various kinds. There are forward contracts, option in goods, *teji* transactions, *mandi* transactions and *teji-mandi* transactions. All these transactions in one form or other came before courts of law in different parts of the country. In most cases it was found that to all intents and purposes they were of a highly speculative character. But the question as to the validity of a transaction depended on whether the parties *ad initio* intended to deliver or call for goods or not; and in those cases where it was found that the parties had intended to call for or deliver the goods, they were held valid and not offending the provisions of section 30 of the Contract Act. Otherwise they were held as offending the provisions of that section. These transactions are carried on on a very large scale all over the country and they are of a Speculative character and they deal in essential commodities also, and therefore, it cannot possibly be contended that the Government should not at some stage interfere and regulate the trade. In fact if the argument of my learned friend is to prevail and if such a wide interpretation on the provisions of article 19, clauses (c), (f) and (g) were put upon them, as my learned friend did, it will lead us to absurd confusion, so much so that it will be outside the power of the Government to interfere with any profession, occupation or trade, irrespective of the effect that trade or occupation will have upon the general morale, health and welfare of the people. The rulings of the Supreme Court to which reference has been made by my learned friend, I submit, are absolutely off the point and have no applicability. In the particular case before us what are the principles of the Bill? It is accepted that these transactions, if allowed to be carried on in an unfettered way, are liable to upset the economic conditions of the country on a very large scale. It was on this ground that under the Defence of India Rules and also under the Essential Supplies (Temporary Powers) Act of 1946 interferences were made and are being made today. If my learned friend's contention were correct, it would not have been a very unforeseen thing that some enterprising gentlemen might have brought these points before the Supreme Court and the High Courts, so that the restrictions existing today on forward contract trade in respect of certain commodities under the provisions of the Essential Supplies (Temporary Powers) Act are declared invalid even after the commencement of the new Constitution. The very fact

that this point has not been brought before the courts, the very fact that the State has every right to interfere and regulate the trade and commerce in the general interest and welfare of the community as a whole and the very fact that the fundamental rights incorporated in clauses (f) and (g) of article 19 are by themselves qualified by certain restrictions under clauses (5) and (6) show that these rights are of a qualified nature and it is for the State to see that no one exercises these rights to the detriment or harm of the community as a whole. In the public interest if it is essential for the State to place certain restrictions on the carrying on of forward contract trade, then I submit there is absolutely no question of the Bill or its provisions being *ultra vires* of the Constitution. The essential test is to see whether the restriction placed upon the trade is reasonable and secondly, whether it is in the general public interest. Applying these two tests to this particular legislation I think so far as the constitutional and legal aspects of the question are concerned there is little doubt that this legislation satisfies these tests. The restrictions are reasonable and they are being imposed in the general interest of the community as a whole. Consequently so far as the legal and constitutional aspects of this legislation and its provisions are concerned I submit Mr. Naziruddin Ahmad's argument holds no water.

Coming to the merits of this legislation, people entertain serious doubts as to whether in its working the legislation will improve economic conditions in the country, whether the object or the ~~idea~~ which the sponsor and the author of this Bill has in view will be achieved by the provisions incorporated therein. I myself entertain serious doubts. We have by now a very wide experience of the various control measures that have been in operation in this country. These measures were initiated by a foreign Government and we have received them as a legacy from that Government. Unfortunately our present National Government and the Ministers constituting that Government are so much enamoured of these control measures, their vision and outlook are so obsessed by them, that in their opinion control and control alone can improve the situation.

There is no doubt that India is passing at present through an economic crisis of an unprecedented character. There may be difference of opinion as to whether controls should or should not be imposed. But there is absolutely no difference of opinion that so far as the administration of these controls-

is concerned the Government has failed. They have been administered in a manner which has led to the great discontent and dissatisfaction of the general public. People are so tired of the way in which these controls have been and are being administered that they are unable to see the theoretical benefit of these control measures, which are being propounded so often by our Ministers and others. Therefore, keeping in mind this background of the influence of controls upon the mind of the people at large, what are the expectations that may be roused in the public mind by a measure of this character?

This Bill aims at controlling forward contract trade throughout India. As I said, in the country as a whole there is no province or any important town where this forward contract trading was not carried on on a very large scale and even now it is being carried on on an extensive scale, though the commodities in which it is carried on are comparatively less in number than they were prior to these control measures. Any measure or enactment that aims at controlling this enormous volume of business has to be examined and scrutinised very carefully. It must be admitted that the powers that the Government wants to take unto itself through this measure are of a sweeping character. Hereafter, after this Bill is brought on the statute book, no individual will be allowed to carry on any forward contract transactions. It will be done by an association and even that association must secure recognition from the Government. Under clause 7 it will be open to the Government at any time to withdraw the recognition. We can easily visualise that the withdrawal of such recognition might inevitably result in an abrupt stoppage of the entire business and what it will mean to the hundreds and thousands of persons who will be affected. Similarly it will be open to the Government to control the machinery of these associations through its departmental representatives.

The scheme of the Bill is that the governing body of each recognised association must have a representative of the Government and it is provided that that representative may be a member of the association or even an outsider. This is a provision which has to be very very carefully scrutinised by the Select Committee. What will be the effect if one of the members of the association, who has the patronage of the Government, happens to represent the Government in that association? Every member of the association will be entitled to have his

[Pandit M. B. Bhargava]

own transactions both with his constituents and with others. This representative of the Government may himself be interested in the business to the extent of lakhs, and being a representative of the Government, what enormous influence will he have in the working of the governing body and the association as a whole. Therefore, the Government and the Select Committee have both to be very careful in providing whether an interested person should represent the Government in the governing body. On the other hand, if that representative is not a member of the association but somebody from outside appointed as a representative of the Government, I fail to understand how a person having the technical knowledge of the subject can be found and whether he will be a paid representative of the Government and a whole-time worker. Because as far as my knowledge of the working of these associations goes, they hold their meetings at least twice in a month or more, and therefore only a whole-time worker can represent the Government at those meetings.

Another provision of the Bill is that not less than three can be nominated by the Government to represent such interests as are not represented through the membership of the association. This provision is liable to be very hard in its working. It would be very difficult to find men having no interest in these transactions to represent the unrepresented interests, and that being so, on what conditions will they represent and who will bear their expenses?

Another important provision is that it will be open to the Government to supersede the governing body of any association; such supersession can be made after calling for an explanation of governing body, or, in exceptional circumstances, even without notice or without calling for an explanation from the governing body. I think this provision is of a very sweeping character and is liable, in its working, to be very irksome and troublesome. From the experience of the working of Government Departments that we have, it is possible that any resourceful person interested in bringing to a standstill the business of the association, may use his influence in the proper quarters and by a mere stroke of the pen the governing body may be superseded and the business brought to a standstill. And then it is provided that when supersession takes place Government will nominate certain persons in whom will vest the rights of the governing body till a new governing

body is duly elected by the association. This provision also is likely to be very harassing.

Then, clause 10 of the Bill provides that it will be competent for the Government to make rules or amend any rules of the association and the association will be bound to accept such rule or amendment and incorporate it in its rules. Such making of a rule or amending it may be done by the Government without any reference to the governing body or the association. Similarly in clause 12 it has been provided that Government may make any bye-laws or amend existing bye-laws of the association and the association will have no option left but to accept such new bye-laws or amendments as may be enjoined by the Government. I submit these powers are of a very sweeping and arbitrary character and the Select Committee will do well to scrutinise them. As they are, they are sure to embarrass in the working of these associations to a great extent.

Then there are very curious and very drastic provisions in clauses 15, 16 and 17 of the Bill. These clauses provide that it will be open for the Government, by a simple notification at any time, to absolutely prohibit the carrying on of business in any of the goods and as soon as such a notification is made every transaction entered into by any party will be void and illegal. This is the provision in clause 15. Clause 17 lays down that without any reference to these associations the Government may at any time, by notification, prohibit forward contracts in any of the commodities and that that notification will be final. Looking at the character of the business and the great stake involved in it such drastic provisions are wholly uncalled for and unless the Select Committee applies its mind to these provisions and makes suitable changes, these provisions are sure to impede the progress and development of business.

A very important point in connection with this Bill is that it seeks to prohibit absolutely what are called *tejmandi* transactions, that is option in goods. This is sought to be done under clause 19. My respectful submission in this connection is that the ground upon which it is sought to absolutely prohibit these option transactions is that they involve speculation on a very large scale and consequently the opinion of the experts, as we are told, who advised the Government favours the banning of these transactions. If we think over the matter, every forward contract transaction involves a degree of risk and

speculation. There cannot be two opinions about it and it is no use standing on a high moral plane and saying that no such transaction which will involve risk or speculation should be allowed. If we accept the principle that in the present modern and developing condition of business it is not in the interest of business to prohibit forward transactions altogether and therefore we allow certain forward contract transactions of the nature provided for in clauses 3 to 15, then there is absolutely no reason why any distinction should be made in respect of option in goods and there is no reason also why such transactions should be dealt with on a different footing from ordinary forward contracts. In fact, the question as to whether these *teji mandi* or *nazrana* transactions offend section 30 of the Contract Act has been considered in numerous cases in Bombay and Rangoon and in most of the cases the same criterion which is applied in judging the legality or otherwise of the ordinary forward contract transactions has been applied to these transactions and if according to the Articles of Association it was open to any party entering into such transactions to receive delivery of the goods these transactions have been upheld and enforced in a court of law. Therefore, if you are recognising forward contract transactions, there is absolutely no reason why you should make a distinction in the case of auction transactions. You have to see the larger interests of the trade and adopt the same attitude in respect of these transactions as you do in respect of ordinary forward contract transactions. You can regulate rather than prohibit them altogether. It should be the business of the Select Committee to evolve provisions for regulating auction transactions too so as to eliminate the chances of their being of a purely speculative character, but to prohibit them altogether will not be in the larger interests of the country.

It was argued that the penal provisions in this measure are of a lenient character. I do not agree there. It is for the first time that a measure of this kind is being enacted and the penalty of one year's imprisonment etc. provided for is quite sufficient. In fact, the Select Committee should lean towards relaxing the penal provisions rather than tightening them up.

My submission is that looking to the working of the controls, it will not be in the economic interests of the country to take such sweeping powers. What is the machinery through which

Government would work? It is provided in clause 3. Government wants to set up a Forward Markets Commission. This body will consist of a person having wide experience of the organisation and working of the forward contract market in India, another person who is a Government official and a third will be the Chairman, of whose qualifications we have no idea. It will be mainly on the advice of this central machinery that the Central Government will act. But it is laid down in the Bill that the Central Government will have the power to delegate its authority to State Governments. The number of these associations would run into thousands and it would be almost impossible for the Centre to have direct supervision and control. It will necessarily have to depend upon machinery in the State Governments and this latter which will actually administer the provisions of this Bill will not have the benefit of the advice of the central machinery, which will be available only to the Central Government. Therefore, if you wish to take such drastic steps to control even the day to day working of these associations, then it is essential that you review the entire working of the machinery and invent an administrative system which will not only be in the form of a Central Forward Contract Tribunal but will also have branches throughout the States. It is then and then only that you can effectively minister to the needs of the people. Otherwise, this sort of lax control will lead to the same trouble that we are experiencing in respect of the other control measures, namely, that the resourceful and the well-placed will derive the benefit of this measure and the minor and small traders will be crushed in the name of this Bill. My submission therefore is that the Select Committee should scrutinise the provisions from a broad point of view and suitably modify them so that the administrative control may be such as not to cause harassment to the people in general.

**Shri Goenka (Madras):** Four hon. Members have already spoken on this Bill and none of them has supported it. I am the fifth speaker and I also feel exactly the same way. According to me, the Bill makes confusion worse confounded. This measure, again according to me, is ill-advised, ill-considered, ill-conceived, badly drafted and badly presented, and if it is allowed to be passed in the manner in which it has been drafted, the result would be untold hardship to the small businessmen in the country. The Bill hardly achieves the objective which Government has in mind. I am not going into the legal niceties of the

[Shri Goenka]

question like my hon. friends Mr. Naziruddin Ahmad and Pandit Mukut Bihari Lal Bhargava. They are legal experts and I leave it at that. But let me endorse every word of what my hon. friend Mr. T. T. Krishnamachari said yesterday in regard to this measure. This Bill is going to be referred to a Select Committee and I would have supported the motion had I thought that there was some redemption for this Bill. I feel that the Bill is beyond redemption. After all, there are certain principles of any Bill which this House has got to accept before it is referred to a Select Committee. The hon. Minister said that he was not concerned at present with the provisions of the Bill. It is easy for him to make that statement, but may I point out that having introduced the Bill he has taken upon himself the responsibility for the provisions of the Bill? It is for this House to accept the principle of the Bill before it is referred to the Select Committee, and if the House does not agree to the provisions of the Bill you know the result. If I am to be told that this Bill has been introduced only on the recommendation of what the hon. Minister called an Expert Committee, then I am sorry I must say that the Government has not applied its mind to the recommendations of the Expert Committee. Government has, it appears, simply adopted *in toto* the recommendations of the Expert Committee and if I were to read paragraph 4 of the report of that Committee the position would become abundantly clear. This is what that paragraph says:

"This will be the first occasion in India when the problem of regulating commodity exchange will be tackled on a countrywide basis. Apart from a widespread realisation of the need for such regulation the precise form which such regulation should take and the limits up to which it should proceed are matters to which sufficient thought has not yet been devoted in the country. Among the State Governments, Bombay is probably the only one which has had any experience in regulating the working of commodity exchanges. The experience of the Central Government is limited to the administration of the bans imposed on forward trading during the war and the early post-war period. It is one thing to ban, and quite another to regulate."

I do not know what the Government want to do—whether they want to ban, or to regulate or to do both.

"Regulation is a difficult job, involving a careful and unbiased consideration of the needs and requirements of each trade to be regulated and the customs, usages and practices obtaining in that trade. Having regard to the past experience of controls in this country, and the general apprehension in the business community that the administrative agencies entrusted with controls are not sufficiently equipped for the task, the Committee feels that, at this stage, Government will do well to exercise the necessary regulation mainly by promoting the maximum amount of self-government on the part of trade itself."

This is what is sought to be done in this country all the time. They want complete autonomy; they want full freedom to exploit in the manner in which they like and that is what they have succeeded in doing by presenting this Expert Committee report which the Government have accepted. The report further says:

"In some of the trades to which this measure will be applied, there already exist powerful associations having considerable influence with all the important sections of the trade (I would say with influences over the people who really matter) and one of the primary objectives of this measure should be to maintain and enhance the authority of such associations, limiting Government intervention only to extreme emergencies."

They want that these associations should be autonomous; that they can do whatever they like and that the interference of Government should be very very limited indeed. They go on to say:

"Secondly the fact has to be faced that the psychological atmosphere in this country is at the moment not too favourable to controls, necessary though they are in the present circumstances and this new scheme of regulation may further shake business confidence, and thus hamper economic recovery, unless it is so framed as to evoke the maximum possible co-operation from the business community."

To any controls which Government may introduce or any regulations which Government brings into force the only reply is that the psychological effect of it will be bad upon the business community and that it will shake their confidence, which in other words means that they should

be allowed to do whatever they like in regard to commerce and industry and it is immaterial whom it affects and how far it adversely affects the lower classes of the community.

I do not want to take up the time of the House. But I may say that paragraph 4 is the Magna Charta of this Bill. Now what has happened in regard to this Bill? Let us go into the details. Government wanted certain powers in their hands when this Bill was introduced by them for circulation some time in February 1950. The Bill has now been amended beyond recognition and all the powers which Government want to take have been eliminated and the Government naturally have accepted the recommendations of this Expert Committee.

Now what are the powers which the Government wanted and which have now been eliminated? Government wanted that in certain circumstances if it felt necessary or desirable the chairman of such association will be nominated by the Government. This was objected to by this Expert Committee. They said that it was not necessary that there should be a chairman nominated by the Government and that autonomy or self-government of this association should be maintained. They agreed to that.

Then again, Government wanted to take the power of inspection and they wanted power to inspect the account books and the other things that pertain to its trade from time to time. This Expert Committee objected to it and that again has been dropped. They have agreed that it will be for the governing body of the association—of course if the Government wanted to put somebody on the governing body for the purpose of enquiry they could do so—to make any enquiries in the matter. Now, supposing the association is the offender? Government under this Bill leaves it to the association itself to make enquiries. This is what the Government have done. I would very respectfully submit to Government that complete control ought to have been vested in the Government in the matter of inspection and supersession.

Then again, the particular section has been amended in which they have provided "reasonable opportunity". Formerly Government had suggested "opportunity". But the present wording is "reasonable opportunity" and God knows what it means and how it will be interpreted by the various courts of law. Now that being so, I am unable to understand

what was the purpose of Government in whittling down their own proposition which they introduced in February 1950.

Now let me analyse who the members of this Expert Committee are. They are men who deal in this forward business, in the futures markets and who are interested in this type of trade.

I was surprised to find that clause 18 excludes "non-transferable specific delivery contracts" from Chapter III or Chapter IV. Are the contracts usually transferable? I have yet to come across a contract which is transferable. Then they say specific delivery contracts. Is there any contract in which the date of delivery is not mentioned? Is there any contract in which the name of the buyer and seller is not mentioned? Is there any contract in which quality is not mentioned? Is there any contract in which the price is not mentioned? Unless the quality, price, delivery, date of delivery, etc., are mentioned in the contract, unless the names of the buyer and seller are mentioned, it is not a contract at all. Contract, as the House knows, has to be precise, and for the contract to be precise all these details have to be given.

11 A.M.

What are the contracts which will be the subject of these regulations? Am I to understand from my hon. friend that he means contracts in which deliveries are not intended, namely, gambling contracts? After all, there is a very thin dividing line between good and withering contracts. If delivery is not intended and if the contracts are only for the purpose of differences, then naturally those are withering and gambling contracts. If delivery is intended, then the contracts are valid contracts. Here the contracts are for specific deliveries. I do not know what is in the mind of the hon. Minister when he mentions of contracts other than specific delivery contracts, unless he is giving recognition to what may be called withering and gambling contracts.

I then find that under clause 15 the Government lays down that only the contracts entered into through the association will be recognised and no other contracts will be recognised. I am really surprised, because from experience you will find that there are thousands of places in the whole of India where forward contracts are entered into, where there is no association at all. For instance, you will

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know that in places like Adoni, Bellary, Tadpatri, Pollachi, Guntapuram, Cuddappah there are plenty of forward contracts for groundnuts and groundnut oil, but there is no association in any of those places. Am I to understand that by this Bill all those forward contracts which the producers enter into will be held void, or that they will be forced to have an association, and if they do not have an association that they will be at the mercy of one or two associations that will be formed in Bombay and Calcutta, that it is only the Bombay and Calcutta exchanges that will come into existence by virtue or in pursuance of this enactment, that they will be the only associations dealing with forward contracts and that any other contract which will be entered into where there is no association or through the medium of what might be called direct contracts between party and party will be held void? Is it the intention of the Government to create this monopoly—and a monopoly of the bigs and not of the smalls? After all, if I have got 200 bags of groundnut, which may not be a unit for a large association and exchange, should I not be able to sell those 200 bags of groundnut against a particular delivery? The Bill lays down that no contracts other than those which are entered into through the association will be valid. These associations may be few and far between. And if these associations are few and far between, then it is creating a monopolistic system to which I am sure the House is opposed.

I will come to various other commodities that are being dealt with throughout the country. It is not a question of one or two or three commodities: it is a question of various commodities that are being dealt with and in which there is a forward market. My hon. friend the Minister of Commerce and Industry said that so far as hoarding and cornering are concerned he does not think it is a disability. I say that these forward markets are a danger in the present state of affairs, and because of the present state of affairs the Government banned all forward contracts. Today that is the situation. Last year groundnut was cornered by one man in Hyderabad with the result that the price of groundnut shot up. This is an everyday occurrence in the futures market. Cornering is one of the cardinal things in a futures market. Is it not the duty of the Government to see that this cornering does not take place and that prices do not unduly shoot up because of this

cornering? In the futures market these are common, day-to-day occurrences. In the present state of affairs when the Government's intention is to keep down the prices of commodities and to keep the cost of living low, should they allow these futures markets in which cornering will become a daily occurrence—which it has been in the past and which it will be in the future?

Let me make one more point in this connection. The stock-exchange bullion markets are not the subject-matter of this Bill. Daily there are stock exchanges and daily there is abuse of the stock-exchange today. Transactions are not all entered into the stock-exchange today. All the twenty-four hours of day and night, contracts are being made in violation of the regulations of stock-exchange. It is within the knowledge of the Government, and if it is not let me give this knowledge, that it is widely published and canvassed in the various newspapers in India that this epidemic of stock-exchange is retarding our economic progress. Instead of the Government taking steps to see that there was a proper regulation of the stock-exchange activities, they leave that alone—although it is part of their job under the Union List—and we have come to the regulation of the commodity markets. I am not against regulation, but I do feel that this is hardly the time when these futures markets should be given a licence. That is where I join issue with my friend, apart from other matters.

This Expert Committee has suggested a Commission. I will go into the question of this Commission. What is this Commission? What are its functions? It was not within the concept of the Government when they introduced the Bill in February 1950. It was suggested by this Expert Committee. Certain obligations are laid upon the Members of the Commission to keep themselves in touch with the forward markets and give such information to the Government as they may require from time to time. It is a very laudable object. But how are they to give this information to the Government? On hearsay evidence? Because no powers have been given for making any enquiries under clause 8. All the power is given to the Central Government to call for periodical returns or for direct enquiries to be made and the like. In fact the Commission has got no power whatsoever under this Bill, except if you want to withdraw recognition from any association or if

you want to supersede the association, and even in case of supersession for a week you can do it even without the knowledge of the Commission. If you want to extend it beyond a week then the Commission comes into play. How is this Commission to function without having any authority to make enquiries? Here are only the obligations of the Commission and no rights whatsoever. The obligations are plenty, to keep Government informed, to advise them from time to time, but apart from these obligations no rights have been given to the Commission to make enquiries, to ask for any returns, or to ask any questions from anybody. And if any of the information is to be given to the Government, obviously from this Bill, it will have to be given on the basis of hearsay evidence and no more. I read from the Expert Committee's report that this Commission is mainly meant for co-ordination between the States and the Central Government. There is nothing in the Bill which tells anything to that effect. No powers have been given to the Commission to co-ordinate the activities of the Central Government and the provincial Governments. After all, those obligations the Commission can only carry out if they are given the necessary powers to do so. It should not be left to the rule-making authorities to prescribe the duties and functions of the Commission. This Bill must provide what the duties and the functions of the Commission should be. The functions of the Commission, according to me, are vague and nebulous. It is not clear what the Commission would be exactly doing and how it would function. I would like the hon. Minister to throw some light on that aspect of the question.

In regard to clauses 5 and 6 there is no definiteness about the conditions which would be satisfied by any association for the grant of recognition. They say that if the Government is satisfied, they will recognize. What will be the factors which will make the Government agree to recognize? This House has got a right when a Bill of this magnitude for the first time in the history of this country is introduced, they should know something more about it. What will be the circumstances in which an association will be recognized? What will be the circumstances in which the recognition will be withdrawn from such associations? After all there must be a certain set of conditions with regard to these. It must not be left to the whims and fancies of the Government from time to time.

We know how the whims and fancies of Government have worked in the past and the House would certainly be interested to see that these things are not left in this vague fashion. These contracts run into crores of rupees. The grant of recognition to associations should not be left to be determined by individual officers of the Government, and I consider this is a matter of very great importance.

Then in clause 7 it is stated: "If the Central Government is of opinion that any recognition granted to an association under the provisions of this Act should, in the interest of the trade or in the public interest, be withdrawn..." I ask what is 'the interest of trade' and what is 'the public interest'? Should this 'interest of trade' and 'public interest' be left vague? Should it be handed over again to the whims and fancies of the Government?

**The Minister of Works, Production and Supply (Shri Gadgil):** 'Public interest' is always the concern of the Government. There is no question of handing it over.

**Shri Goenka:** I know that. Then I come to sub-clause (2) of clause 6 where it is stated: "Before granting recognition under sub-section (1), the Central Government may, by order, direct," that certain conditions should be satisfied. Then I come to clause 8 which is really important so far as I am concerned. When an inquiry is to be made into the conduct of a particular association, it should be the Government representatives who should do this. But here I find that the Government goes to the extent of saying that it will be the governing body which will be given powers to make the inquiry. I suggest it should be an independent body and suitable changes should be made for this purpose.

Then in clause 13 again provision is made for superseding the governing body of a recognised association. It is merely stated that where the Central Government is of opinion that the governing body of any recognised association should be superseded, then Government may do so. No limitation is placed upon the powers of the Central Government and nothing is said under what circumstances would the Government be entitled to supersede such a body.

These are the various matters which I would like to place before the House for consideration. On the financial aspect of the Bill, I read from the Financial Memorandum that it will cost a lakh to the Government. Why should the Government agree to pay

[Shri Goenka]

this lakh a year? All these associations in the various parts of the country are maintained by subscriptions from the Members and by various taxes upon the various transactions which they enter into. The expenses are met by the levies on the various trades and industries. But here the Government have stated that they will spend a lakh of rupees. Why?

The more I think of the Bill, the more I look into the various details of the Bill, I come to the inevitable conclusion that this Bill is ill-conceived and that if really a good Bill is to emerge out of the Select Committee, it will not be a Bill the principle of which this House will adopt through the medium of this Bill which is presented to this House and which is under consideration. After all the Select Committee cannot go beyond the principle laid down by the Bill and I therefore submit that this is hardly the opportunity when this Bill should have been introduced. Besides that the Bill does not meet the requirements which the Government have in view. Further it is so vague that one cannot really make head or tail of what the Government has in mind. In these circumstances, I do feel that the Bill either should be dropped or if it is referred to the Select Committee—I am sure it is going to be referred to the Select Committee—then the Select Committee should be empowered to recast the whole Bill and bring in a new Bill which will meet all the emergencies with which we are faced today and with which we are likely to be faced in the future.

**Shri Mallayya (Madras):** I beg to move:

"That the question be now put."

**Mr. Chairman:** The question is:

"That the question be now put."

The motion was adopted.

**Shri Mahtab:** I am thankful to hon. Members who have participated in the debate and analysed this Bill from many points of view and I think I owe an explanation to the House as to why I chose not to speak much on the Bill at the initial stage.

[MR. SPEAKER in the Chair.]

I thought that the principle underlying the Bill was a very simple one in the sense that it was not unknown either to the House or to the country. During the war time forward trading was being controlled under rule 81 of

the Defence of India Rules. After the Defence of India Act expired, some of those orders were kept in force under the Essential Supplies (Temporary Powers) Act, 1946. In addition to these, I mentioned in my speech in the beginning that the Bombay and West Bengal Governments have introduced laws relating to forward trading in their provinces. So this is not any new proposition which was introduced in the House and from that point of view, I thought it would be better if I placed before the House only the salient features of the Bill and left the rest for the examination of the Select Committee. The salient features of the Bill are (1) options have been prohibited, (2) provision has been made for regulation of *bona fide* forward trading, (3) the Stock Exchange has been excluded from the purview of this Bill. These are the three main points in this Bill. It would have been very much helpful to me if the discussion on the main features had been carried on as was done by my hon. friend Pandit Mukut Bihari Lal Bhargava. As a matter of fact, his analysis of the Bill and the way in which he pointed out all the sides of the Bill was very much helpful to me and I am sure it will be helpful to the members of the Select Committee as well.

I must say that an hon. Member has tried to give me a lesson that at this stage, the provisions of the Bill also should be discussed in detail and he quoted his own experience in this matter. I am very sorry that I am not prepared to take that lesson in spite of his own estimation of himself. Because, I know the definite rules and the practice in every House that at the stage of reference to the Select Committee, the detailed provisions are never discussed; only the main policy underlying the Bill is discussed. That being the position, I do not propose to go into the provisions of the Bill. Mr. Goenka made a confusion between principle and provisions. The complaints which he has made about the provisions could very well be examined by the Select Committee. He has objected to the use of the word 'reasonable' in clause 7. He has complained against some provisions here and there. His complaints might very well be examined in the Select Committee from all points of view. If the House were to take upon itself at this stage the examination of the provisions of the Bill, it will not only take much time of the House, but also it will be practically impossible. The very purpose of having this machinery of a Select Committee is intended to examine the various points

of view in close detail and then make recommendations.

I placed before the House only the position as has been taken up by the Government in regard to this particular matter. It is wrong to say, as was suggested by Mr. T. T. Krishnamachari yesterday, that the Government had not applied their mind to this. He belittled every person and everything in such a way that I doubt whether I would continue to have the same regard for him. He belittled everything, forgetting that this Bill was drafted by the Government themselves and was circulated in February, 1950. Then, the Bill was referred to a Committee. It is not that the Committee has produced this Bill and the Government has accepted it. On the contrary, the Bill was drafted by the Government. At least that credit should be given to somebody. (*An Hon. Member: To Government.*) They must have applied their mind to it. Then, this Bill was circulated and opinions were called for from various bodies. Various Chambers of Commerce and other associations interested in this measure have expressed the opinion that those persons who know everything about forward trading should examine this Bill. In order to meet their point of view, a Committee was set up, and the best selection of personnel according to the then Government was made. It is up to anybody not to agree with the Government in the selection of the personnel. Everybody is entitled to have his own opinion about the personnel. But to ridicule that personnel, I think, is not in good taste, if not anything else. I am sure hon. Members will admit that these persons have a thorough knowledge of the working of forward trading, as has been admitted by Mr. Goenka. Mr. Goenka definitely said that all these gentlemen are so much interested in forward trading that they should not have been on the Committee. He was arguing from the other side. I do not know how anybody having no knowledge of the working of forward trading can be of any help in discussing a Bill of this type.

The Committee went into the whole matter and they submitted a report. That report has been circulated. In spite of various references to that report, I am really amazed that the Members who made the largest reference to it have not closely gone through the report. They will find at the end of the report a comparative statement showing the provisions in the original Bill and the changes that have been made. If it is looked at even now, it will be found that in most of the cases,

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the original provisions of the Bill have been retained. But, there have been some fundamental changes, as for instance, the creation of the Forward Markets Commission. That is a new item. The Forward Markets Commission has been introduced at the recommendation of the Committee. One argument advanced by Mr. Goenka is that the Forward Markets Commission should not have been introduced and the Government should have stuck to their original Bill, since that Bill was much stricter than the Bill as has emerged after the report of the Committee. That is one point of view. In the same breath, that particular gentleman says that Government should not come forward with this Bill now, because this is not the opportune time. I do not know how the time would be opportune for a stricter measure, but inopportune for a milder measure. It seems to me that in the case of two hon. Members at least, Mr. T. T. Krishnamachari and Mr. Goenka, a double mind is working. They want to oppose this Bill because they do not accept the very principle, namely regulation of forward trading and prohibition of option. They want to oppose this Bill in the name of strictness: because the thing is not strict enough, it should not be done. I do not understand the logic of this argument. I am reminded of the arguments of the landlords that the Zamindari Abolition Bill should not be proceeded with because there is no provision to improve the lot of the tillers of the soil. So also, this Bill should be opposed because it does not go too far, and the *status quo* should be maintained. I will be really surprised if the House takes seriously the opinions expressed by hon. Members like Mr. T. T. Krishnamachari who thinks so much of himself.

Then, with regard to the drafting of the Bill, I am reminded of the story in Aesop's Fables, of the tiger and the lamb. If the Bill is not bad from any other point of view, it is bad from the drafting point of view, as if hon. Members are so well versed in drafting that they can find fault with drafting here and there. With regard to drafting itself, as I have already said, the drafting was done in February, 1950. Subsequently, the Committee has made recommendations and those recommendations have been incorporated in the Bill. I do not know at what stage the drafting went wrong. These gentlemen say that the original Bill was good enough. Did the drafting become bad at the stage of incorporating those recommendations in the Bill? I do not understand how so many mistakes could have been committed at that stage.

**Shri T. T. Krishnamachari (Madras):** Read the report.

**Shri Mahtab:** I have read the report. I would request the hon. Member to read the report once again and digest it.

I refer again to drafting. Mr. T. T. Krishnamachari told us that he is a student of Economics of which he did not give any evidence. He told us that he knows something about Law because he mentioned the contract law in this connection. Then, he told us that he knew something about the working of forward trading; but he did not give any evidence of that. I am reminded of the village pedagogue of Goldsmith, who attributed to himself all the virtues in the world. According to him, there was nobody in the world who knew anything about any matter. That position I cannot really help. So far as this Bill is concerned, my hon. friend remembered that some dispute was going on on the word 'reasonable' in some other connection, not knowing in what connection. When he found that word in clause 7, then he thought that that was probably the point to hit. But I may state—and that is my opinion and it is open to the Select Committee to change the language or do what they like—that that word should be there and without that word some unreasonableness would occur. That is my personal opinion.

With regard to the question as to how the Forward Markets Commission would be financed, or who will pay the cost, parenthetically some criticisms were made of the Finance Minister. Indeed the speech of my hon. friend Shri T. T. Krishnamachari was so full of parentheses that I do not know whether he delivered any speech at all. Incidentally he asked who was to pay the cost. I would refer the hon. Member to clause 28(2)(b) and request him to read it closely. If he does it, he will find—and it is a suggestion made by Mr. Goenka—that there is provision for the levy of a fee. He may, if he does not remember it now, read that clause again. There there is the provision for making rules for the levy of fee and a lakh of rupees according to me, and according to any reasonable Member of this House, can easily be raised by the affiliation fee of these associations. So that has been provided for.

And then with regard to the rules. Rule-making power is not a new thing. Rule-making power is always there and it is left with the Government. I do not think it can be left to the businessmen. This power should be with the Government. If it is held that the Government is not competent or is not

capable of looking after the interests of the people, then the proper procedure is to turn that Government out; and not to leave this rule-making power with the businessmen, or not to do anything at all. That is not good logic, according to me.

Then with regard to the prohibition of options, I can understand the position. Mr. Goenka said that options should be allowed.

**Shri Goenka:** I did not say so.

**Shri Mahtab:** I am sorry, it may be some other Member who said it, that option should be allowed. Well, I do not think this can be said in a public meeting where there is not a strict Speaker like the one we have here. Otherwise the person who says that would be howled out. How can we allow speculation to run amuck in the country? And in whose interests, do they say that this should be allowed? All in the interest of the small business people, who are dealing in a few crores of rupees, I suppose! I do not understand how such an argument can be adduced before an august assembly like Parliament here.

And then, with regard to the entry of new members, Mr. Krishnamachari said that here was a method to shut out new members and enable the existing members to go on. He need not be afraid of such a position coming in. Clause 6(2) (a) provides for the entrance of new members. Indeed it makes it compulsory that new members should come in. So he need not worry about this question. He has plenty of opportunity to join in the trade and come in under clause 6(2) (a).

The fear has been expressed that a monopoly would be created. I do not understand how a monopoly would be created, if there is not one at the present moment. The present complaint is that there is a monopoly and the present time also is so abnormal that unless some control is exercised on the forward trade, the trade itself will not absorb the best interests of the public. Mr. Goenka was in great difficulty to distinguish the interests of the trade from the interests of the public. Is it really so difficult? I think even the man in the street can say what is the interest of the public and what is the interest of the trade. I do not think there is really any difficulty in understanding the difference between the two interests. Here I am to advocate the interests of the public against the interests of the trade. And the interests of the trade must conform to the interests of the public. Otherwise that trade has no meaning at all. How

can it flourish if it does not serve the public interest? I do not understand how any Member can advocate the interest of the trade against the public interest. This is a surprising argument that has been put forward in this connection. I am very sorry to say that although the intention here in this Bill is to accommodate the trade's point of view as far as possible, their own advocates will put the trade in a wrong position if they advocate their interest or their case in this manner, and I do not think any member of the public will be able to support the interest of the trade. So instead of accusing me of not having been properly briefed, I say they have not been properly briefed.

And then with regard to the constitutional point. When I heard Mr. Naziruddin Ahmad proceed with his speech, I felt that ultimately he would go to the Hindu Code proposition. That is what I thought when he started referring to one article after another of the Constitution. Anyway, I am glad that he did not reach that point, but stopped in the middle, because of the mild reminder that the Chair administered him at the right stage. With regard to the Constitution itself, I can assure him that it is because I have very great respect for the Constitution that I like it to be interpreted by lawyers of the Supreme Court. Because I have great respect for the Constitution I do not like it to be interpreted by anybody and everybody. I think I should leave it at that.

Next I come to the necessity for this law. The question has been raised as to whether there is any necessity for this law, and incidentally it has been suggested that since the competency of Government has not been shown to a great extent in the administration of the controls, it should be considered whether it is proper to give further power to Government in order to control these forward tradings also. Since that point has been raised, I may make it clear and quite plain what my personal conviction is. I may be a Minister to-day and I may not be a Minister also. And even when I was not a Minister I had argued this question with Mahatma Gandhi. I am personally convinced about this and I can convince others also, that but for these controls there would have been complete lawlessness all over the country. At least one thing is certain. If the controls had not been there and if the wrath of the public had not been diverted towards the Government, the wrath would have been exercised against the traders and the class of traders would have been completely annihilated by this time. There is no

doubt about that. From the law and order point of view, the controls have helped these very people who are complaining against it.

To come back to the question of necessity for this law, I would only request hon. Members to compare the working of the controls here with their working in other countries. Except in one or two countries, I am confident that the working of the controls here is far better than in various other countries.

**Several Hon. Members:** No. no. Question.

**Shri Mahtab:** The hon. Member may question it; but if he wants, I can let him have plenty of literature which will convince him of the truth of what I have said.

With regard to the necessity for this law, it is common talk and everybody feels it that the ordinary consumers are being subjected to a lot of hardship because of reckless speculation. And it is felt generally, that something should be done in this matter. But when something is sought to be done, it is being opposed. That is not correct. Those interested in speculations object to a Bill of this type. How can anyone who is not interested in speculation object to this Bill? We are passing through a period in which prices fluctuate a good deal and we cannot allow things to drift. And again I say, and I repeat what I said at the very beginning, that this Bill is a simple one and is one which is in the nature of an enabling measure. It does not immediately ask the Government to start controlling forward trades. It simply enables the Government to set in motion this law whenever and for whatever period they consider necessary. After action is taken under clause 15 then Government will start setting up a machinery for the purpose they have in view. It will be seen from clause 15 that it has been left to the Government to issue the notification with regard to which commodities and which matter regulation would operate.

A question was asked, why should the governing body be allowed to inspect and why should not Government do it themselves? I would request hon. Members to refer to clause 8. I do not understand how an attempt was made by two Members to misconstrue that matter. I will read sub-clauses (1) and (2) of that clause to the House:

"1. Every recognised association shall furnish to the Central Government such periodical

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returns relating to its affairs or the affairs of its members as may be prescribed.

2. Without prejudice to the provisions contained in sub-section (1), where the Central Government considers it expedient so to do, it may, by order in writing,—

(a) call upon a recognised association to furnish in writing such information or explanation relating to its affairs or the affairs of any of its members as the Central Government may require, or

(b) direct the governing body of such association to make, in association with one or more representatives of the Central Government, an enquiry in relation to its affairs or the affairs of any of its members and submit a report of the result of such inquiry to the Central Government within such time as may be specified in the order."

It is compulsory that one of the Government officers will be associated with the enquiry. What would have been the other way? It could have been provided this way: that Government will start the inquiry and compel the association to co-operate. Instead it is provided that the Government calls upon the governing body to make the inquiry and associate with it Government officers. The procedure as has been laid down in my opinion is better than the other one.

It is, however, open to the Select Committee to make any change they like but it is not correct to say that the enquiry has been left to the associations themselves and Government has nothing to do with it. I am sure hon. Members who have read the Bill thoroughly will not be misled by this kind of argument. I am very sorry that at least one hon. Member was so much lost in his own estimation of himself that he forgot the provisions of the Bill and the report itself.

I would request that the House should send the Bill to the Select Committee on the distinct understanding that its salient features are retained, namely, prohibition of *tezi mandi*, etc., and regulation of forward trading and the stock exchange is excluded from the operation of this law. These are the three salient features. Subject to this the Select Committee may amend the Bill in any way they like.

Mr. T. T. Krishnamachari who always reminds the House that he has more experience than anybody else, suggested that the Select Committee should be given more powers. I do not know how Government can give more powers to the Select Committee. The Select Committee has got the powers and the Government has nothing to do with the powers of the Select Committee as such.

**Shri T. T. Krishnamachari:** May I submit that I did not mention that Government should give any power. As a matter of fact I am not quite so ignorant as the hon. Minister presumes.

**Shri Mahtab:** I am sure he did. He thinks so much of himself that he does not know that he is ignorant. I have refreshed my memory by reading his speech again today. I would ask him to see the copy of the debate. He used the words that the Select Committee should be given full powers. By whom?

**Shri T. T. Krishnamachari:** By the House.

**Shri Mahtab:** The power is already there. By a special resolution or in response to the suggestion of Mr. T. T. Krishnamachari more powers cannot be given. I am sure the members of the Select Committee, competent as they are, will exercise their legitimate powers and try to improve the Bill as best they can in the interest of the public. I am sure that at no stage will Government create any difficulty for them and at every stage Government will give them as much assistance as is demanded of them.

I commend that this Bill may be referred to the Select Committee.

**Shri Sidhva (Madhya Pradesh):** Out of all your speeches this is the best.

**Shri Hussain Imam (Bihar):** Would not the hon. Minister refer to Mr. T. T. Krishnamachari's remarks about the Company Law Expert Committee?

**Mr. Speaker:** That question is not relevant.

**Shri Hussain Imam:** I happened to be a member of that Committee. He may study the remarks of that Committee.....

**Shri Mahtab:** I did not refer to many things which he said and which really according to me were objectionable. He made a sweeping remark against the Bombay Government as to how they are working that Act.

**Mr. Speaker:** I think it is better that we maintain a higher level of debate, instead of going into personal allegations of one kind or another, which render the debate not very dignified.

**Shri Hussain Imam:** I did not want to make a speech; only I want to enter an emphatic protest against the uncalled for remarks which Mr. T. T. Krishnamachari made. They are on record and may I read them?

**Mr. Speaker:** Not necessary. He has recorded his protest. That is quite enough: it includes every thing.

The question is:

"That the Bill to provide for the regulation of certain matters relating to forward contracts, the prohibition of options in goods and for matters connected therewith, be referred to a Select Committee consisting of Shri M. Ananthasayanam Ayyangar, Shri Dattatraya Parashuram Karmarkar, Shri Manilal Chaturbhai Shah, Shri S. R. Naidu, Shri Banarsi Prasad Jhunjhunwala, Shri Prabhu Dayal Himatsingka, Shri Arun Chandra Guha, Babu Gopinath Singh, Shri V. J. Gupta, Shri N. Alexander, Shri V. S. Sarwate, Shri H. C. Heda, Shri Jagannath Das, Shri Krishnanand Rai, Shri Sitaram S. Jajoo, Shri Krishna Kant Vyas, Shri G. R. Ethirajulu Naidu, Shri R. K. Sidhva, Dr. Ram Subhag Singh, Shri M. Shankaraiya, Shri Amolakh Chand, and the Mover with instructions to report by the end of the first week of the next session."

The motion was adopted.

**COAL MINES PROVIDENT FUND  
AND BONUS SCHEMES (AMEND-  
MENT) BILL**

**The Minister of Works, Production and Supply (Shri Gadgil):** I beg to move:

"That the Bill further to amend the Coal Mines Provident Fund and Bonus Schemes Act, 1948, be taken into consideration."

This is a very simple Bill. Under section 3 of the Coal Mines Provident Fund and Bonus Schemes Act of 1948 the Central Government is empowered to frame a scheme called the Coal Mines Provident Fund Scheme. The scheme may provide for all or any of the matters specified in the First Schedule.

In pursuance of this a scheme was framed and was notified on the 11th December 1948 in the *Gazette of India*. Under the scheme it was found that there was no remedy to recover the contribution from the employers. The scheme as well as the main Act provided penalty but there was no provision either in the main Act or in the scheme as adumbrated on the 11th December 1948 for recovery. What happened is that there were several contraventions of the provisions of this Act and prosecutions were launched. Some of the contraventions were set right because the employers paid their contribution. But in some cases even after conviction the amount of the contribution was not paid. Therefore there is a clear necessity to amend this Act with a view to provide the manner in which the contribution by the employer can be recovered. Hence section 10A is proposed to be incorporated.

The second amendment is also a very simple one. In the Schedule in para 2 it is stated:

"The payment of contributions to the Fund by the employees, or by the employers on behalf of the employees, the rate, time and manner of payment of such contributions, and the manner in which such contributions or part thereof shall be recovered from employees."

What happens is that so far as the employer paying on behalf of the employee is concerned, it is provided for, but so far as the contribution by the employers themselves is concerned it is not provided for. That lacuna is sought to be removed by the second amendment. More than this it is not necessary for me to say and the Bill is something which should be easily acceptable to the House.

**Mr. Speaker:** Motion moved:

"That the Bill further to amend the Coal Mines Provident Fund and Bonus Schemes Act, 1948, be taken into consideration."

**Shri Harihar Nath Shastri (Uttar Pradesh):** As has very rightly been pointed out by the hon. Minister this is a simple and, as a matter of fact, a formal Bill. I will, therefore, in commending this motion for the acceptance of the House make only one or two observations.

In 1948 when the original Bill was placed before the House it aroused a good deal of expectation amongst workers employed in other industries in

[Shri Harihar Nath Shastri]

this country. At that time while moving the Bill for consideration, the hon. Labour Minister had given an assurance in this House that that measure would in due course of time—after about six months—be followed by a similar measure applicable to other industries. After that in 1950 there was an Indian Labour Conference which met at New Delhi and in that conference the matter was brought forward again by the Labour Minister. In that tripartite conference also it was unanimously decided that the principle of provident fund should be accepted and ways and means should be devised to make it applicable to other industries also. In our country where there is no social security measure and no provision for old-age, a measure like this will be a stepping-stone towards the desired goal of attaining social security. I would, therefore, urge that before the present Parliament is dissolved a Bill embodying the principle of provident fund as applicable to other industries should also be brought before the House.

With these few words I commend this measure for the acceptance of the House.

**Pandit Munishwar Datt Upadhyay** (Uttar Pradesh): The Bill before us is really a very necessary piece of legislation. The provisions contained in the Bill are, I consider, very necessary for the well-being of the workers in the coal mines. But, as my hon. friend Mr. Harihar Nath Shastri just now said, when provision for provident fund was originally made in the case of coal mines workers, it aroused very great hopes among workers in the other industries. But those hopes were belied later on when a similar provision was not forthcoming in the case of workers in the other industries, and also when there were, in respect of the coal mines, so many difficulties in the way of contributions and realisation of the amounts due as provident fund. As the hon. Minister just now remarked, the difficulties that were being experienced in the matter of contribution and realisation of the provident fund amounts may be solved by this measure to a certain extent. But then the fact that this principle of provident fund should be applicable to workers in other industries also is of greater importance. These labourers working in the industries have very little attraction for their labour unless there is some such provision to which they can look forward after they become unfit for

work, and with the help of which they might start life anew or pass the rest of it with at least enough sustenance to maintain themselves. I therefore repeat that this is a measure which is very welcome and it is necessary that it should be introduced in other industries also. It has been very rightly introduced in the coal mines industry to start with. Work in this industry is so risky, so dirty and so tedious that there is very little attraction for workers to be employed in it, and unless they have some provision like this for their maintenance after they become unfit for work in the industry in which they are employed, their outlook would not be one of hope. In these circumstances it was rightly introduced first of all in the coal-mining industry.

◊ The provisions contained in this Bill for the realisation of the amounts as land revenue are very necessary. The first amendment proposed deals with this and the other amendment deals with a clarification of the position. The clarification as it has been made in the amendment has, however, not really achieved its object. I have got my own amendment and while moving it I would make my submissions. I would not take any more time of the House but in concluding I would very strongly support the motion for the acceptance of the House.

**Shri A. C. Guha** (West Bengal): This amending Bill only tries to remove certain lacunae in the original Act and as such there is nothing which can be discussed in the House for a long time or nothing to which objection can be taken. But there are one or two points on which I would like to speak in this connection. In the original Act, in the First Schedule it is said that employees or class of employees who shall join the fund shall be notified by rules by the Government. I would like to know if all the classes of employees in the coal mines have been given this benefit or certain classes have been left out from the scheme as later on enunciated by the Government. I would like that all classes of employees who are working in the coal mines should get this benefit without any exception and if certain classes are left out, Government should see that they are not left out. Then in the course of some questions in this session, we have come to know that the provident fund moneys that are being collected by the coal mines owners are not being properly used. I have seen from the statement supplied by the Labour Minister that in some collieries 99

per cent. and in some others even 100 per cent. of the funds have been kept by the owners and have not been paid. Of course, later on we have been told that Government have taken steps to see that the amount is re-funded and distributed to the workers.

12 Noon.

In regard to the bonus funds also, during certain questions in this House, it was stated that their working was not quite satisfactory and the coal mine owners had not been utilising them for the purpose for which they were originally intended. I would like the hon. Minister to look into this and see that the funds are utilised for the purpose for which this House authorised Government to collect them.

With these few words, I commend this amending Bill to the House.

**Shri Gadgil:** I am grateful to the hon. Members for the general support they have given to this motion. The question of application of schemes of provident fund and bonus to other sectors of industry is a much wider one. It would not be very fair for me to try to deal with it, and at the same time the time is not enough to take that into consideration. I can assure my hon. friend Shri Harihar Nath Shastri that whatever assurances were given by the hon. Shri Jagjivan Ram are there and they will be implemented. The question of social security is so important that in modern industries nobody can either minimise its importance or avoid doing something towards it. I may respectfully submit that the present Government has done quite a lot in that respect, although this does not mean that all that has been done is enough; much still remains to be done. Turning to the points made by Mr. Guha, I cannot answer off-hand whether the scheme of provident fund and bonus is applicable to all or only to some classes. As regards the point about the proper management of the funds, I can assure him that Government is taking all steps possible. If there are any specific instances of gross mismanagement, I would very much welcome if he would bring them to the notice of Government.

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

"That the Bill further to amend the Coal Mines Provident Fund and Bonus Schemes Act, 1948, be taken into consideration."

The motion was adopted.

**Clause 2.—(Insertion of new section 10A etc.)**

**Pandit Munishwar Datt Upadhyay:** I beg to move:

In clause 2, in the proposed section 10A of the Coal Mines Provident Fund and Bonus Schemes Act, 1948, after "may be recovered" insert "on the application of the employee concerned or of its own accord".

If there is general withholding of the contribution, then only Government might take action of its own accord to realise the amount in the manner that arrears of land revenue are realised. But in case the shares of only a few workers are withheld, it is likely that no action will be taken directly by Government. In such cases, I think it is necessary that the workers should have the right to make an application to move the Government to make the realisation. If this right is given, it would be helpful to the workers. That is why I have tabled this amendment.

**Mr. Speaker:** May I point out to him that it is doubtful whether his amendment will achieve the object he has in view. The words used are "may be recovered". So long as discretion is vested in Government, the case of an application by a worker is also covered. "May be recovered" means that it may be recovered by the Central Government *suo motu* or as a result of the application of an employee.

**Pandit Munishwar Datt Upadhyay:** I do not know whether the present wording implies that Government may be moved also by an application made by the persons who are affected. If that is clear—I very much doubt whether the implication goes so far—then my amendment may not be necessary. As regards the word "may" I know that the discretion vests in Government always, but the point is that Government may act only if it likes; otherwise it will not.

**Shri Gadgil:** It is really not necessary, because whenever an application is received, either the Government acts or does not act. So, in a case where the Government acts, coverage is provided by the clause as it is.

**Mr. Speaker:** Then I do not place the amendment before the House, I suppose.

**Pandit Munishwar Datt Upadhyay:** Yes, Sir.

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

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Clause 3.—(Amendment of the First Schedule etc.).

**Pandit Munishwar Datt Upadhyay:** I beg to move:

In part (a) of clause 3, in the proposed paragraph 2 of the First Schedule to the Coal Mines Provident Fund and Bonus Schemes Act, 1948, for "by, or" substitute "employees and by employers".

I do not have any other object in moving this amendment except the fact that I want to clarify the position. The wording of the proposed amendment by the hon. Minister covers only the cases of employers and employees. It may be possible that the contribution on a certain account may be made on behalf of the concerned persons by outsiders also. The cases of outsiders are not covered. Therefore, I have tried to clarify the position in the manner I have suggested.

**Shri Gadgil:** The intention is to cover both and as I read the provision, it really covers all the cases. If the hon. Member's amendment is accepted, there is likely to be more confusion. I consulted the Draftsman and he says that the provision as it is is more clear.

**Pandit Munishwar Datt Upadhyay:** Then you need not place it, Sir.

**Mr. Speaker:** The question is: "That clause 3 stand part of the Bill."

The motion was adopted.

Clause 3 was added to the Bill.

Clause 1 was added to the Bill.

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

**Shri Gadgil:** I beg to move:

"That the Bill be passed."

**Shri Jnani Ram (Bihar):** While the Government collieries are running at a loss the private collieries are making large profits.

**Mr. Speaker:** Order, order. The hon. Member knows the scope of discussion on the third reading.

**Shri Jnani Ram:** I am not going to make a long speech.

**Mr. Speaker:** It is not a question of the length of the speech; it is a question of the speech being relevant to the proposition before the House. I cannot permit the hon. Member to go into the question of loss in Government collieries.

The question is:

"That the Bill be passed."

The motion was adopted.

TAX ON NEWSPAPERS (SALES AND ADVERTISEMENTS) REPEAL BILL

**The Minister of Finance (Shri C. D. Deshmukh):** I beg to move:

"That the Bill to provide for the repeal of certain State laws in so far as they sanction the levy of taxes on the sale or purchase of newspapers and on advertisements published therein, be taken into consideration."

The House will remember that in the Government of India Act, 1935, tax on advertisements and sales tax on newspapers were under the legislative jurisdiction of States which were then provinces.

[PANDIT THAKUR DAS BHARGAVA  
in the Chair].

In the Constitution of India taxes on the sale or purchase of newspapers and on advertisements published therein, have been placed in the Union List and this change was made to meet the persistent demands that sales tax on newspapers should be levied in the Centre only in the interest of uniformity and on account of the fear that perhaps they might somehow act as a discouragement to freedom of expression and speech.

**Shrimati Durgabai (Madras):** A tax on knowledge also.

**Shri C. D. Deshmukh:** It might also in certain circumstances amount to a tax on knowledge. But it seems to have been the general belief at the time that the tax on advertisements and sales tax on newspapers which were being levied by the Bombay and Madras Governments respectively prior to the coming into effect of the Constitution would cease to be levied with effect from the inauguration of the Constitution by virtue of the provision which I have referred to.

This, however, could not be, since by article 277 of the Constitution taxes which were in force immediately before the commencement of the Constitution can continue to be levied until provision to the contrary is made by Parliament by law and it is not even within the competence of the State Governments to abolish these taxes under their own authority. Both the Bombay and Madras Governments have agreed that pending consideration of the matter on an all-India basis the taxes in the Bombay and Madras States should be abolished. The Bombay Government desire that the tax levied by them should be abolished

from the beginning of the financial year 1951-52, as they had already taken credit for the receipts in the budget estimate for the year 1950-51. They have accordingly agreed to cease to collect tax with effect from the 1st of April 1951. The Madras Government have also discontinued the sales tax on newspapers with effect from the 1st January 1951.

The Bill accordingly provides for the abolition of these two taxes from the dates mentioned, that is to say 1st April 1951 in the case of Bombay and 1st January 1951 in the case of Madras. There is nothing controversial about the Bill and I hope that the proposal will commend itself to the House.

**Mr. Chairman:** Motion moved:

"That the Bill to provide for the repeal of certain State laws in so far as they sanction the levy of taxes on the sale or purchase of newspapers and on advertisements published therein, be taken into consideration."

**Shri Sidhva (Madhya Pradesh):** This Bill is not so simple as my hon. friend has stated, for various reasons. He was perhaps not aware of the proceedings of the Constituent Assembly while this question was being discussed when we were making the Constitution. You, Sir, are fully aware of the whole history of this newspaper tax when it came before the Constituent Assembly and I think in fairness to the House, because half the Members are new, I would suggest that they should read the proceedings of the Constituent Assembly when this discussion took place.

At one stage the Chairman of the Drafting Committee of the Constitution strongly opposed the idea of bringing this on the Union List and he refused to accept that it was a tax on knowledge. It was merely a tax that could legitimately be levied by the States on the profits that the newspaper proprietors are making through the advertisements. But after all propaganda has its value. In the first instance the Law Minister, strong as he was, vehemently opposed it. But some of the active Members who were concerned with this subject got this matter postponed and tried to canvass and were successful in bringing to their fold.....

**Shrimati Durgabai:** He was one of the hundred who signed the amendment.

**Shri Sidhva:** I repudiate that and the proceedings of the Constituent Assembly will substantiate this. I did

sign the requisition referred to by my hon. friend Shrimati Durgabai, but it was absolutely differently worded from the manner in which it was subsequently presented to the House. Therefore, I repudiate my signature. [**Shri Goenka (Madras):** Thank you.] My hon. friend Mr. Goenka says: "Thank you," because he played an important part in that. I said it then and I repeat it now that it was very unfortunate that the Constituent Assembly deleted this item from the State List and allowed it to be brought on the Union List. When I opposed that, my hon. friend Mr. Krishnamachari, on behalf of the Drafting Committee assured me that this was merely a measure to transfer the item from the State List to the Union List and the Union would certainly levy the tax if they so desired.

**Shri Goenka (Madras):** Where does my hon. friend get this from? Is it from the proceedings, or is he drawing upon his memory?

**Shri Sidhva:** You will have an opportunity to contradict my statement. But I would request the hon. Member to read the proceedings of the Constituent Assembly. This is the brief history of this measure before the Constituent Assembly. And fortunately for Mr. Goenka and my good friend Mr. Deshbandhu Gupta, they were successful in bringing round the Law Minister and he ultimately agreed that it was something like a tax on knowledge.

**Dr. Deshmukh (Madhya Pradesh):** Tax on little knowledge is good.

**Shri Sidhva:** He therefore agreed to that proposal. Despite that, the proceedings will show that I opposed it then, and I oppose it today. I fail to understand how this is a tax on knowledge. Today the newspapers are doing roaring business and making money, not through advertisements but from the subscribers. In the name of high prices of newsprint they are increasing the sale price of newspapers. Today the newspapers are the property of the public, to an extent. If you were to examine their balance sheets during the war and after the war you will find that they have made mints of money. I know the bad times that our national newspapers have suffered. I do not dispute it. I know how the nationalist newspapers had to suffer in the British regime. I do appreciate it. The European-owned and edited newspapers were a very great competition to them, and therefore in those days they suffered. But during the war they had many privileges, and therefore they were able to earn a lot. I have no quarrel with that.

**Shrimati Durgabai:** May I ask him one question? Will the hon. Member maintain this position with regard to vernacular papers also which are suffering very badly?

**Shri Sidhva:** I made it very clear for the periodicals and the small newspapers—give them the benefit, do not tax them: at all. I said it then in the Constituent Assembly. I am saying it today. Some of the small periodicals and weeklies have been and are today suffering. But where is the remedy to them, I am asking my friend Mrs. Durgabai, that even with this provision those periodicals and Indian newspapers are going to be benefited? They are in the same wretched position.

**Dr. Deshmukh:** They do not get any advertisements.

**Shri Sidhva:** They are suffering. Nobody looks to them. It is the few newspapers captured by the big proprietors that count. I have already sent in a Bill of mine—the Council of the Press of India Bill—which is pending before the House for the last one and a half years. (An Hon. Member: Only?) Unfortunately, Sir, your Bill in respect of vegetable ghee is blocking my Bill. Last time I had the opportunity, it was second on the list, but, Sir, you persisted and therefore I had no chance. However, I think I shall have an opportunity. (An Hon. Member: In the next Parliament). In that Bill I have made it clear that these newspaper owners should have come voluntarily and helped Government by paying this legitimate tax. Instead of that they manoeuvred very well and succeeded. And even a Minister like the Finance Minister who wants money, who wants to tax even the poor passengers, who could tell the Railway Minister “I am not going to give you any money”, who wants to tax beedis and all sorts of things, even he wants to give an exemption to the newspaper people because they are powerful people. He fears, “If I do not give them a concession they will write against me”. I know last time in the Constituent Assembly when I opposed it some of the newspapers wrote against me—except the P.T.I. I do not mind that and I speak how I feel about it. The hon. Minister should have been strong in this matter.

What is the urgency, I ask the Finance Minister, to have brought this Bill here? Of course it has to be done under article 277. The Local Bodies are suffering as they have been deprived of the terminal tax which they were imposing. That has been taken to the Union List. Of course it was done under the Government of India

Act, 1935 by the British Government for reasons best known to them. Our Government simply copied that and has taken away the right of Local Bodies to levy terminal tax which was their legitimate due. The article says that they will be allowed to levy them till Parliament by law makes a provision to the contrary but that new items will not be allowed to be introduced. Reference is made to article 277 in the Statement of Objects and Reasons by the hon. Minister. He states:

“Taxes on advertisements... which.....were being lawfully levied by any State Government can continue to be so levied by virtue of article 277 of the Constitution, unless provision to the contrary is made by Parliament by law.”

Article 277 of the Constitution says:

“Any taxes, duties, cesses or fees which, immediately before the commencement of this Constitution, were being lawfully levied by the Government of any State or by any municipality or other local authority or body for the purposes of the State, municipality, district or other local area may, notwithstanding that those taxes, duties, cesses or fees are mentioned in the Union List, continue to be levied and to be applied to the same purposes until provision to the contrary is made by Parliament by law”.

In regard to this matter of terminal tax the Local Bodies all throughout the country have made great agitation and represented to the Government of India that this is one of their main items of revenue. In the 1935 Act the British Government, for various reasons in which their interests were affected, brought this item which was all along under the State jurisdiction. And it was not possible for us to make any amendment to that because it was the Act of the British Parliament. Unfortunately, our Government, while they were making this Constitution, without any sympathetic consideration, as they copied nearly 90 per cent. of the items from the three Schedules into the Union List, the Concurrent List and the State List, borrowed this from the 1935 Act. I could have understood the reasonableness and fairness of the hon. the Finance Minister, and I should say in fairness and justice, after having received so many representations from public bodies, he should have brought in an amendment to this article 277. After all, Local Bodies are public bodies. They are governed by the vari-

ous State Acts. Even in the Centrally-administered areas the hon. the Minister of Health knows very well how much agitation there has been in the country over this tax. But nothing is being done in this direction, and hurriedly this Bill is brought before this House to give an exemption to the newspaper proprietors for the reasons that I have mentioned.

Sir, you know very well how the revenues and the finances of the State Governments are affected today due to prohibition and due to many nation-building programmes. After independence it is but natural that every State Government should like to give greater attention to nation-building programmes about which the country was proclaiming before independence. Things like education, health, sanitation, social security measures are some of the important items in the social service programme which some of the States with the limited resources at their disposal wanted to introduce, but due to financial difficulties they have not been able to go ahead as they desired to. I do not know whether the Finance Minister is paying any attention to my speech, I hope he does, and I hope he will let me know whether he considers, even at this stage in the third year of our independence, whether these items of the nation-building programme will be a first charge in the budget, both in the States and in the Centre, as I was suggesting the other day.

In the Finance Bill which was sent to the Select Committee, I made this matter very clear that the Finance Minister should set apart for 15 years at the rate of one crore per year for the Education Minister's scheme. He made no mention about it in his reply. In fact I tried to find out from his speech. These are the difficulties of the State Ministers today and why is he going to deprive the States of their legitimate taxes? I agree that this is in the Union list but they should have been allowed to carry on for some time until we exhaust all these matters. I can assure my hon. friend that in the Constituent Assembly all the Ministers from the States were very strongly opposed and they stated that they were very wrongly deprived of these revenues. I want to know whether the Finance Minister is prepared to reimburse the loss of revenue on account of this advertisement tax to Bombay and Madras. They had already framed an Act. Probably the answer of the Finance Minister would be that he has no money. Is it fair. I ask that this fairly good item which was legitimately to be levied should be snatched away from the State Governments? I

want to know how this advertisement tax affects knowledge or speech. The newspapers thrive; they are a business concern and if it is taken that the newspapers are the public property—I take it so—.....

**Dr. Deshmukh:** Should be.

**Shri Sidhva:** Then, where is the people's control? When the people's control is being asked to be sought, there is an opposition from the interested parties. They are a few of them. They will neither contribute to the State nor will give facilities to the reading public. On the contrary the price of a newspaper has risen from two annas to 2½ annas. They have also cut down the size. This is God sent famine to these newspapers and in this curtailment of pages of newspapers, they are making good money. They are certainly complaining that they have no newsprint but in their heart of hearts they are very glad because their expenses are considerably reduced by the size of the newspaper and in other ways which you can find out by looking into their balance sheets. Now the price has been increased to 2½ annas. Previously we used to get a newspaper for half an anna or one anna; the newspaper proprietors ought to realize that they must serve the public. They speak in the editorial notes in the name of the public. They never write 'I' but always write 'We'. The editor is one who is supposed to express the view on behalf of the public. These newspaper proprietors must really understand the difficulties the public are suffering from. These big proprietors should cater to the public and give a part of their profit to the public who are really their shareholders and who are really bringing profit to them. But instead of bringing down the prices of these newspapers, they are increasing them.

My point is that the hon. Minister has not made out any case for giving them exemption. I have tabled certain amendments in this respect and while I am entirely opposed to this, I would suggest that he should allow the State Governments to collect these taxes at least up to 1952 and after that he should bring a comprehensive Bill. I want to know, what kind of proposal is he going to bring, under article 277? I want to know the views of Government before I become a party to give relief to one section. I do not know why this one section is particularly selected. I think it gives a very bad impression on the public and they feel that the Government is going to favour some class of people by bringing in a Bill

[Shri Sidhva]

to give relief to one class of people. To one section, not one class, they are going to give relief, when others, public bodies, who are suffering, get no provision. We know that the Sales tax is a State subject. In their zeal to earn more money, the State Governments have levied the Sales tax in a most un-methodical and unscientific manner. They have levied at the source, they have levied at the stage of production, at the stage of export on the same article, with the result that our economy suffers. Has the hon. Finance Minister given any attention to that? Is it not necessary for the general betterment of the country, including the States and the Central Government, that he must give his attention to see that the Sales tax which is a good tax is brought on a uniform level, so that the States may not suffer and the consumers may not suffer. Instead of giving attention to that, I am very sorry that the Government should have picked up this item at the instance of some Members and brought it urgently. We are hard pressed for time. There are many other important Bills pending before the House. Every day we learn that the session is extended for more days. The important Bills are not forthcoming. But, these Bills which affect the revenue of the States are hurriedly brought forward as urgent measures.

**Shri J. R. Kapoor** (Uttar Pradesh): Giving an opportunity to Mr. Sidhva to speak.

**Shri Sidhva:** I have many places to speak: not Parliament alone. I do not want to take up the valuable time of the House. If the Finance Minister should drop the Bill, I shall sit down immediately and save the time of the House. But, when I know that something wrong is done, I cannot sit down. I must get up whether the time costs Rs. 1000 an hour or more. Somebody put a question and it was stated that the question-hour costs Rs. 6,000. (*An hon. Member:* Rs. 60 a minute). Somehow they have calculated it. Always the question-hour works on the nerves of the hon. Ministers. They bring in all sorts of questions and statements. However, I am not going into that matter now. My point is this. I want really to minimise the use of the time of the House. I say that this Bill should have the last place and other urgent business should be brought forward earlier. There was no necessity or urgency for this Bill. My hon. friend Mr. Goenka is not going to suffer if this Bill is held over for one year or till the next session. I am mentioning him particularly because

he took great interest in the Constituent Assembly and I am sure he is going to take great interest in this matter in this House also. He has a right to take the greatest interest as a Member of this House. I do appeal to him to bear in mind the general interest of the country and the people rather than the interest of himself and his company. Certainly, his interests must be dear to him; I have no quarrel. But, his duty as a Member of Parliament is greater to see that the country's interests are more valuable. He is very patriotic; I am sure he will bear this in mind and he will see that... (*An Hon. Member:* He will support you.) He will support or find a *via media* and see that this matter is held over and dispassionately considered in the next session or next year. He may be here; I may not be here; that is a different matter. But, the point is, why should it be hurried when there is no case for that? On the contrary, our passing of this Bill may create wrong impression. It seems Government has not given consideration to this question. I want to know from the Finance Minister whether he has read the proceedings of the Constituent Assembly. He was probably taken by surprise and he has been told that this is item No. 92 in the Union List and therefore he must bring in this Bill. Therefore, I would submit in the good name of the Government in which I have a greater interest than any of the Ministers that this Bill may be postponed and the matter may be reconsidered in the light of my remarks. They must consult the interests concerned also. Of course, the newspaper proprietors are there; but there are others also whom they must consult. They must consult the public who are the newspaper readers, and who bring money to the newspaper proprietors.

I do not want to take the time of the House. I will speak when the amendments are being moved. I do hope, without meaning any disrespect to anybody, that my remarks would be taken in the spirit in which I have made them. With the best of intentions, I may sincerely tell my hon. friends who are interested in this that I have no quarrel with them. Let them rest assured that I wish them well. Let them earn well. I have myself been a party to get a subsidy from the Government to the nationalist newspapers in Sind when they were suffering. Let them not misunderstand me.

Newspapers and their proprietors have done service to the country. Well and good. Nobody denies that. There is no dispute about that at all. But should they claim some compensation

for that now? Many people here and lakhs and lakhs of people outside in the country have suffered for the cause of our freedom and they do not want any price for that. These same arguments were raised in the Constituent Assembly. Whatever service they have done for the country is there and I appreciate it. But when they ask to be compensated, I disagree with them. Therefore, in the general interest and in a benevolent way and in a patriotic way, I expect the newspaper directors particularly, to come forward and say that they are prepared to pay legitimate dues to the Government, because as I have said, they are not entitled to any exemptions, when all others are being taxed. The consumer is paying tax. We all know how the sales tax is making the consumer pay. In some States even articles of food are being taxed in this way. A poor labourer takes a meal for four annas at a hotel and pays six pies by way of Sales tax on that one meal. Does the hon. Finance Minister know about that? He may state that the Sales tax is a subject for the State Governments. One of the articles in the Constitution says that the transit of certain articles from one State to another should not be subjected to Sales tax. Be that as it may, at present the consumer is made to pay by means of this Sales tax, and why should newspapers be exempted from paying tax? Therefore, for the sake of the good name of the Government I plead that this relief should not be given. If there had been corresponding reliefs in other directions to the consumers I would not have minded this relief to newspapers. But that is not the case. Local Government institutions, are suffering for want of funds and cannot go ahead even with nation-building activities to which we had committed ourselves before the attainment of our freedom. That being so, newspapers should not object to paying what is legitimately due to the Government. With these few words, I would again appeal to Mr. Goenka to consider the position. He must not lose his temper. He should in good temper and as a good citizen and as a patriotic citizen deal with the question. If he convinces me that he is in the right, I am prepared to withdraw. He must not merely say that this is a tax on knowledge because we get books from America and other countries, that it is a tax on free speech and knowledge. When he says that I am not prepared to accept it. It is a business concern and they must pay as others pay. With these words, I oppose the motion.

Shri Goenka: I had no intention of intervening in this debate, but my hon. friend Shri Sidhva invited me to speak

a few words and so I have to tell him how ill-informed he is about facts, as is usual with him.

Shri Sidhva: Ask Mr. Mahtab, he answered you just now.

Shri Goenka: My friend said that newspapers are making packets of money and that they want extraordinary exemptions from taxes which they are bound to pay. Let me make it absolutely clear to him and to the House that there has not been a single occasion in which the newspapers had asked for any exemption from any taxes which they as citizens of this country are bound to pay.

Shri Sidhva: Come to this tax. I did not mention the other taxes.

Shri Goenka: So far as his charge of making money is concerned, he levied the charge that newspapers have cut down the pages and increased the price. But does my friend know that the cost of newsprint is £120 per ton today as against £36 a year and a half ago? Does my friend know that the cost of production of a newspaper is six times more today than it was about six years ago? Does my friend know that out of 1400 newspapers in this country barely a dozen make money and 1390 newspapers go about with the begging bowl in their hands asking people to support them with advertisements and other things? Does my friend know that all these papers in this country have been built not by Mr. Sidhva giving a subsidy through the Government of Sind? I was surprised to hear that. A newspaper would rather commit suicide than take a subsidy from Government. (Shri Sidhva: Since when?) I do not know of any instance. Since I know all the facts of newspaper production in this country I am saying this and let Mr. Sidhva give a single instance of any existing newspaper in the country which has been subsidised by Government. An honest newspaper will commit suicide rather than take the subsidy of any Government, whatever Government it may be. (An Hon. Member: Question.) My friend may question but that is a fact and you can question the existence of the world but the world will exist in spite of you.

My friend made a lot of innuendoes of Members of Parliament using their influence with the Government to bring forward this Bill. It will be for the Finance Minister to give his own story but so far as we are concerned we have not interfered in the matter at all.

**Shri Sidhva:** It happened in the Constituent Assembly.

**Shri Goenka:** I am coming to the Constitution. I have listened to your speech and I would beg of you to have some patience for a few minutes at any rate. When the Constitution was being framed you, Sir, know as well as I do, various interests in this House and about 160 Members of the Constituent Assembly wanted that a clause should be introduced under which newspapers will be exempted from Sales tax and advertisement tax. That was based upon a judgment of the Supreme Court of the U.S.A., where the fundamental rights guaranteed to the citizens of the U.S.A. are on all fours with those guaranteed under our Constitution. The Supreme Court there had decided that the States in U.S.A. had no right whatsoever to levy any tax either on sale of newspapers or on advertisements in newspapers. In the course of their learned judgment they said that if tax is permitted on newspapers there is no limit to which the tax may go. Supposing a tax of 20 per cent. on the sale of newspapers was levied by any State it will mean the virtual end of the newspaper and the Constitution of a democratic country had guaranteed freedom of opinion and freedom of speech, which would be put an end to by this indirect method of tax on newspapers. That was the judgment which was quoted by more than one hundred and fifty Members of the Constituent Assembly. But the hon. Law Minister finally agreed that it should be made a Central subject. It was the ruling of the President of the Constituent Assembly, Babu Rajendra Prasad, also, that it should be made a Union subject, and if at any time the Union Government went to the extent of levying an unreasonable tax on newspapers, or if any tax levied on newspapers would amount to curtailment of the freedom of the Press and freedom of information which is guaranteed under the Constitution, then it will be for the Supreme Court to decide whether such a tax was a justifiable tax or it was not a justifiable tax. Therefore, this subject was put on the Union List. Another reason for putting it on the Union List was that newspapers have an all-India circulation and that being so it was wrong that a newspaper should work under certain handicaps in one State and not under the same handicaps in other States. These were the various considerations that weighed with the Constituent Assembly in bringing this very important subject on the Union List. Now, it is all right for my friend, Mr. Sidhva to say that some of us who were interested in newspaper produc-

tion were responsible for the decision of the Constituent Assembly. I wish my friend, Mr. Sidhva was not personal. After all, we are here as Members of Parliament, we are here to discuss matters in the interest of all concerned, our primary duty is to the people of this country and only secondly to ourselves. To attribute those motives which Mr. Sidhva thought fit to do, suits only him and nobody else can be a party to those motives.

Mr. Sidhva made certain other statements. He said this Bill has been brought in a hurry as an emergency measure. May I tell Mr. Sidhva that within my knowledge the Bill has been pending for the last one year in one form or another? May I tell him that this Bill was to have come in the last session but owing to heavy work it was not brought forward then?

My friend again mentioned the two taxes in Madras and Bombay. Will it amaze him to know that there is no tax in Madras and Bombay today, that Madras has removed the tax with effect from the 1st January, 1951 and Bombay has done the same thing with effect from 1st April, 1951? Therefore, the passing of this Bill makes absolutely no difference whatsoever in regard to the levying of taxes by the States on newspapers and newspaper advertisements.

**Shri J. R. Kapoor:** Then why bring it forward at all now? Why waste our time and breath on it?

**Shri Goenka:** Quite so. If the Bill were not passed it will make absolutely no difference whatsoever, but as a matter of abundant caution it has been brought before the House. Apart from that, there is one more important aspect of the question in regard to Sales tax and advertisement tax. These taxes are intended to be passed on to the consumer. May I ask my friend, Mr. Sidhva, whether a tax on the sale of a paper, to the extent of one, two, three, four or five per cent., can be distributed on two annas and taken from the consumer? After all, these taxes are supposed to be consumers' taxes or supposed to be passed on to the consumers. I would like Mr. Sidhva, the *pandit* of the House, to tell us how he would like these taxes to be passed on to the consumers.

My hon. friend Mr. Sidhva said that the newspaper industry should have been consulted. Let me tell him that the newspaper industry was consulted and they were unanimously of this opinion. He wanted the public to be consulted. I do not know since when he thought that this House was not representative of the public. After all

this House is representative of the public and this House will decide what is in the interests of the public.

**Shri Sidhva:** Yet, we send so many Bills for eliciting public opinion.

**Shri Goenka:** He wants that this Bill should go for eliciting public opinion. Public opinion has been adequately obtained by the Constituent Assembly of India and there it is. I do not want to take up the time of the House very much. There are only five minutes left and the Bill should be finished by the time we rise.

**Shri Sidhva:** Not necessarily.

**Shri Goenka:** All that I wish to say is that if any tax is levied the newspaper industry will certainly not object. It has always paid the taxes levied upon it. It has never objected. It has asked for no exemptions and it proposes to ask for none, provided the tax is fair and reasonable. That is all that I have to say and I shall leave Mr. Sidhva and his innuendoes to himself.

**Shri T. N. Singh (Uttar Pradesh):** I had no intention to participate in this discussion, but as one who has been associated with the newspaper industry for a large number of years, it is time after Mr. Sidhva's speech that I should say a few words. I feel that this measure is nothing but an essential preliminary to doing justice to the newspaper industry, which is one of the most vital and important industries designed for serving the people in the right manner. Although it is a small measure, we should at least draw the attention of the House and the public to the fact that this measure is nothing but an attempt to put the newspaper industry on a more equitable basis than has been possible under provincial legislation unilaterally at one place or another. This Bill does not say that in future no tax will be levied on newspapers. It only ensures that in one particular province the newspaper industry will not be penalised. I therefore think that the objections raised by my hon. friend Mr. Sidhva do not

have any justification. I would add my voice to that of the previous speaker who has said that this is a fair and a just law and should find a place on the statute book at a very early date.

**Shri P. Y. Deshpande (Madhya Pradesh):** If the taxes in Bombay and Madras are no longer operative, where is the necessity of this Bill at all?

**Shri C. D. Deshmukh:** They remain on the statute book. They are not collected. But it is rather untidy to leave them on the statute book and not collect them. As I explained in my speech, the Madras and Bombay Governments have not got the power now to repeal those Acts.

**Shri Venkataraman (Madras):** Can the Madras and Bombay Governments collect it again after the tax has ceased, because the tax has now become vested in the Union Government?

**Shri C. D. Deshmukh:** That is not correct. I think the tax is still valid. The tax law also is still valid. They can start collecting it again if they want.

**Shri A. C. Guha (West Bengal):** Are not the Bombay and Madras Governments competent to repeal those Acts?

**Shri C. D. Deshmukh:** They are not competent to repeal them now.

**Shri Sonavane (Bombay):** In view of article 277, I think this Bill is absolutely essential. Unless specifically repealed by a specific law of Parliament, those taxes continue to be valid, and the power to levy those taxes continues in the States.

1 P.M.

Therefore, this measure is absolutely essential.

**Mr. Chairman:** The House now stands adjourned till 8.30 A.M. tomorrow.

*The House then adjourned till Half Past Eight of the Clock on Wednesday the 25th April 1951.*