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ANDHRA PRADESH
Legislative Assembly Debates
OFFICIAL REPORT

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THE ANDHRA PRADESH LEGISLATIVE ASSEMBLY
OFFICIAL REPORT.

Forty Ninth day of the Sixth Session of the Andhra Pradesh Legislative Assembly

THE ANDHRA PRADESH LEGISLATIVE ASSEMBLY
Saturday, the 27th November, 1971.
The House met at Half-Past-Eight of the Clock.
(Mr. Speaker Smt K. V Vema Reddy in the Chair.)

ORAL ANSWERS TO QUESTIONS.

LABOUR DISPUTE IN HINDUSTAN SHIP YARD, VISAKHAPATNAM

921—

* 259 Q — Sri P. Sanyasi Rao (Visakhapatnam-2):— Will hon. the Chief Minister be pleased to state:

(a) whether a One man Committee has been appointed to enquire into the dispute between the Trade Union and the management of the Hindustan Shipyard, Visakhapatnam;

(b) whether the particulars of the decision of the One Man Committees will be placed on the Table of the House;

(c) whether all the cases filed by the management against the workmen have been withdrawn;

(d) the number of workers who are under suspension in view of these cases; and

(e) whether the Government have taken any steps to withdraw these cases?

The Chief Minister (Sri P. V. Narasimha Rao)—

(a) Yes Sir.
(b) Yes Sir. Report is placed on the Table of the House,
(c) No Sir.
(d) Nil.
(e) No Sir.

REPORT OF THE ONE-MAN COMMITTEE.
(Staff and Workers.)

1. Hindustan shipyard Limited, Visakhapatnam (H. S. L.)
by their Managing Director's letter No. C. P. O. 2/69, dated 17th
September 1969 appointed me as an One-Man Committee to examine and recommend wage structure for their daily rated workers and monthly rated staff and communicated it to me on 18-9-1969 on which day I accepted it. The terms of reference set out therein are as follows:

1. The One-Man Committee will recommend as wage structure including a suitable D A. for daily rated workers and monthly rated staff based on the principles of fair wages set forth in the report of the Committee on Fair Wages (C F W).

2. The Management and the Staff Association and the Labour Union agree that the recommendations of the Committee after acceptance by Government will be binding on both the parties for a period of five years from the date of its implementation.

3. The Committee will submit its report within a period of four months from the date of its appointment.

On 19-9-1969, I despatched letters addressed to:

1. The Managing Director H.S.L.
2. The H.S Staff Association
3. The H.S Labour Union and
4. employees of H.S.L.

if any, who were not members of (2) or (3), requesting them to file before me written statements detailing their proposals for a new wage structure and D A. structure giving their reasons in accordance with the principles of fair wages set forth in the report of the C.F.W. I annexed to the letters. A questionnaire (Annexure I), the answers to which, in my opinion, were expected to be useful in preparing the written statements, while making it clear that the parties were welcome to state any other matters not covered by the questionnaire, provided they were relevant to the subject matter on hand. I requested the M.D., H.S.L. to exhibit the 4th of the letters on the notice board easily accessible to all employees. In compliance with my letters written statements were filed by:

1. M.D., H.S.L.
2. Joint Action Committee for H.S. Staff Association and H.S. Labour Union,
3. a recently registered trade Union by name H.S. National Employees Union,
4. two individual employees (4) Sri T. R. Ganesan and (5) Sri B V. Krishna Rao who declared that they were not members of any trade Union. The Management was given an opportunity to file rejoinders to the written statements filed by the trade Unions and by the individual employees.
employees were given opportunity to file rejoinders to the written statement of the Management. Rejoinders were accordingly filed by all of them. Then I gave intimation to each of them that I would hold open sittings daily from 6-1-70. to afford opportunities for personal hearing to each in the presence of the rest. There were two rounds of hearings on 6th, 7th, 8th, 10th and 11th of January 70 so that each exercised the opportunity of a say to meet what everybody of the rest urged before me, except SII T. R. Ganeshan, who did not attend the hearings.

3 During the arguments at the sittings, whether fringe benefits claimed by the employees fall within the terms of reference or not was a contested point. But later on 12—1—1970 the Chairman and Managing Director of H S. L in his letter No P.D. 10/5 wrote to me as follows —

"The representatives of our Staff Association and Labour Union have seen me today and requested me to include as part of terms of reference for consideration by the One Man Committee the various fringe benefits claimed by them in their replies, rejoinders and oral evidence. Although the original intention of the management was to confine the scope of the One Man Committee to the recommendations of pay scales and dearness allowance in respect of daily rated workers and the monthly paid staff and the demand of Staff Association for payment of Yard Allowance, Cash Handling Allowance, and outdoor Allowance only, on reconsideration, we are of opinion that it would be in the interests of the parties concerned to have the fringe benefits also examined by your esteemed self, so that the problem can be examined in its entirety. The claims of the Association and the Unions on the question of fringe benefits and the views of the Management were already conveyed to you in their replies, rejoinders and also during the hearings. You would perhaps like to hold one or two additional sittings again to cover the problem of fringe benefits fully. Your recommendations in this connection also may be based on the principles set forth in the Fair Wages Committee's Report. We are sorry to give you this extra trouble but we do hope that, keeping in view the object of maintaining good industrial relations in the Shipyard and that you are studying these problems fully and are aware of the problems, such a step will be in the interest of the Shipyard and its employees."

Consequently I gave intimation to all the parties that I would further sittings to hear additional oral representations if any.
Sittings were held on 22nd, 27th and 28th of January 1970 and all the parties had their say in two rounds and the proceedings were concluded. Now, I proceed to draw up my report.

4. The most important general principle set forth by the C. F. W. in Chapter II para 4 of its report is as follows:

"...the distribution of the national income among the various factors of production should be such as to be conducive to the growth of the national income itself. Almost at any level of the national income, there should be a certain level of minimum wages which society can afford; what it cannot afford are minimum wages fixed at a level which would reduce employment itself and thereby diminish the income".

Specific principles of fixation of fair wages were discussed thereafter. In para 6 of their report, the C. F. W. observed as follows:

"In trying to decide on the principles that should govern the fixation of fair wages, much assistance can be obtained from two well known concepts, viz., the living wage and the minimum wage".

At the end of para 7, the concept of living wage was described as follows:

"...the living wage should enable the male earner to provide for himself and his family not merely the bare essentials of food, clothing and shelter but a measure of frugal comfort including education for the children, protection against ill-health, requirements of essential social needs and a measure of insurance against the more important misfortunes including old age".

In para 10, the concept of minimum wage according to C. F. W. is described as follows:

"we consider that a minimum wage must provide not only for the bare sustenance of life but for the preservation of the efficiency of the worker. For this purpose the minimum wage must also provide for some measure of education medical requirements and amenities".

In the opinion of the F. C. W., though attaining of the living wage standard is the objective of all civilised states and must be our objective too, there are many limitations that prevent the immediate attainment of the objective and a wage that might be considered fair could be fixed having regard to the limitations but
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A fair wage should on no account be less than the minimum wage. In para 15, factors for determining fair wage accordingly are described as follows:

"while the lower limit of the fair wage must obviously be the minimum wage, the upper limit is equally set by what may broadly be called the capacity of industry to pay. This will depend not only on the present economic position of the industry, but on its future prospects. Between these two limits the actual wage will depend on a consideration of the following factors and in the light of the comments given below -

(i) the productivity of labour,
(ii) the prevailing rates of wages in the same or similar occupations in the same or neighbouring localities,
(iii) the level of the national income and its distributions; and
(iv) the place of the industry in the economy of the country.

The comments referred to are in paras 16 to 25 ending with an expression of their emphatic opinion as follows -

"We have all along held the view that an industry which is incapable of paying the minimum wage has no right to exist."

Here the minimum wage obviously is the one as described in para 10 of the report of C. F. W. The Management, on the strength of decisions of the Supreme Court in "Crown Aluminum Works vs their workmen" and "Express News Papers vs. Union of India" contended that minimum wage which must be paid irrespective of the capacity is only bare subsistence wage and not minimum wage as defined by the C. F. W which must be included in fair wage as it comprises provision for medical requirements, education and amenities in addition to bare sustenance. There is clear difference of opinion between C. F. W and the Supreme Court in this respect. As I am not a Court within the meaning of Article 141 of the Constitution of an Industrial Tribunal or Arbitrator under the Industrial Disputes Act, but am only a Committee appointed by a private company for its own domestic purposes whose terms of reference confine me to the principles set forth in the report of C. F. W, I prefer the opinion of C. F. W. to the opinion of the Supreme Court for purposes of my report.

It will thus be seen that ways of determining (1) the lower limit, (2) the upper limit and (3) actual fair wage between the two limits, are set out by C. F. W. and it shall be my endeavour to determine them for the employees of Hs. L. C. F. W.
just mentioned the components of minimum wage but did not indicate how to qualify them. The components may be divided into two parts: (i) provision for bare sustenance of life and (ii) provision for the preservation of the efficiency of the workers. Only the first part corresponds to the concept of minimum wage according to the Supreme Court. The components thereof are obviously food, clothing, and shelter. The standard of such a minimum wage, i.e., terms of money, not be considered and determined every time a case comes up for decision because it is generally made independently of individual cases, data being compiled by labour conferences and exports, as observed by the Supreme Court in 1967-II L. L. J. 55 (Kamani Metals Case). Otherwise, food and clothing habits of individual workers which are liable to change and local prices of individual articles of food and clothing would have to be enquired into and materials collected every time, which would be multiplication of costly proceedings. I shall follow the present of the Supreme Court in this respect.

The first Pay Commission for Central Government Employees in their report made in April 1947 fixed the subsistence level of minimum wage at Rs. 30 per mensem with a dearness allowance of Rs. 25 making a total of Rs. 55 at the then prevailing prices of commodities. This was the basis for the fixation of minimum basic wage of Rs. 30 per mensem for the employees by Scindia Steam Navigation Company, the predecessor of H S L. by agreement in 1948. The Second Pay Commission in their report in August 1959, after considering the opinions of the First Pay Commission, and of experts and resolutions of Labour Conferences and other materials, fixed the minimum wage at Rs. 80 per mensem at the then prevailing prices. Next, the Dearness Allowance Commission in May 1967 opined that Rs. 150 per mensem would correspond to Rs. 80 of 1959 and would be subsistence level, taking into consideration the increase in the cost of living subsequent to the report of the Second Pay Commission and all other circumstances. All these reports were, no doubt, meant only for Central Government employees, but for the historical reason that in 1948 by agreement the minimum wage recommended by the First Pay Commission was adopted for employees of Scindia Steam Navigation Co., I feel it reasonable to apply the subsistence wage level for Central Government employees fixed in 1967 also, to the employees of H. S. L. In May 1967 the Cost of Living Index Number for Visakhapatnam according to the Director of Bureau of Economics and Statistics of Andhra Pradesh was 148, base year being 1960 with index number 100, and it was 157 for August 1969 which was the month just preceding my appointment as One-Man Committee. Rs. 150
of May 1967 would be equivalent to Rs. 163.50 in August 1969, in terms of cost of living.

6. At this stage, it may be convenient to dispose of a point of difference between the management and the employees. The employees want cost of Living Index Numbers of Visakhapatnam prepared by the Director of Bureau of Economics and Statistics of Andhra Pradesh to be applied to them whereas the management want to continue to apply All India Working Class Consumer Price Index Numbers, as they have been applying them ever since 1967. Prior to 1967 the average of C.L.I. numbers for Bombay, Calcutta and Visakhapatnam was in vogue in the Shipyard. Neither the management nor the employees want it now.

When the Company and its employees are all at Visakhapatnam, I do not see much logic in applying All India index numbers. All India index numbers would be logical in the case of All India institutions like the State Bank of India whose employees are spread all over India. It was stated on behalf of the management that local C.L.I. Numbers are liable to violent fluctuations depending on reasons of local character such as local cyclone or local drought and may upset the economy of the Company. If such calamities occur and if prices rise in consequence locally, it is all the greater reason why the same should be reflected in the earnings of the employees to alleviate consequent hardship.

In para 44 of the report of C. F. W it was recorded as follows:

"The evidence received by us is unanimous only on one point, viz., that adjustment should be based on the current cost of living index numbers for the areas concerned."

Hence I adopt the regional C.L.I. numbers for Visakhapatnam with base year 1969-100) for purposes of this report and I recommend that the same may be applied to the employees of H.S.L.

7. Next, the 2nd component of minimum wage according to C. F. W viz provision for preservation of the efficiency of the worker consists of provision for (1) some measure of education (2) medical requirements and (3) amenities. H.S.L. conducts five schools for the education of the children of the employees. The employees doubted whether H.S.L. is incurring any expenditure on these schools beyond the State grants, but I am satisfied that the H.S.L. is subsiding the schools, the extent of subsidy being about Rs. 27,000 for the year 1968-69, as the grants are not sufficient to run them. For the preservation and improvement of the efficiency of the workers themselves there are facilities in
H. S. L. for training some of them. I am of opinion that there is not much force in the contention of the employees that the above provisions are not availed of by all. I am sure that they can be availed of by all the lowest paid workers and can be counted as "provision for some measure of education." Provision is made by the management of H. S. L. at the cost of the Company for medical requirements. Free medical aid is available to the employees and their families in two dispensaries, a maternity centre, and a family planning clinic. It cost the company about Rs 97,000 to maintain them in 1968-69. It is true that there are no in-patient departments, but there are big Government Hospitals at Visakhapatnam which cater to the needs of all citizens including the employees of H. S. L. and where normal treatment is free. I cannot attach much weight to the contention of the employees that medical facilities supplied at the cost of H. S. L. are not availed of by all of them, so long as all of them are entitled to avail themselves of such facilities as exist. I am of opinion that medical facilities supplied by H. S. L. are enough to be counted as medical requirements within the meaning of the report of C. F. W. A. Canteen which supplies food, snacks, and beverages to the employees is subsidised by H. S. L. It cost the Company about Rs 2 lakhs for 1968-69. This is a partial amenity as the employees purchase their requirements by payment, though at concessional rates. All employees are paid bonus of 4%, of wages though Payment of Bonus Act does not compel H. S. L. to pay bonus. In my opinion, it can fill up the lack of full amenities. All these furnish the 2nd component of minimum wage, so that, together with them in my opinion Rs. 163-50 per mensum or Rs 6-29 per day, which is the value of 1st component alone can correspond to minimum wage according to the concept of C. F. W. in terms of money at the time of the appointment of this One Man Committee. This minimum wage must be paid under any circumstances, if the industry is to continue, according to the opinion of C. F. W. I recommend it as the minimum wage for the employees of H. S. L.

The employees supplied me with their own differing estimates of family budgets, the amounts of which fall within the range of the figures of need-based minimum wages estimated by the National Commission on Labour 1969 (N. C. L.) and hence fall within the description of fair wage and not minimum wage. Need-based minimum wage as per the resolution of the 15th Labour Conference has been found to be unrealistic, in the state of the national economy, by the Second Pay-Commission. Unlike fair wage need based minimum wage has never been accepted as a matter of State Policy. Therefore the family budget estimates supplied by the
employees cannot be accepted as corresponding to minimum wage standard of the concept of C. F. W.

9 Having determined the lower limit of fair wage, I shall next consider the capacity of the industry to pay in the light of the discussion by C. F W. in paras 21 to 24 of their report, which settles the upper limit. In para 23 of their report C F W observed as follows:

'We are of the view that in determining the capacity of an industry to pay it would be wrong to take the capacity of a particular unit of the capacity of all industries in the country. The relevant criterion should be the capacity of a particular industry in a specified region and as far as possible the same wages should be prescribed for all units of that industry in that region. It will obviously be not possible for the wage fixing board to measure the capacity of each of the units of an industry in a region and the only practicable method is to take a fair cross-section of the industry.'

Thus, three possible meanings of the expression 'capacity to pay' referred to in para 21 are rejected and the fourth one, viz. capacity of a particular industry in a specified region is recommended as the real meaning. While rejecting the particular unit to pay and recommending a fair cross section C. F W was influenced by the impossibility of a wage fixing board to measure the capacity of the units, obviously where there are a large number of units. But ship-building industry in the Andhra Pradesh region consists of only one unit, viz. H S L at Visakhapatnam. Therefore, no question of cross-section arises and there is no impossibility of measuring the capacity of the single unit. Therefore C F W cannot be understood to have rejected the criterion of capacity of a single unit to pay, even in a case where there is only one unit of an industry in a region. In my opinion, when the above quoted passage of 'C. F. W.' is applied to ship-building industry in the Andhra Pradesh region, it means that the capacity of the industry to pay, must be measured by the capacity of H. S L. to pay, without reference to the capacity of other units of the industry in other regions of the country.

10 With regard to the measure of the capacity, C. F. W. referred to two opinions voiced outside the Committee, viz. (1) that of the Bombay Textile Labour Enquiry Committee to the effect that capacity to pay wage cannot be determined merely by the value of production and that the main criterion should be the profit making capacity of the industry and (2) that of some employers to the effect that wage paying capacity of an industry must be assessed with reference to the return on the capital; and also referred to two opinions voiced in the Committee itself viz. (1)
that the wage fixing machinery should have regard to (1) a fair return on capital and remuneration to management and (ii) a fair allocation to reserves and depreciation so as to keep the industry in a healthy condition and (2) that fair wage must be paid at any cost and industry must go on paying such wage as long as it does not encroach on capital to pay that wage. The Committee as a whole did not adopt any of the four views and stated the Committee’s view as follows:

“The Committee considers that in this context the main objective of the fixation of fair wages should not be lost sight of. The objective is not merely to determine wages which are fair in the abstract, but to see that employment at existing levels is not only maintained but if possible increased. From this point of view, it will be clear that the level of wages should enable the industry to maintain production with efficiency. The capacity of industry to pay, should therefore be assessed by the wages board in the light of this very important consideration.”

11. Now, coming to the facts of the case, H S L. is a private limited Company registered under the Companies Act, whose paid up capital in the beginning in 1952 was about Rs 3 crores and is now about Rs. 6 1/2 crores. Its main activity is shipbuilding and it has been producing about 2 1/2 ships on an average per year. It employs a labor force of over 5300 men which is said to be out of proportion for the existing level of production. It has practically no reserves except a development rebate reserve of Rs. 3 lakhs. It has been able to utilise only a fraction of its capacity both in machines and men because most of the raw materials are imported for want of indigenous ones and are not available promptly and in required quantities for various reasons including non-availability of foreign exchange. For working capital it mainly depends upon cash credit obtained from State Bank of India on payment of interest. The annual reports of 1952-53 and 1953-54 showed losses of Rs. 15,47,616/- and Rs. 7,66,118/- due to the fact that the cost of construction of each ship was more than sale price that could be secured in international competition. This state of affairs continues even now. But after the year 1953-54 annual reports are able to show smaller amounts of losses or small amounts of profits derived only from the minor activity of ship repairs and other miscellaneous works, because Central Government agreed to pay and paid to H S L. the difference between the sale price and cost price for each ship constructed in the yard as subsidy, which is repayable when the Company earns profits of more than 4 1/2% on paid up capital, under Article 161 of the Articles of Association. That contingency has not yet happened.
and no dividends were declared and no part of the subsidy has yet been repaid. The subsidy has been shown under the head of contingent liability and has accumulated to about Rs. 17 1/2 crores about 2 1/2 times the paid up capital. The gross block is about Rs. 6 1/4 crores and net block Rs. 3 1/4 crores. Up to 1964-65 profits disclosed in annual reports were of the order of only thousands per year. Only from 1965-66 they have exceeded one lakh. The latest figure is Rs. 4,66,910 for 1968-69 which was earned by utilising Rs. 559.93 lakhs as working capital. Percentage of profit to capital employed during the years 1965-66 to 1968-69 are 0.179, 0.577, 0.124, 0.527 respectively, such are the main features of the present economic and financial condition of H S L

12. The employees proposed immediate increase of their wages which they themselves estimate will add from Rs. 35 to Rs. 73 lakhs per annum to the existing wage bill which they estimate at Rs. 120 lakhs. They contest the validity of the opinion of the management that the accumulated subsidy of Rs. 17 1/2 crores represents accumulated loss over the years and they contend that governments all over the world subsidise shipbuilding industry at some stage or the other and that it should not stand in the way of increase of their wages. Though subsidy is traceable to loss in the origin, Central Government is bearing the loss year after year and not the Company Hence it is no more loss for the Company. It may be true that payment of subsidy by Governments is prevalent in most of the countries but no case has been brought to my notice where it is repayable under an express condition of its payment as in this case. Thus the real nature of the accumulated subsidy is a contingent liability whose repayment is for the distant future. But it must be taken note of as a liability and cannot be ignored. There is no force in the contention of one of the trade unions that subsidy is not really intended to be repaid. Other trade unions wanted Article 161 of the Articles of Association to be scrapped. It is not the province of this committee to say anything on the subject. I take the contingent liability of Rs. 17 1/2 crores as one of the factors in estimating the economic and financial condition of the Company so long as it is not repaid, though not as a stumbling block by itself in the way of all revision of wages.

13. Even putting aside the accumulated contingent liability as not a matter of immediate urgency, the question remains to be answered viz. what are the recurring resources of the Company from which the recurring additional expenditure of Rs. 35 to 73 lakhs per annum can be met? Regular annual receipts are (1) Payments by those who have placed orders for construction of
ships (2) payments by Central Government towards subsidy and (3) payments obtained on credit from State Bank of India. Items (1) and (2) are spent on construction of ships Item (3) is repayable with interest. There remains only receipts from repairs of ships and other miscellaneous works which leave some surplus over expenditure The amount of latest surplus got from such receipts is Rs 4 66 lakhs There is absolutely no possibility of the burden of increased wage bill being transferred to buyers of ships as sale price is less than cost price even now, by the compulsion of international parity prices fixed by the Government. Under these circumstances there can be no hesitation in concluding that the only resource at present for increasing wages is the latest profit of Rs. 4 66 lakhs on the assumption that no part of it need be appropriated by the Company as return on capital or as reserves to keep the industry in a healthy condition and on the assumption that this level of profits is not likely to fall below the present level, for purposes of measuring its capacity to pay.

14 But everybody is looking to the future with hopes because the Central Government is said to have plans to spend about Rs. 8 crores for development of the Shipyard and for construction works and the target of capacity of production of 6 ships a year is expected to be attained in course of time which may reduce the cost of construction per ship, of course on the assumption that the existing labour force and wage bill remain constant. A dry dock is under construction and is expected to be finished by the middle of this year. Thereafter H. S. L. can undertake ship-repairing work on a much larger scale than now. It is agreed on all hands that ship-repairing is profit producing unlike ship-building. Hopes for the future are good in their own way; but if they result in present heavy recurring expenditure, it can lead to upward consequences. When C F W opined that the capacity of an industry to pay will depend not only on the present economic position of the industry but on its future prospects, I understand them to have meant that a structure of wages which will gradually increase the amount of wage bill as time passes may be adopted in cases of expected future prospects and not as having recommended immediate heavy increase in wages on the expectation of future prospects without knowing their exact extent and without knowing at what future date the prospects are likely to materialise. The contention of the employees that the recurring expenditure on their increased wages can be met out of 8 crores planned by the Central Government to be spent for development of the shipyard is short sighted. The amount to be spent on development will either be...
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converted into paid up capital or be treated as a loan or partly the one and partly the other. Nobody, not even the extreme view referred to in para 24 of the report of C F W advocated payment of wages by encroaching upon capital and much less by borrowing loans. Payment of wages from capital or borrowed money will reduce production and level of employment in consequence, which should be avoided at any cost.

15 The employees next contended

(1) that the capacity of H. S. L. to pay should be measured by the capacity of the Central Government because all the shares of H. S. L. are held and the entire paid up capital was contributed by the Central Government; and alternately.

(2) that all the shares of the Shipping Corporation of India who is at present the sole buyer of ships constructed by H. S. L also are owned by the Central Government and that the Central Government controls the activities of both and that therefore the managements of H S.L. and of the Shipping Corporation are virtually two departments of the Central Government and that shipbuilding and shipping are complementary industries and that there can be a combined profit and loss account for the two industries in which case there will be profits enough to meet their demands.

These contentions, I am afraid, are due to mis-conception of Company Law and Constitutional Law. Central Government, unlike an autocratic monarch or dictator, functions under the parliamentary form of democratic constitution of India as a trustee for the entire nation in dealing with funds of the nation and will be called upon to account for them and hence cannot deal with the trust funds for the benefit of a section of the public at the expense of the rest of the national unlike a person spending his own funds according to his whims and fancies. C. F. W. did not recommend State's responsibility to pay wages for industrial workers except at the level of minimum wages and that too, in cases where an industry which is important for the nation has no capacity to pay even minimum wages. Central Government is not running the shipbuilding industry departmentally unlike the railway or posts and telegraphs, which are run by departments of Central Government. Central Government merely invested trust funds in buying the shares of H. S. L. At one time private individuals also held some
The fact that all the shares of H. S. L. are now held by the Central Government does not make any difference to the legal relationship between Central Government as shareholders of the Company and the Company itself. A Company registered under the Companies Act is a juristic person or legal entity quite separate and distinct from the shareholders in every respect, as was decided by the Supreme Court in 1969—II L. L. J. 549 (Heavy Engineering Mazdoor Union case). The employees of H. S. L. are not employees of the Central Government and Central Government is not their employer as Central Government is not running the industry as departmental venture and hence the employees cannot look to the Central Government for their wages. Their wages must come out of the limited resources of H. S. L. only. Even though Central Government is the shareholder, their liability does not extend beyond the paid-up-share capital of the Company. Correspondingly the properties of the Company do not belong to the Central Government, even if they be purchased with the capital invested by the Central Government in the shares of the Company. It is true that the Central Government has power to appoint and remove even the Chairman and the Managing Director of H. S. L. But that power is derived from Article 116 of the Articles of Association of H. S. L. and not from any provision of the Constitution of India or a statute which prescribes administrative functions of the Central Government. Hence it is not correct to contend that the management of H. S. L. is a department of the Central Government. Similar must be the position with regard to the Shipping Corporation of India. Therefore, it should be beyond the legal powers of the Central Government to have a combined profit and loss account for H. S. L. and the Shipping Corporation of India. Moreover, the suggestion of combining the profit and loss accounts cannot be expected to be welcomed by the employees of the Shipping Corporation of India. The employees then contended that the system of running industries in the public sector by separate Companies ought to be done away with. This is a matter of policy of the Central Government which cannot be moulded by this Committee. The existence of Companies in the public sector as separate from the Government is an inescapable fact at present. Central Government has another relationship to H. S. L. viz., that of creditor. Here again the amounts lent are trust funds. Hence it may not be easy to write off the amounts due from H. S. L. as suggested by some of the employees, unless national interests (as opposed to sectional interests) require such a step and the step can satisfy Parliament. Even otherwise the capacity of the creditor of the employer can hardly be relevant to measure the capacity of the employer to pay wages.
16. The natural conclusion following the above discussion should be that the capacity of H S. L. to pay is very limited and certainly not more than Rs. 4.66 lakhs per year for the present.

17. The next question is as to what actual wages should be recommended. It depends on the four factors mentioned in para 15 of the report of C. F. W. The first factor is productivity of labour. C F W observed in para 16 of its report:

"In connection with productivity of labour it has to be remembered that it is the net result of a number of factors on many of which the worker does not exercise any control. Among these may be mentioned the type and the state of the machinery installed, the quality of the raw materials supplied and level of managerial and technical efficiency etc."

and in para 17 of its report:

"The written evidence recorded by us emphasized the need for the institution of proper time and motion studies if production standards are to be prescribed scientifically."

and summed up its opinion in para 18 of its report as follows:

"We are of opinion that wage fixing machinery should relate to fair wage a fair load of work and that in case of doubt whether the existing work load is reasonable or not, proper time and motion studies should be instituted on a scientific basis."

Thus, C. F. W. appears to emphasize the importance of work load in preference to productivity, as, for the latter, labour alone cannot be held responsible. The Management in their written statement stated:

"It is obvious that any wage structure must be related to adequate workload and productivity and in fixing the wage structure of staff and workers of H. S. L. this aspect needs to be given special consideration."

The existing wage structure is mostly the result of mutual agreement between the employers and the employees entered into in 1947—48. Therefore, it is not unsafe to presume that the existing wage structure was felt by both sides to consist of fair wages at that time, whatever they may say now, and therefore related to fair workload especially as the work load has continued for 21 years without a different work load being prescribed by instituting proper time and motion studies on a scientific basis. I am of opinion that without the test of proper time and motion
studies on a scientific basis, there should be no empirical interference with the existing work loads. The Committee on Public Undertakings about H. S L. in its report in March 1967 felt concerned to note that productivity per man at H. S. L should compare unfavourably with foreign shipyards on the basis of a statement of an anonymous non-official. In my opinion such a comparison with foreign shipyards is less than fair to employees of H. S L., without making due allowance for differences in climatic conditions and without comparative assessment of the efficiency of machines and tools available. Management and employees criticised each other for admittedly low production in the shipyard. No purpose is served by so blaming each other. There must be cooperation around to put the available materials, both human and machine to the best use and to increase production which will be to the advantage of all.

18. The next factor is prevailing rates of Wages in the same or similar occupations in the same or neighbouring localities. In para 19 of its report C F. W observed as follows:

"A brief reference has already been made to the suggestion, that the rates of wages fixed by tribunals and courts should, for the present, be deemed to be fair wages. The question of prevailing rates of wages stands on the same footing."

For ascertaining prevailing rates of wages Industrial Tribunals and Supreme Court have insisted on examining the rates prevailing in comparable concerns only. In 1969, II L. L. J 782 (New Egerton Woolen Mills case) the Supreme Court decided that whether a concern is Comparable must be decided after taking into account

(i) the extent of business;
(ii) the capital invested;
(iii) the profits;
(iv) the nature of the business;
(v) the standing;
(vi) the strength of labour force;
(vii) the reserves;
(viii) the dividends paid;
(ix) the future prospects and
(x) other relevant factors.
and that no comparison is permissible between a small and struggling one and a large and flourishing one. In para 34 of its report C F W observed as follows:

"In the written evidence received by us there is unanimity of opinion that fair wages should be determined on an Industry-cum-region basis. We support that view as it is not feasible at present to fix wages on any other basis".

19. It is a common case that there is no other shipbuilding industrial unit in the Andhra Pradesh region. According to the management there is no comparable concern even in other industries in this region. The Joint written statement of H S. Staff Association and Labour Union stated

"In the region there is no industry that can justifiably be compared with the Shipyard in respect of its overall activity. However a comparative statement showing the basic wages and dearness allowances of the employees of the Bharat Heavy Electricals, Hyderabad and the Shipyard is herewith submitted since many of the scales of the former have been available. But, it is submitted that the comparison is made reluctantly because even the Wage scales of the B. H E Hyderabad await revision".

Later a comparative statement of scales of wages prevailing in the State Trading Corporation is field, obviously for no better reason than that the information is available. Another trade union filed a comparative chart of wages prevailing in the H S L., Bharat Heavy Plates and Vessels Ltd., Visakhapatnam and Port Trust, Visakhapatnam, for the reason that all the concerns are in one place. The only other common factor is that all these are in the public sector. No comparison is offered in respect of any of the nine factors for comparison enumerated by the Supreme Court in the above mentioned decision. In this connection it has to be remembered that the description "Struggling" can be applied to H. S L. though it is not small concern.

20. All the employees want comparison of their wages with those prevailing in Mazagon Docks Ltd., Bombay (M.DL) and proposed that their wage structure should be on the scale of that concern. Their reasoning is that M.D L. also is a Government of India undertaking and is engaged in shipbuilding and shiprepairing, and that occupations in the shipbuilding industry are different from those in other industries though same or similar names are used to describe them, and that as there is no other unit of that industry in the Andhra Pradesh region, comparison must be
made with a Unit outside the region. This contention amounts to a plea for modification of the principle of industry-cum-region set forth in the report of C F W. It is not possible for me to accept the plea as the terms of reference confine me to the principles set forth in the report of C F W. The formula of industry-cum-region is followed by the Supreme Court in 1967-LL-L J. 55 with the further elaboration that stress should be laid on the industry part of the formula if there are a large number of concerns carrying on the same industry in the same region but where the number of industries of the same kind in a particular region is small, it is the region part of the formula which assumes importance, what various is the stress on one part or the other part of the formula, none of the two parts having been completely abandoned in any case. Hence abandoning the region part of the formula altogether and comparing with wages prevailing in M D L at Bombay is not permissible for this Committee.

Moreover, M D L does not appear to be a concern comparable with H S L. M D L carries on predominantly ship repairing industry, ship building being a minor part of its activity unlike H S L. It is agreed on all hands that ship repairing is a profit earning industry whereas ship building is not only not profit earning but also suffers losses. M D L is much older than H S L. and has three dry docks whereas H S L has none yet. M D L with lesser paid up capital than H S L has been earning considerable profits and has been able to declare dividends and to set apart considerable reserves as can be seen from the report of the Committee on Public Undertakings 1968-69. M D L is fortunate in having the Indian Navy, which is not a commercial concern, for buyer of ships built by them. Their sale price is cost price plus something over and above, whereas H S L caters to commercial shipping companies which have to stand competition from foreign shipping companies and hence cannot afford to pay prices which are less than cost of production. Bombay is in a highly industrialised region where wages in all industries are higher than their counterparts in other regions. Under all these circumstances I am afraid that no case has been made out for determining wage structure of H S L by comparison with prevailing rates of wages because there are no comparable concerns in the region.

22. The next factor is the level of national income and its distribution. The relevant observations of C F W. were in para 4 of their report as follows:
...the state of the national income is highly relevant to the problem of wages because no wage policy can be regarded as just or even economically sound unless it encourages increase of the national income and secures to the wage earner a legitimate share in that increase.

According to the information supplied to the Lok Sabha the total national income for 1968-69 measured in terms of 1960-61 prices has been placed at Rs. 16,830 crores and the per capita income at Rs. 319.3. In terms of current prices per capita income has been estimated at about Rs. 545.6 Economists are of the view that there has been no real increase in per capita income during the last ten years and that apparent increase in rupees is mainly due to erosion in the value of the rupees that at constant prices there has been even a fall as compared with 1964-65 The total earning of H S L have been on the increase in terms of rupees all the time The average earnings of the employees of H S L are roughly about Rs. 2200 per head per year Even the lowest paid daily rated worker earns about Rs. 1800 per annum. Therefore it cannot be said that the employees of H S L are not having their legitimate share in such apparent increase in national income as published figures disclose. At any rate, capital which is the other factor of production is not appropriating to itself any share of the increase, as far as H S L is concerned

23 The last factor is the place of the industry in the economy of the country. None of the parties doubted the important place of shipbuilding industry in the economy of the country both in times of peace and in times of emergency I am satisfied of its importance as it supplies cargo vessels which carry the export and import trade of the country and help earning and saving of foreign exchange. There is room and need for increasing production of cargo vessels which depends not a little upon the efforts of the workers and staff. Therefore I have no hesitation in finding that fair wages for the employees of H S L must be as favourable to them as possible, subject to the ceiling of the capacity of the industry to pay.

24. The management is annexures v (a) and v (b) attached to their written statement claimed
a) Employer's contribution under the E S T. Act,
b) Employer's contribution towards insurance premia,
c) Employer's contribution towards provident fund,
d) Contingent liability for gratuity,
e) Cycle allowance;
f) Leave and holidays;
g) Transport allowance;

h) Cost of uniforms;
i) Dhobi allowance;
j) Housing subsidy;
k) Cleaning allowance.
as benefits which reduce the cost of living of the employees and contended that their money value should be added to wages to ascertain total earnings. The CFW in para 28 of its report observed as follows:

"Where a benefit goes directly to reduce the expenses of the worker on items of expenditure which are taken into account for the calculation of fair wage, it must necessarily be taken into account in fixing the actual fair wage payable. Where, however, the benefit has no connection with the items of expenditure on which the fair wage is calculated, it cannot naturally be taken into account."

Special contribution under the E. S. I. Act is paid HSL more or less as a compulsory tax without any benefit to the employees, who are being granted exemption by authorities under the Act itself. Benefits of insurance, provident fund and gratuity are to accrue only on retirement. They, no doubt, add to present mental comfort of employees but do not directly reduce their expenses. The other items are compensatory in nature. Medical benefits, educational benefits and canteen benefits have been taken into account in determining the lower limit. They will have to be kept in mind for higher stages of fair wages also. But their actual value in terms of money to each employee is difficult for calculation. Only averages can be calculated, the total cost to the Company being divided by the number of employees, which process may not be just to all.

25 Dearness allowance is the most important of existing allowances which, though it does not help to reduce expenses of the employee, helps him to check rapid fall in standard of living due to rise in prices. At present DA which was last fixed on 1-2-1967 is about 400% of the basic wage at the lowest level and is lower at higher levels and cannot but be taken into account. In view of the fact that most of the existing basic wages had origin in agreement in 1947-48, I feel that the totals of basic wages and above mentioned D. A. together with existing medical educational, canteen facilities and ex-gratia bonus correspond to relative fair wages except where the total falls below the minimum of Rs. 160.50 per month or Rs. 6.29 per day. This does not mean that the
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employees are not entitled to improvement upon such fair wages. They can claim improvement within the scope of the observations of C. F. W in para 46 of its report which are as follows:—

"It is not possible for us to be specific as to how fair wage should progress, but any progressive improvement will naturally depend on improvement in economic conditions of the country generally and of the industry concerned in particular."

In my opinion there is no radical improvement in either, the Country is suffering under the pressure of over population which neutralises slight increases in production and there is ever increasing unemployment and under-employment. So far as the industry carried on by H. S. L is concerned both production and employment have been at a stand still rate for a long time, and there has been no improvement. Still one fact stands out prominently in favour of some revision of wages of the employees of H S L viz that there has been no general revision of basic wages, ever since 1948. There have been only minor alterations here and there. Of course, there have been increases in D A from time to time, but D. A. gives only partial relief against soaring prices. Even after the last increase of D A. in 1967, there has been an increase of Cost of Living Index Number for Visakhapatnam by 12 points without corresponding increase in D A.

26 Dearness Allowance, separate from basic wages, had its origin in the belief that rise in price of commodities was temporary and that prices would come down and stabilise themselves. D.A. was meant to be a temporary expediency, in the place of revision of basic wages corresponding to rise in prices, till prices come down. The hope that prices would come down has never been fulfilled till now. The result that D. A. has become a continuing feature for the last about quarter of a century. So far as Central Government employees are concerned 50% of D. A. was treated as pay for retirement and other benefits as early as 1953. Dearness Allowance Commission 1967 lost hopes that prices would come down and expressed itself in favour of merging at least part of the D A. with basic wages at 1968 price level because 'spokesmen of the National Planning Commission and of the Reserve Bank of India and others informed the that prices were not likely to go down below 1968 level. Thus it will be seen that hopes that prices would go down and stabilise themselves has given place to pessimism that prices are not likely to go down. Even after 1968 there
has been no fall or stabilisation. The pattern of C. L. T. numbers for Visakhapatnam has been almost similar in 1968 and 1969 with slight fluctuations. Above all these factors, the employees of H. S. L. made a serious grievance out of the fact they have been discriminated against in that basic salaries and D. A. of officers were amalgamated in 1961 were ignored. Such a grievance should not be allowed to continue for any length of time in the interests of all concerned. It is not a convincing answer to say that the terms and conditions of service of officers are different, because no compelling reason based on terms and conditions of service of officers for the amalgamation in the case of officers and denial in the case of staff and workers is brought to my notice. Following the First Pay Commission's report, C. F. W. recommended that basic wages should be fixed at the level of C. L. T. number between 160 and 175 (base year 1939—100). Except the false hope that prices would stabilise at that level, there is no principle involved in that recommendation, to be followed at this late hour. I have come to the conclusion that no more hopes that prices will fall should be entertained and that basic wages and entire D. A. for employees of H. S. L. should be amalgamated at the level of the appointment of this Committee and revised wage structure should be fixed on that basis. This course has the advantage of absence of separate D. A. till C. L. T. number for Visakhapatnam rises above 157 points (base year 1960—100) and there will be no immediate and extraordinary increase in the wage bill. There will of course be some addition to wage bill by the need to calculate some benefits and allowances on the figures of new basic wages but all of them will not involve immediate cash payment, for example provident fund. In the existing scales existing D. A. will be added at each point and figures thus arrived at will be the corresponding points in the new scales. The number of increments between every two points will remain the same as in the existing scales so that the new rates of increments will be arrived at by dividing the difference between every two points by the existing number of increments. If the difference between two points is not exactly divisible by the existing number of increments, one increment less than that number will consist of equal rates of increments and the balance left over will from one final increment to reach the next higher point in the scale. This will furnish a structure which will gradually increase the wage bill as time passes, because of increased rates of increments. New recommended scales thus calculated will be as shown in Schedule I for daily rated workers and in Schedule II for the monthly rated staff, corresponding existing scales and their serial numbers as per Annexures I-A and I-B attached to the written statement dated.
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28-10-1969 filed by the management before me, being shown side by side. In Schedule II the minimum of Rs. 163.50 is rounded off to Rs 164.00. The new recommended scales are related to only existing hours and loads of work. Existing differentials which mostly originated in agreement are left undisturbed except in some of the lowest levels which required levelling up to minimum wage of Rs 164 for monthly rated staff and Rs 6.29 for daily rated workers, as adequate materials to alter them are not available.

27. The existing employees may be fitted into the new scales thus evolved as follows: Each employee's existing basic wage and existing D A. will be amalgated and the total so got will be the state in the new scale for him. If that figure does not exactly correspond to a stage on the new scale, he may be placed in the next higher stage. If an E B intervenes, orders for crossing it must precede placing in the next higher stage. Additional increments may be given at the rate of one for every ten years of service and one more increment for service in excess of 20 years put in already subject to the maximum of the new scale beyond which there ought to be no increments. The economic and financial condition of the industry does not permit more. All this subject to one proviso that no employee should be placed in a less advantageous financial position than he is already enjoying. The recommendations made in this and the previous paras will involve addition to existing wage bill which in my opinion will not be beyond the capacity H. S. L.

28. The next question is about D A subsequent to the date of the appointment of this One Man Committee, if and when further increases in cost of living as indicated by C L. index numbers for Visakhapatnam should take place. The recommendations of C. F. W. about the quantum of D A are in paragraph 45 of its report in the following language:

"The Committee finally came to the conclusion that of the lowest categories of employees the target should obviously be compensated to the extent of 100 per cent of the increases in the cost of living. For categories above the lowest we agree that the same consideration will not apply. A flat rate equal to the rate allowed to the least skilled worker is not likely to satisfy higher categories as has in fact been pointed out to us by one of our colleagues who is an employer. The Central Pay Commission rejected a flat rate and recommended a graduated scale of dearness allowance dependent on salary earned. It would be difficult to fix any other basis for industry also. We recommend that a
lower rate of compensation should apply to the higher categories but that the amount of compensation must be based on salary scales or slabs."

I have come to the conclusion that I should recommend that D. A. should compensate 100% for the first Rs 200/- p.m. of wages of all employees irrespective of actual wages and that above Rs. 200, the compensation can be graduated at 20% less for each slab of Rs. 200 so that the amount of D A—will be as follows —

<table>
<thead>
<tr>
<th>Range</th>
<th>Rate of D. A.</th>
</tr>
</thead>
<tbody>
<tr>
<td>On the first Rs. 200</td>
<td>1 paisa per rupee per point of rise of C. L. I. number.</td>
</tr>
<tr>
<td>On Rs. 201 to Rs 400</td>
<td>0.8 paisa</td>
</tr>
<tr>
<td>On Rs. 401 to Rs. 600</td>
<td>0.6 paisa per rupee per point of rise of C. L. I. number.</td>
</tr>
<tr>
<td>On Rs. 601 to Rs. 800</td>
<td>0.4 paisa</td>
</tr>
<tr>
<td>On Rs. 801 and above.</td>
<td>0.2 paisa.</td>
</tr>
</tbody>
</table>

This method obviates the need for any marginal adjustments as no body getting higher wages will get lesser D. A. For example an employee drawing Rs. 205 will get D. A. of Rs. 2/- on the first Rs 200 at 1 paisa per Rupee and on the extra Rs 5/- he will get D. A. of 4 paisa at 0.8 paisa per rupee and not Rs. 1.64 at 0.8 paisa per rupee on all the Rs. 205/-. In the case of daily rated workers D. A. should be calculated on their basic wages for a month of 26 days. In all cases, D A. is recommended only on basic wages exclusive of all allowances and benefits.

29. One question relevant to D. A. is whether D. A. should be subject to automatic adjustment depending on rise of C. L. I. number of whether it should be granted by order at the time of each rise. C. F. W. is silent on this question. Outside C. F. W. opinions are divided. Orders will be felt too many if a separate order has to be passed for each point of rise in C. L. I. number. Any delay in passing orders, even if it be due to administrative causes, are liable to be misunderstood. Under automatic system of adjustment, it will be a purely clerical job to ascertain the amount of D A., increased on account of rise of C. L. I. number or decreased on fall. Hence I recommended automatic adjustment.

30. In the past there has been no increase in D.A. between C. L. I. numbers 145 and 157. Similarly in future no downward revision of the new scales should be called for until the C. L. I.
number goes below 145. If it falls below 145, which is highly unlikely in the foreseeable future, there can be downward revision of the new scales.

31. Additional financial burden due to future D. A. is an uncertain thing as we do not know when, if at all, C L. I number for Visakhapatnam will exceed 157 and by how much C F. W is silent on the question whether capacity to pay governs D A also probably in view of the fact that D. A cannot be considered to be increased wages as it is only an expedient to protect real value of wage against erosion. But N C L of 1969 opined that capacity to pay is relevant for D A also except in the lowest level. Even following the opinion of N C L I am inclined to opine that H. S. L. will have capacity to meet the uncertain requirements of future D. A in view of its bright future.

32. Next comes the problem of fringe benefits which H S. L. entrusted to me by their letter dated 12—1—1970, keeping in view the object of maintaining good industrial relations in the Shipyard. The principles governing fixation of minimum wages cannot obviously apply to fringe benefits, which are additions to fair wages. The principle that capacity of industry to pay should determine the top limit must apply to fringe benefits also. I have already referred to the view of all the parties that there are no comparable concerns in the region and I found that it is not permissible to enter upon a comparison with industries in other regions like Bombay to ascertain prevailing rates. It equally applies to fringe benefits. But the problem of fringe benefits cannot be exactly the same as that of wages. Each fringe benefit has its own individual peculiarities inherent in some cases and due to environmental and historical reasons in others. C. F. W. did not deal with the special problem of the method of awarding fringe benefits. Hence special principles to determine fringe benefits in particular cannot be deduced from the report of C. F. W. Reasonableness is the judicial test applied to problems whose solution is not completely governed by predetermined rules and tests. Therefore in my opinion reasonableness or otherwise of a claim to a fringe benefit should be an important principle to be adopted in the interests of good industrial relations, under the circumstances.

33. YARD ALLOWANCE; Some members of the clerical and Class IV staff work in the office and some in the yard. The latter have to work for more hours in the week than the former, though qualifications for recruitment and pay scales are identical. Yard allowance is claimed as compensation for the extra hours of work. The principle underlying this claim was obviously conce-
ded by the management in 1957 as a result of agitation by the Staff Association and yard allowances has been paid to those employees who were in service on 1-12-57, under an agreement. The present claim is on behalf of the subsequent recruits. The reply of the management is that the said agreement contains an express clause that subsequent recruits would not be paid yard allowance. That agreement was not entered into "in the course of conciliation proceedings" under the Industrial Disputes Act, 1947. Therefore it is not binding on persons who became employed in the establishment subsequent to the date of the agreement within the meaning of section 18 of the Act. The principle underlying that section is self-evident. The interests of neither the management nor the then existing employees suffered by the exclusion of future employees from the benefit of yard allowance. If the agreement were entered into in the course of conciliation proceedings under the Act, the Statutory conciliation officer, in the interests of fairness to all, is not expected to associate himself with an agreement which excluded future employees who were not parties to the agreement and who were not parties to the conciliation proceedings, but who are expected to be bound by the agreement under Section 18. Hence the reasonableness of the claim can be considered as there is no legal bar. If two sets of clerks and class IV employees are recruited on the same qualifications and on identical scales of pay and if one set has to work in the office for less number of hours a week than the other set who has to work in the yard for more hours, compensation for the latter stands to reason. It is no answer to say that those who were recruited subsequent to 1-12-57 came in fully knowing that yard allowance would not be paid to them. In the state of unemployment in the country, hunger drives people to accept any terms of employment. Hence reasonableness of terms in the interests of social justice and harmonious industrial relations has to be examined. This is the basis for industrial law evolved by the decisions of the Supreme Court. If after 1-12-57 recruited separately for work in the yard on different pay scales, the matter could have been different. On the other hand subsequent recruits were informed that they would have to work in the office or in the yard as required from time to time and that the places of duty are interchangeable without any difference in remuneration. Thus, except for the agreement, the situation remained as it was before 1-12-1957. It is true that the management has the right under the Factories Act to take work from the employees for 48 hours a week. But when, as a matter of fact, those who work in the office are required to work less hours than those in the yard, there is cause for dissatisfaction on the part of those who are called upon to work in the yard and such dissatisfaction...
faction is the root cause for rupture in industrial relations. Dissatisfaction of all employees over a specified general matter is quite different from dissatisfaction of some employees over a special matter in which the others are having a favoured treatment. In my opinion the latter is more serious than the former in disrupting peace and harmony. Internal dissensions among employees spoil team work. Hence I recommend payment of yard allowance to all clerks Class IV employees who are called upon to work in the yard of 48 hours a week, at the rates prescribed in the agreement dated 1-12-57, irrespective of whether they are recruited before or after the date of the agreement. I do not recommend extension to any categories other than those mentioned in the agreement.

34 Cash Handling Allowance - The contention of employees that cash handling is a difficult and risky job is obvious from the fact that employees whose regular job is to handle cash allowed separate and higher scales of pay than ordinary employees and that to the ordinary employees who are called upon to assist those whose regular duty is cash handling periodically or at regular intervals, separate honorarium is paid. The work of the ordinary employees who are called upon to handle cash now and then though not periodically or at regular intervals also involves difficulty and risk proportionately, once the term cash-handling is understood as not merely carrying a load of cash but as involving accounting for cash. It appears to me reasonable that they also should be compensated. I cannot fix the rates for them. I recommend payment of cash handling allowance to employees occasionally called upon to handle cash, at rates proportionate to the honorarium paid to those who are called upon to assist, periodically and regularly, employees whose duty is cash handling.

35. Out Door Allowance, This allowance is in existence but it is restricted to staff drawing Rs. 100/- or below per month. It is correct reasoning, in my opinion, when the staff contend that out door duties do not cease to be such, on an employee crossing the limit of pay of Rs. 100 per mensem. Moreover, in the scales which I have recommended there will be no member of the staff drawing Rs. 100 p.m. or less. Hence I recommend out door allowance at existing rates to be paid irrespective of the rate of pay drawn by the individual Rs. 100 p.m. or more when called upon to perform out door duty. I do not extend this allowance to categories who are not entitled to out-door allowance at present.
36. **House Rent Allowance.** It is true that house rent allowance was claimed and was rejected by Industrial Tribunals in the past. But that took place long ago. Industrial adjudicators were then of the view that housing is the responsibility of the State and not of the industrial employers. There has been a change in this matter and it appears to be the policy of the State to place the responsibility of housing workers on industrial employers and it has been announced that a bill is going to be introduced for the purpose into parliament by the concerned Minister H S L. has accepted its responsibility for housing its employees and has housed some of its employees and is recovering cheap rents from them. But many more employees are compelled to reside in the city, where house rents are high. It is naturally a serious cause for dissatisfaction for those who are not housed in Company's quarters. In my opinion, it is reasonable for the employees who have not been housed in Company's quarters to claim house rent allowance. Till they are housed in Company's quarters, I recommend that the Company may pay to them house rent allowance at 71/2% of basic wages or pay. In fixing minimum wage, shelter enough for bare sustenance of life was taken into consideration. A little more comfortable housing as part of fair wage need not be considered repetition and need not be grudged.

37. **Medical Reimbursement:** In my opinion, it is just for industrial employers to assume full responsibility for the health of their employees and their families. H S L has assumed the responsibility partially and has furnished in their dispensaries facilities for out-patient treatment free of cost but facilities for in-patient treatment are not available therein. When an employee or a member of his family requires in-patient treatment, they have to resort to State Government hospitals. Humanitarian considerations require that in such cases H S L should reimburse cost evidenced by actual bills of the hospital for treatment and for stay in ordinary wards but not for food supplied by the hospital. The contention of the management is that they are compulsorily paying special contribution under the E S I. Act and that if the employees avail themselves of the E S I. scheme by paying their contribution under the E S I. Act, they will have all facilities in E S I. hospital and that no need for resorting to Government hospitals will arise. In my opinion this...
contention should not bar medical reimbursement on humanitarian grounds so long as, in fact, E S I Scheme facilities are not available to the employees. For want of facilities, there can the avoidable human suffering of women and children in the families of the employees, while the management and the trade unions engage themselves in arguments over the correctness of their respective stands which, I am afraid, are not completely free from reasons based on prestige. The facilities are not available on account of exemption given by the authorities under the E S I Act, though the initiative is that of the employees. Statutory authorities are not expected to grant exemption for mere asking for it. They must have found sufficient grounds for it. If the exemption is not granted, the management will admittedly be put to some additional expenditure in supplementing E S I Scheme provisions. Why not spent it on medical reimbursement partially at least? If the exemption is not granted and if E S I Scheme actually applies to the employees, medical reimbursement as then, with reason be discontinued. That medical reimbursement is made available to officers of H S. I., though E S I Special Contribution is being paid in respect of salaries of officers whose pay is Rs 500 or less but is not made available to staff and workers is one of the grievances agitating the minds of the latter. This is not conducive to good industrial relations in the shipyard. I recommend reimbursement of actual amounts of Government hospital bills for in-patient treatment for employees, their wives and children.

38 Sunday Meal Allowance — Some employees get their mid-day meals in carriers brought by paid women, who do not bring carriers on Sunday. If an employee works on a Sunday, he must make some other arrangement for his mid-day meals. Therefore an allowance is claimed as compensation. This is quite reasonable. But what is unreasonable is that others who do not get their mid-day meals in carriers on week days but go to their homes in the colony for lunch also want this allowance. The attitude of the management is that if the latter claim is given up, the former can be considered favourably. In my opinion such a condition precedent is superfluous. I recommend that Sunday meal allowance at Re 1/- per Sunday be paid to the former class of employees only and not to those who do not get mid-day meals in carriers on week days but go home for lunch. The representative of one trade union questioned “How are you going to establish whether an employee is getting carrier meals on week days are not?” It is a question of fact to be determined by the test of preponderances of evidence, like any other controversial fact. But I do believe that
39. The above allowances involve payments to some employees and not all. Even house rent allowance involves payment to about 2/3 of the employees, but house rents collected from the remaining about 1/3 can offset 1/2 of the new expenditure. Housing is a welfare measure. It is unrealistic in my opinion, to expect welfare measures to be self-supporting financially. Under these circumstances, I hope that the capacity of H S L to pay, though limited, may be stretched to the extent of the additional expenditure involved in these allowances, by measures of economy elsewhere, in the interests of maintaining good industrial relations. But I am free to confess that I am not competent to suggest the actual measures of economy.

40. **SECTION HEAD ALLOWANCE** — Section Heads are paid allowance for additional duties involved in that position. But if the incumbent is promoted to a selection grade scale, this allowance is discontinued, though the additional duties of section-head continue to be performed. I do not see the reasonableness of this discontinuance. Promotion to selection grade is the result to appreciation of services rendered. Discontinuance of a monetary benefit following the appreciation is incongruous. I recommend that Section Head Allowance may be continued so long as the particular duties of Section Head are performed, irrespective of promotion of the incumbent. This is not an additional grant of an allowance. It is only stoppage of a discontinuance hence cannot be said to cause additional expenditure to the Company.

41. **COMPENSATORY CITY ALLOWANCE** — If employees are serving in different cities and towns and villages, their pay scales being the same irrespective of the place where they serve, claim for compensatory city allowance for serving in a costly city as compared with serving in cheaper towns and villages is reasonable. Where all the employees with common pay scales are serving in only one city, viz. Visakhapatnam and nowhere else, there is no reason for city compensatory allowance. Differences in the costliness of life at Visakhapatnam at different times are compensated by D.A. Compensatory City allowance is meant for comparative differences in cost of living at different places of service on same scales of pay, I do not recommend this allowance.

42. **OVERTIME ALLOWANCE** — Employees working in the office have to work for less number of hours per week (36 hours) and those working in the yard have to work 42 hours or 48 hours a week. The present claim is that the former should be given over
time allowance at double rates if they are required to work more than 36 hours or 42 hours in a week. All these employees are 'workers' governed by the Factories Act. I am unable to recommend any departure from the provisions of Section 59 of the Factories Act for overtime allowance.

43. Conveyance allowance to and from residence.—H. S. L. is providing free passes for crossing the channel which intercepts the Trunk Road, this being the shortest route from the city to the works. A very roundabout road-route which is not intercepted by the channel has been laid now. The employees want payment of bus fares to and fro along this route. The management mentioned that some difficulties have been encountered about the ferry across the channel but the ferry exists at present. So long as free ferry passes are available to the employees, I do not find it reasonable for them to claim bus fares by the longer route. If free ferry passes cease, then it will be time enough to press this claim not now.

44. Leave Travel Concession — Leave itself is an amenity for rest and recuperation. Travel during leave to see either places or people verges on luxury which H.S.L cannot afford to pay for, in its present economic and financial condition. The claim is such as can wait till more prosperous conditions favour H.S.L. In my opinion such prosperous conditions may be indicated by the production of four ships of at least 12,500 DWT each per year, towards which efforts of all may be directed.

45. Night Shift Allowance and Dhobi Allowance — I am unable to see the reasonableness of the claim for the change of these names into shift allowance and cleaning allowance which can cause confusion, or for higher rates than the existing ones.

46. Many more fringe benefits are claimed such as

1. Children's Educational Allowance
2. Self Educational Allowance
3. Scholarships
4. Increase in compensatory allowances under Travelling Allowance Rules
5. Plant Medical Department
6. Heat Allowance
7. Health Hazard Allowance
8. Walking allowance

(9) Stipends
(10) Helmets, gloves, gum-boots and boiler suits;
(11) Higher Education Loans,
(12) Study Leave;
(13) Escort allowance;
(14) Stores allowance;
(15) Cyclostyle operators' allowance; etc

Some of these were claimed with details put into writing and some only during oral arguments. Others were claimed in a list without any details as to their contents or quantum. As the present capacity of H S. L to pay cannot be stretched any further, I recommend that all these should wait for being considered till more prosperous times for H S. L as indicated in the previous paragraph.

47 'Besides fringe benefits the employees claimed

(1) Conversion of daily-rated wages into monthly rated ones,
(2) Upgrading of some staff posts as officers posts;
(3) Defining procedure for promotions,
(4) Changes in designations of some posts,
(5) Creation of some new posts,
(6) Incentives for higher production,
(7) Arrears of D. A. alleged not to have been paid prior to 1967

The management in their turn wanted

(1) Delineation of trades;
(2) Determination of work-Loads
(3) 48 hours week to be linked to wages:
(4) Adjustment of D. A. paid in the past from 1963 against recommendations of this committee.

The employees in reply wanted 42 hours a week should be linked with wages I do not propose to discuss these matters as I consider them to be outside the terms of reference;

48 I have finished. I take leave of H. S. L and their
monthly rated staff and daily rated workers with heart-felt thanks for the unstinted cooperation extended to me. I wish them all well.

**Schedule I - Daily Rated Scales (Vide para 26)**

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<th>Recommended Scales</th>
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<td>11 05/0 48/12 49/0 51/13 00</td>
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<td>2b</td>
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<tr>
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<td>2.69</td>
<td>6 33/0 12/6 57/0 13/6 70/0.19/ 7 27</td>
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N. B. - Increments are all annual except where otherwise indicated

**Schedule II - Monthly rated scales (vide para 26).**

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**Selection Grade**

| 150-7-185-8-225. | 7 | 350-12-398-20-418-11-462-14-476. |
| 46-4-62-5-97 | 8 | 180-4-196-6-232-7-239 |
| 65-5-85-6-103-7-138. | 9 | 199-5-219-10-239-11-250-14-306-17-323. |
| 42-4-62-5-102. | 10 | 176-4-196-6-238-10-248. |

**Selection Grade**

| 102-7-117 | 11 | 248-17-282 |
| 60-3-75 | 12 | 194-5-209. |
| 60-5-85-6-103-7-152. | 14 | 194-5-219-10-239-11-250-14-334-20-354. |
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N B. — Increments are all annual

ANNEXURE I (vide para 2.)

QUESTIONNAIRE

1. What are the wage structure and D. A. structure in force now and how long have they been in force? Were they made unilaterally by the employer or by mutual consent or by adjudication?

2. On the basis of what cost of living index number for Visakhapatnam should basic wages be fixed?

3. What percentage of the excess over the basic cost of living index number be neutralised by D. A. and at what rate?

4. What wage structure and D. A. structure do you propose?

5. What will be the additional financial burden which will result from your proposals? Do you think that it is within the financial capacity of the concern to bear the additional burden?

6. Has this concern been making profits or losses and what were the amounts thereof? What is your opinion about its future prospects?

7. How are your proposals likely to influence the cost of production of ships and the demand for them in the market and the ability of the concern to compete with other shipbuilding yards?

8. Besides basic wages and D. A. are there any other allowances and amenities which directly reduce the cost of living of the employees in existence and what is their monetary value?

9. How do the existing wage structure and D. A. structure compare with those prevailing in comparable concerns, taking into consideration total pay packets inclusive of other allowances and amenities if any?

10. What are the comparable concerns in your opinion, keeping in mind the principles of industry-cum-region enunciated by the Fair Wages Committee and the Supreme Court?

11. What are your proposals for fitting the existing incumbents into the proposed wage structure and D. A. structure?

12. Should or should not the following matters enter into consideration in fixing the wage structure and D. A. structure?
   (i) general standard of living in India
   (ii) national income and its distribution
   (iii) productivity of labour.
   (iv) position of the industry in national economy.
   (v) effect of your proposals on other industries and on the community in general? If they should, in what manner should they influence and what weight should be attached to each?

You are welcome to state any matters not covered by the questionnaire, provided they are relevant to the subject on hand.

INDEX TO RECOMMENDATIONS.

| Para | 
|------|---|
| 1 C. L, I Numbers | 6 |
| 2 Minimum Wage. | 7 |
| 3 Fair wages | 26 and schedules 1 and 11- |
| 4 Fitment and service increments. | 27 |
| 5 D, A. | 28 |
| 6 Yard allowance. | 33 |
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<tr>
<th></th>
<th>Cash handling allowance.</th>
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3. Whether they have been withdrawn — "no" answer.

5. The agreement between the management and the employees states that the withdrawal of the case is due to the agreement. It is a case of throwing a bottle of Sulphuric acid on a person. It is a very serious offence. Therefore, this case does not appear to be fit for withdrawal. Apart from this my information goes to show there are no other cases. But, still, I will find out, Sir.

8. Whether?
360  27th November, 1971. Oral Answers to Questions

Sri P V Narasimha Rao — After acceptance of the recommendations by the Ministry of Transport, the recommendations have been implemented with effect from 17-9-1969.

Sri K Govinda Rao — Have all the recommendations been implemented?

Sri P V Narasimha Rao — Yes, that is my information.

Sri C. V K Rao (Kakinada) — Will the Hon Chief Minister tell us about the emoluments? What are the recommendations made because it has become physically impossible at the moment to go through all these pages. So, will the Hon Chief Minister tell us about the major recommendations concerning the emoluments of the employees?

Sri P V Narasimha Rao — This concerns the Ministry of Transport, Government of India. So far as we are concerned, we come only as Labour Department. We have been told that the recommendations have been implemented. The report is no doubt a bulky one and it is equally difficult for every one to go through it and now find out how many recommendations and to what extent has been implemented. But, the general situation is that they have been implemented. There is no trouble on the ground.
Oral Answers to Questions. 27th November, 1971.

Sri C. V. K. Rao,—I am asking what are the recommendations with regard to the allowances that are there. The Chief Minister would be in a position to know them in brief and tell us.

Mr Speaker — It is a bulky matter. You please go through it. This is a matter concerning the Ministry of Transport, Government of India.

Sri C. V. K. Rao — Should not the Chief Minister enlighten us on a point which is of vital importance?

Mr Speaker — There is a report. He has given the information. It is no doubt bulky.

Sri C. V. K. Rao — It cannot be immediately gone through. As regards the emoluments, the emoluments he said they have implemented. What are they?

Sri P. V Narasimha Rao — This is what I have said. In general the recommendations of the Committee have been implemented. That is the information which has been given to us. If there is anything at variance with what I have told the House, if the Hon. Members can tell me on which points they know that it has not been implemented, I can take up the matter. We come only in a secondary way in the matter.

Sri P. V Narasimha Rao,—

We are very vigilant and very alert so far as our functions are concerned with the Vizag ESI Hospitals in the state.

922—1939 Q—Sri S. Vemayya (Put by Sri K. Govinda Rao); Will the Hon'ble Chief Minister be pleased to state—

(a) the number of ESI Hospitals constructed in the State now,

(b) the number of Hospitals out of clause (a) kept vacant without occupation for the last 2 to 3 years,

(c) the reasons for keeping these Hospital buildings vacant?

Sri P. V Narasimha Rao;—

(a) The number of ESI Hospitals constructed in the State are six.
(b) Out of the 6 Hospitals, only the E. S. I. Hospital at Visakhapatnam is not commissioned since the last two years. The latest position is the E. S. I. Hospital at Visakhapatnam with 30 beds has since been sanctioned and it will be commissioned early in January.

(c) Though the building was partly completed in 1969 the Hospital could not be opened as the Employees State Insurance Corporation were not in favour of it and actually the building was proposed to be sold away to the Naval authorities. It is now proposed to commission a 30 bed Hospital at Visakhapatnam with the concurrence of the Employees State Insurance Corporation.

Sri P. V. Narasimha Rao — It is not E. S. I. Hospital, Sir. We have got E. S. I. Hospitals at Sanathnagar, Warangal, Sirpur-Kagaznagar, Vijayawada, Adoni and Vizag.

Sri K. Govinda Rao — They are dispensaries. Besides E. S. I. Hospitals there are E. S. I. Dispensaries.

Sri P. V. Narasimha Rao — There are only six E. S. I. Hospitals. Anyway, I will find out.
Oral Answers to Questions. 27th November, 1971

(a) Will hon. the Chief Minister be pleased to state

(b) the rates at which monthly wages are being paid to them and

(c) the number of times the Dist. Labour Officer visited these villages during 1971 and examined their conditions?

Sri P V Narasimha Rao —

(a) & (b)

<table>
<thead>
<tr>
<th>No of permanent Farm Servants</th>
<th>No of casual Labour</th>
<th>Annual wages for permanent servants</th>
<th>Wages paid to casual labour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estate lands at Thummalagunta &amp; Kutipudi villages.</td>
<td>7</td>
<td>15 (for 4 months)</td>
<td>Rs 750 to Rs 850.</td>
</tr>
<tr>
<td>Lands owned by Private Ryots.</td>
<td></td>
<td></td>
<td>Rs 2 50 to Rs 5 00 per day.</td>
</tr>
<tr>
<td>at Katuru village</td>
<td>21</td>
<td>139</td>
<td>Rs 700 to Rs 800.</td>
</tr>
<tr>
<td>at Bonupalle village</td>
<td>14</td>
<td>65</td>
<td>—do—</td>
</tr>
</tbody>
</table>

(c):- These villages were not visited previously during 1971 or during the previous years by the Dist. Inspector of Labour.

Sri P. V. Narasimha Rao.— "These villages were not visited previously during 1971 or during the previous years by the District Inspector of Labour."

The Minister for Agriculture (Sri Kakani Venkata-ajnam) :-

(a) Nil Sir

(b) Does not arise.

Sri Vavilala Gopala Krishnaiah :— Will the hon. Minister for Agriculture be pleased to state:

(a) the quantity of milk lost in the Vijayawada Depot during the month of June, 1971 due to spoiling or loss in transit in trains and the cost of the same; and

(b) what are the reasons for the loss?

The Minister for Agriculture (Sri Kakani Venkata-ajnam) :-

(a) Nil Sir

(b) Does not arise.
Oral Answers to Questions. 27th November, 1971.

1. Question 01: What is the latest?

2. Question 02: What is the status?

3. Question 03: What is the responsibility?

4. Question 04: What is the approach?

5. Question 05: What is the decision?
Starting of Autonomous Milk Corporation

* 2381 Q — Sarvasri S. Vemayya, R. Satyanarayana Raju and Dhanenkula Narasimham (Udayagiri) — Will the hon. minister for Agriculture be pleased to state—

(a) whether there are any proposals with Government to start an autonomous Milk Corporation for the production, processing and marketing of Milk and Milk products in the State now and

(b) if so, the details of the scheme?

(Sri Kakani Venkataratnam) —

(a) & (b) Proposals are under consideration of the Government.

Oral Answers to Questions. 27th November, 1971 367

STOCKS OF CHEMICAL FERTILISERS ETC MISSING FROM AGRICULTURE DEPOT AT NANDYAL

* 2472 Q — Sri G Thimma Reddy (Allagadda) — Will the hon Minister for Agriculture be pleased to state —

(a) whether the Government are aware that paddy, chemical fertilisers, insecticides etc, worth one lakh rupees were found missing from the Agriculture Depot at Nandyal, Kurnool District

(b) if so, the persons responsible for this, their designations and the places where they are working at present

(c) the period in which the said losses had occurred

(d) whether any official had inspected the depot during the said period.

(e) if so, their remarks:

(f) if not, the reasons therefor;

(g) whether the Government are aware of the letter left behind by Sri V. Subbaiah, Depot Clerk, who was working at Nandyal and transferred to Thargedench, and who died due to drinking of endrine, explaining about the missing of the above stocks, and

(h) if so, the action taken thereon?

(Sri Kakani Venkataatnam) —

(a) Yes The estimated loss is about Rs 83,000-51

(b) Sri K M Eswara Rao, former Agricultural Assistant, Nandyal now working as Agricultural Extension officer, Adoni, in Kurnool District.

2 Sri N. Arjaneyya Sarma, former Agricultural Asst., Nandyal now working as Agricultural Assistant, Multiple Cropping, Kurnool

(c) The loss is reported to have occured during 12-5-69 to 11-11-70

(d) No

(e) Does not arise.

(f) Physical verification was conducted by the District Agricultural Officer on 11-5-69 Hence no inspection was made during the period 12-5-69 to 11-11-70

(g) Yes

(h) The Farm Superintendent, Tangadancha has informed the Director of Agriculture that late Sri V. Subbaiah has left behind a letter stating that no one was responsible for his death. This letter was reported to have been taken away by the Police for their enquiries. As such no action could be initiated in this regard by the Department. The Police Department after enquiries have concluded that this was a clear case of suicide and hence dropped further action in the matter. However a copy of the letter under reference is obtained by the Director of Agriculture to examine as to what further action is to be taken on the basis of this letter in relation to the deficits that have been noticed in the depot at Nandyal.
Mr. Speaker — It is not a part of the question His question is more general It should be answered by a separate question

Sri C V. K. Rao — The guilty were not booked

Dr T V. S Chalapathi Rao:— What are the contents of the letter reported to have been alleged?
Mr Speaker — What is the content of the letter?

Let the copy be placed on the table of the House. That reveals everything that must be very valuable document.

Mr Speaker: — There will be no discussion.
Oral Answers to Questions.— 27th November, 1971 371

Mr Speaker.— Let the copy be placed on the table of the House.

Mr Speaker.— It has to be placed on the table of the House.
372 27th November, 1971. Oral Answers to Questions

(1) Mr. Member: 54. How many by-laws relating to the maintenance of the railway have been withdrawn? How many of these have been withdrawn with the consent of the Hon'ble Speaker?

(2) Mr. Member: 25. How many by-laws relating to the maintenance of the railway have been withdrawn with the consent of the Hon'ble Speaker?

Mr. Member: 27. How many by-laws relating to the maintenance of the railway have been withdrawn with the consent of the Hon'ble Speaker?

Mr. Chairman: 927, 928 were withdrawn with the consent of the Hon'ble Speaker.
Oral Answers to Questions. 27th November, 1971. 373

Mr. Speaker — I will take up the next question No 929 Question No 927 and 928 standing in the name of Sri B. Niranjan Rao are withdrawn.

Sri C V K. Rao :— If the answer is ready, it may be read

Mr. Speaker — The member has withdrawn the question.

Sri C V K Rao ,— Already it is included in the List The Member may not put a supplementary.

Mr Speaker — The Member has taken the consent of the Speaker

Sri C. V. K Rao — When once it is on the agenda and the answers are ready, why should they be kept out of the knowledge of the House. It is not only for the knowledge of the Member, it is for the knowledge of the entire House including the Member who put that question.

Mr Speaker — But they have been withdrawn. The Member alone can withdraw And the Speaker has given permission to withdraw The question does not arise For the information of the House, I will read Rule No 45 "45 WITHDRAWAL OR POSTPONEMENT OF QUESTION — A member may, by notice given at any time before the meeting for which his question has been placed on the list, withdraw his question with the consent of the Speaker, or postpone it to a later day to be specified in the notice and on such later day the question shall be placed on the list after all the questions which have not been so postponed."

Dr T V S Chalapathi Rao — Sir, the questions have become the property of the House They cannot be withdrawn without the permission of the House

Mr. Speaker — "At any time before the meeting" the Member can withdraw, the rule is clear.

Sri C. V K. Rao — Now, it is 'at the meeting', so, he cannot withdraw the questions

Sri N Raghava Reddy :— Sir, answers also have already been placed on the Table of the House

Mr Speaker :— They have been withdrawn yesterday.

Dr T V S. Chalapathi Rao — The Member has given notice of a question and that was admitted and included in the agenda At this stage, all that is open to the Member is to say 'I am not pressing the question.' Even if some other Member puts it, the Minister is at liberty to read the answer. When it has already
been circulated to the Members, under what rule can it be withdrawn? Can you kindly read out that particular rule?

Mr Speaker — He has withdrawn before the meeting and the Speaker has given his consent.

Dr T V, S Chalapathi Rao:— May I request the Hon. Speaker to state the rule under which he has been permitted to withdraw?

Mr. Speaker — I have already read out the rule.

Dr T V S Chalapathi Rao — Pardon me, Sir. Kindly give the number of that rule. If this is a precedent, and if it is done without sufficient authority, it may be repeated.

Mr. Speaker — It is under Rule 45 “A member may, by notice given at any time before the meeting for which his question has been placed on the list, withdraw his question with the consent of the Speaker.” The rule is clear and the Member has withdrawn them yesterday.

Dr. T V S Chalapathi Rao:— Thank you, Sir.

Sri A Madhava Rao — The answers have been circulated.

Mr Speaker:— I have already given consent and the Member has withdrawn.

Sr C. V. K. Rao — In this procedure to be adopted, because your ruling will have much effect on the proceedings?

Mr. Speaker:— It is in accordance with Rule 45. There is no exception.

Sr C. V. K. Rao — He should withdraw ‘before the meeting.’

Mr. Speaker:— The matter has been closed. I have taken up Question No 929.
Oral Answers to Questions. 27th November, 1971. 375

**STARTING OF SMALL SCALE INDUSTRIES IN RAYALASEEMA AREA**

1633 Q — Sarvasri Dhanenkula Narasimham and S Ve-mayya — Will the hon. Minister for Industries be pleased to state:

(a) the amount allotted this year i.e 1971-'72 for starting Small Scale Industries in Rayalaseema districts,
(b) the district-wise names of places where the said Industries will be started?

The Minister for Industries (Sri J Chokka Rao) —

(a) & (b) A statement is laid on the Table of the House.

WITH REFERENCE TO CLAUSES (a) & (b) OF THE L A Q. No. 1633 "(STARRED), A STATEMENT IS LAID ON THE TABLE OF THE HOUSE

Originally a sum of Rs 50.00 lakhs provided in the Annual Plan 1971-72 for Rayalaseema area, was classified under large Scale Industries —Rs 33 00 lakhs and under Small Scale Industries Rs 17 00 lakhs. In the 10th meeting of the Executive Committee of the Rayalaseema Development Board held on 29th and 30th June 1971 at Tirupathi, certain modifications were made as per the details furnished below.

1 Large Scale Industries (Spill over Schemes)

<table>
<thead>
<tr>
<th>Item</th>
<th>Rs. in lakhs</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Industrial Development areas</td>
<td>Rs. 10.00</td>
</tr>
<tr>
<td>(Including water supply schemes)</td>
<td></td>
</tr>
<tr>
<td>b) Incentives</td>
<td>Rs. 4.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>Rs. 14.00</strong></td>
</tr>
</tbody>
</table>

2 Small Scale Industries (Spill over Schemes)

<table>
<thead>
<tr>
<th>Item</th>
<th>Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Small Scale Industries</td>
<td>2.68</td>
</tr>
<tr>
<td>b) Industrial Estates</td>
<td>0.85</td>
</tr>
<tr>
<td>c) Handicrafts</td>
<td>2.83</td>
</tr>
<tr>
<td>d) Leather</td>
<td>3.30</td>
</tr>
<tr>
<td>e) Industrial Cooperatives</td>
<td>0.22</td>
</tr>
<tr>
<td>f) Khadi &amp; Village Industries</td>
<td>0.12</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10.00</strong></td>
</tr>
</tbody>
</table>
Grand Total of spill over schemes of both Large Scale and Small Scale industries Sector Rs. 24 ,

The remaining amount of Rs 26.00 lakhs has been proposed to be spent on the following schemes as per the decisions arrived at the above meeting

1. Share capital of Andhra Pradesh Small Scale Industrial Development Corporation Ltd for Industries in the Rayalaseema area Rs. 10.00 lakhs.

2. Construction of additional sheds in the Assisted Private Industrial Estate at Tirupathi, Chittoor, Adoni and Ananthapur Rs. 8.00 ,

3. Product oriented research scheme at Oil Technology Research Institute, Ananthapur Rs. 4.65 ,

4. Regional set up of the department for Rayalaseema. Rs. 0.69 ,

5. Assistance to Cottage Industries. Rs. 0.66 ,

6. Rajuvenation of Model Tannery at Guntakal. Rs. 2.00 ,

Total: Rs 26.00 ,

Apart from the above, an amount of Rs. 10.74 lakhs has been provided for completion of the spill over schemes of the last year taken up under Special Development Programme of Rayalaseema and Rs 7.50 lakhs towards Special Development Schemes of Rayalaseema for 1971-72. This total amount of Rs 18.24 lakhs is however from special allotment under Special Development Programme of Rayalaseema which is in addition to Rs 50.00 lakhs provided under Normal Plan for Rayalaseema.
Oral Answers to Questions. 27th November, 1971.

930—

*2298 Q.— Sri A. Madhava Rao ;— Will the hon Ministers for Endowments be pleased to state

(a) Whether it is fact that the Govt have not transfered about one crore of Rupees of contribution fund to the Commissioner of Endowments, who shall hold custody of the same under section 54 (i) of the Endowments Act, and

(b) What is the reason for the delay in transferring the said fund?

The Minister for Endowments (Sri Ramalinga Raju)
Under section 64 (1) of the A. P. Charitable and Hindu Religious Institutions and Endowments Act, 1966, a fund called A P. Charitable and Hindu Religious Institutions and Endowments Administration Fund shall be established and it shall vest in the Commissioner, Endowment Department.

The proposals of the Commissioner, Endowments Department in this regard, is under consideration of the Government.

Sri T. V. S. Chalapathi Rao.— When it is provided in the Act, where is the need for any "Thatangam" and what is meant by "Thatangam"?

92th. Member.— 32 endowments. As it is not defined in the Act, the definition of "Thatangam" is necessary. It should be clear to the people.

Sri T. V. S. Chalapathi Rao.— What is the need for any "Thatangam" and what is meant by "Thatangam"?
Oral Answers to Questions. 27th November, 1971

1. Mr. V. R. (Minister):— Your statement about the rate of interest for the Agricultural Credit Corporation is not clear. What is the rate of interest and what is the maximum amount that can be borrowed?

2. Mr. S. N. R.:— These statements are not relevant to the question. The rates and amounts are clear.

3. Mr. V. R.:— Could you please clarify the rates and amounts?

4. Mr. S. N. R.:— The rates are 9% and the maximum amount is Rs. 10,000.

5. Mr. V. R.:— Is it true that the amount is limited to Rs. 10,000?

6. Mr. S. N. R.:— It is not true. The amount can be increased if required.

7. Mr. V. R.:— What is the procedure for increasing the amount?

8. Mr. S. N. R.:— The procedure involves a review of the situation and a decision by the government.

9. Mr. V. R.:— Could you please update us on the progress?

10. Mr. S. N. R.:— I am working on it and will update you soon.

11. Mr. V. R.:— Thank you for your response.
Sri C. V K. Rao — An individual officer cannot operate it. It should come before the House, and the House sanctions the salaries of the employees. It appears to be very incongruous.

RENOSATION OF TEMPLES AT KAREMPUDI

"2269 Q— Sri R. Mahananda — Will the hon. Minister for Endowments be pleased to state:

Whether there is any proposal before the Government to protect the temples and also erect monuments at Karempudi in Palnad Taluk Guntur District in memory of the famous Palnad Battle of Brahmanaidu and Nagamma?

Sri R Ramalinga Raju )

The matter relating to the renovation of temples at Karempudi is under consideration.

LEASE OF TEMPLE LAND IN SAMALKOTA

*2488-(B) Q- Sarvasw Poola Subbaiah(Yerragondipalem) and R Mahananda :— Will the hon. Minister for Endowments be pleased to state:
(a) Whether one Nagisetty Ayodhya Ramiah was given temple site belonging to Ramalingeswara and Seetha Rama Temples at Samalkota, East Godavari District,

(b) Whether Rs 5000 was given as advance to Mr. E Padmaraju for the construction of a building on the aforesaid site, and

(c) Whether the Endowment authorities have served a notice for the recovery of the advanced money and the rent for the site?

(Sri R Ramalinga Raju.)

(a) Nagisetti Ayodhya Ramiah had donated an extent of 0 32 cents of land for construction of Sri R malingeswara and Seetharama Swamy temple at Ayodhya Ramapuram of Samalkota town

(b) An amount of Rs 5000/- was given by the Samalkota town Municipality to Sri E Padmaraju for construction of a building on the said site

(c) The Assistant Commissioner, Endowments Department-Rajahmundry has served notice for recovery of the rents already collected by Sri E Padmaraju. At the request of the Endowments authorities, the Municipality stopped paying rent to Sri Padma Raju and it is being kept under deposit. Regarding recovery of advance paid by the Municipality instructions have been issued to the Commissioner to take immediate action for its recovery from Sri E Padma Raju.
Narasimham Committee Report

2500 Q.—Sri R. Mahanand:— Will the hon Minister for Municipal Administration be pleased to state:
(a) whether the Government have received the report of "Sri C. Narasimham Committee" on Municipal Administration; and
(b) if so the main recommendations in that report?

The Minister for Municipal Administration (Sri M Manick Rao):

(a) Yes, Sir.
(b) The Committee has made several recommendations under the following heads and they are under examination of the Government:

27th November, 1971. Oral Answers to Questions

Mr. Speaker.—The hon. Minister says it is a very big report.

Sri M Manick Rao.—If the hon. members want some of the very important suggestions made by the Narasimham Committee, I can give them.

Sri C. V. K. Rao.—We want the entire report.

Sri M Manick Rao.—It is more than 400 pages. Within one week, I can't place the entire thing on the table of the House.

Sri C. V. K. Rao.—Are we not having administration reports?

Sri M. Manick Rao.—Time factor is there.

Sri P. V. Narasimha Rao.—Generally, the procedure we follow is that when we have a very bulky report, we place a few copies—half a dozen copies—in the library for the hon. members to refer and after the Government examines the report, if it is found feasible, we give a gist of the report—an outline of the recommendations—in a very short brochure—like thing, and that can be placed on the Table of the House.

Sri C. V. K. Rao.—There is a principle involved. There are some reports useful and there are some reports not useful. This is an important report concerning the Municipal Administration and it is very important and useful. Would the Government consider giving some grant to the municipalities pending that decision on the report?

Mr. Speaker.—The hon. Minister says some copies will be placed on the library and a gist of it will be placed on the table of the House.
Oral Answers to Questions. 27th November, 1971

Each recommendation can be reduced into one sentence. Recommendations part of the report can be supplied to the members. Will the Government consider that?

...
386 27th November, 1971. Oral Answers to Questions

When is the revision of rents going to see the limelight? That is the thing to be considered.

Sri M. Manick Rao — I have already pointed out that the Government has received this report only recently—on 1-9-1971—and immediately after taking charge of this portfolio I have started examining the whole thing and the matter is still under consideration. What the member said is not correct. The Government has received this report on 1-9-1971.

Sri P. V. Narasimha Rao :— That is correct.

Sri K. Gownd Rao :— It may be placed on the library before we disperse.
Oral Answers to Questions. 27th November, 1971 387

Sri M Manicka Rao — Yes; yes.

Mr. Speaker — Everybody has access to the library.

Sri M Manick Rao — The hon lady member wants to know how she can go to the library. If she wants, we can provide some proper place for her in the library.

We can’t compare all the huts in the State situated in different towns. In Vizag, a small hut is getting Rs.70/- per month. We can’t take that as the basis because we want to give benefit to all the people in all the municipal areas.

Sri M. Manick Rao — I am not issuing a small G. O. I am issuing a very big G. O.

Sri Vavilala Gopalakrishnayya:— As big as yourself.

Sri M. Manik Rao:— Definitely.
388 27th November, 1971. Oral Answers to Questions

IRON ORE DEPOSITS IN PRAKASAM DISTRICT

940—

2494 Q.— Sri R. Mahananda — Will the hon. Minister for Women Welfare be pleased to state:

(a) whether it is a fact that deposits of Iron ore are found in the taluks of Ongole and Addanki in Prakasam District during the geological survey conducted by the Andhra University recently;

(b) what are the details of the deposits found there, and

(c) whether the Government will take up the exploration of the Iron Ore at those places?

The Minister for Women Welfare (Smt Padma Bhaskara Reddy),—

A —

(a) and (b) and (c) — A statement is placed on the Table of the House.

STATEMENT IS PLACED ON THE TABLE OF THE HOUSE.


(a) The Andhra University, Department of Geology published a paper on the "Structure and Petrography of the quartz-magnetite rocks of Vempala area, Ongole District" which appeared in the Journal of Geological Survey of India (Volume-9, No 1, Bangalore 1968) No other report of Geological survey carried out by the University is available for reference in the Department of Mines & Geology Recently, there was a news item from the Geophysics Department of the Andhra University that their Department had carried out Geophysical investigations and had arrived at some conclusions about the extent of the deposits.

(b) Detailed geological investigations were carried out by the State Department of Mines and Geology during the year 1966. Banded magnetite-quartzite are found in a chain of hills extending over 52 Kms. between Sanampudi and Vempala of Ongole District These are low-grade iron ores, estimated to be of about 300 million tons, with 25-30% of iron content.

(c) The State Government are in contact with the Govt of India in regard to the exploitation of the iron ore deposits in the area. At the instance of the Government of India... a team of officers of the National Mineral Development Corporation Ltd a Government of India Undertaking recently visited the area for an on-the-spot study of the deposits and collected samples, etc., for
further laboratory investigations. The State Government will continue to be in touch with the developments and make all possible efforts for the exploitation of these deposits.

Smt Padma Bhaskar Reddy — Based on the report of Dr Okade, exploratory drilling in most blocks was taken up by the Department of Mines and Geology in 1959 and this proved reserve of 105 million tonnes of low grade iron ore with 25 to 30% of iron content in that block. Some samples were also collected by the Department of Mines and Geology and sent for the benefaction of the department of Mining Engineering of the Osmania University and the results were found encouraging.

Mr. Speaker:— Questions are over. Answers to other questions will be placed on the Table of the House.
ALLOTMENT OF TRACTORS

*2642 Q — Sri A. Suryanarayana Rao.— (Nandigama) Will the hon. Minister for Marketing be pleased to state:

(a) whether the tractors are allotted on the basis of the date of receipt of the applications or at the mere discretion of the Corporation,

(b) in case they are given on the basis of the date of receipt of the applications, whether there are any occasions in which that principle has been ignored and if so, in how many cases and on what grounds, and

(c) whether a list of the persons who have been allotted tractors by ignoring seniority together with the reasons in each case will be placed on the Table of the House?

A—

(a) Tractors are allotted strictly on the basis of the dates of deposit for their supply by the applicants except in the case of allotments from the discretionary quota.

(b) There was no occasion when this principle was ignored as between the registrants.

(c) Does not arise.

RE-CONSTITUTION OF A. P. HOUSING BOARD

*2705 Q — Sri R Mahananda:— Will the hon-Minister for Housing and Accommodation be pleased to state:

(a) When was the Andhra Pradesh Housing Board reconstituted;

(b) who are the present members of the said board;

(c) whether there are any qualification fixed for the members; and

(d) what are the emoluments paid to the members towards T. A. and D. A?

A—

(a) 1-6-1970

(b) 1. Sri M. Seshumadhava Rao Chairman.
   2. Director of Town planning Official Member.
   3. Chief Engineer (Roads & Buildings) —do—
   4. Special Officer, Municipal Corporation of Hyderabad —do—
6. Sri Battam Sreeramamurthi. -do-
7. Sri K Konda Reddy. -do-
8. Sri S. Yadgiri. -do-
9. Sri M. Digamber Rao -do-
(c) No, Sir.
(d) An allowance of Rs 25/- per day for attending any Meeting of the Board, they are also entitled for T A at the rates prescribed for non-official Members of 1st Class Government Committee.

QUARTERS FOR MUNICIPAL EMPLOYEES AT GUDUR

936 —

*2390 Q. — Sri S Vemayya (Sarvepalli) — Will the hon. Minister for Housing & Accommodation be pleased to state.
(a) whether the Government are aware of the fact that the staff quarters constructed for Municipal employees of Gudur Municipality two years ago are unoccupied,
(b) if so, the reasons for keeping buildings vacant, and
(c) the amount spent for the construction of these buildings?

A —
(a) No staff quarters were constructed in Gudur Municipality. But the houses constructed for the Weaker Sections of the Community under Low Income Group Housing Scheme two years ago are unoccupied.
(b) The Municipal Council has fixed the rent at Rs. 30/- per month for each tenement. No body has come forward to take the houses on the rent fixed by the Council.
(c) An amount of Rs. 70,622/- has been spent for the construction of the Buildings.

SPL NUTRITIONAL PROGRAMME FOR CHILDREN IN TRIBAL AREAS

937 —

*2133 Q. — Sri S Vemayya — Will the hon. Minister for Tribal Welfare be pleased to state.
(a) number of children living in slums and Tribal areas below the age of 3 years benefitted under the Special Nutritional Programme in the state during the year ending 31-3-71; and
(b) expenditure involved under clause (a) above?
(a) 40,981 tribal children, and 26,150 other children in urban slum areas, were benefited during the year ending 31-3-1971 under the Special Nutrition Programme which is a Centrally Sponsored Scheme financed by the Government of India.

(b) Expenditure incurred is about Rs. 9.15 lakhs for the tribal children and about Rs. 3.49 lakhs for the other children in the urban slum areas.

**Opening of Sales Depots for Tribals**

938—

*2877 Q — Sri S. Vemayya — Will the hon. Minister for Tribal Welfare to please to state:

(a) whether it is a fact that Government have opened two Sales Depots recently at Nellore and Siddipuram of Kovur taluk, Nellore District to supply domestic necessities to the tribal people, and

(b) the amount allotted to each of the above Depots?

A—

(a) Yes, Sir.

(b) There is no separate allocation of funds to the Domestic Requirements Depots. The funds placed at the disposal of the Manager, Nellore District Girijan Co-operative Land Colonisation Society, Nellore are being utilised for the running of these Domestic Requirements Depots.

**Smuggling of 'Shell' from Pulicat Lake**

939—

*2486— Q.— Sri K. Muniswamy (Satyavedu): — Will the hon. Minister for Women Welfare be pleased to state:

(a) whether the Government are aware that the "Shell" from Pulicat lake in Sullurpet Tq. Nellore District is being smuggled regularly by boats to Madras thereby causing loss of thousands of Rupees to our State, and

(b) if so, the action taken by the Government to stop the smuggling?

A—

(a) and (b). A statement is placed on the Table of the House.

**Statement Placed on the Table of the House**

[Vide Answer to clauses (a) and (b) of L.A.Q. (starred) No.2486-M]

(a) The following two cases have been detected by the Special Deputy Collector, (Mines) Gudur:
(i) On 11-2-1971, 27 tonnes of Limeshell was found kept ready for illicit transport in Perubakem village limits in the unsurveyed area of Pulicat Lake, just adjacent to Buckingham canal. The entire quantity was seized and proposed for sale in Public auction, as nobody came forward to claim it.

(ii) Again on 8-8-71, a quantity of 43.4 tonnes of Limeshell heaps kept ready for transport by the smugglers at the 35th Mile from Madras on the G. N. T Road, was seized by the Special Deputy Collector (Mines) Gudur and it has been handed over to the village Munisiff of Ramapuram for safe custody. The matter is under investigation and enquiry.

(b) The Government have issued instructions requesting the District Revenue officer, Nellore to ensure that no illicit quarrying is carried on in the area. The District Revenue officer has reported that the Special Deputy Collector (Mines) and the Mica Executive Staff intended for Anti-smuggling work have been taking all possible steps to prevent illicit removal and transport of lime-shell from the Pulicat Lake area and that the Sub-Collector, Gudur and the Tahsildar, Sullurpet have also been instructed to arrange to keep constant vigil over this area to prevent the smuggling of limeshell.

BUSINESS OF THE HOUSE

Sri P. Subbaiah — What happened to the arrest of the persons Sir? Yesterday, the hon Chief Minister has promised that he would take some action that the arrested persons will be released.

Sri P. V. Narasimha Rao:— They were released immediately after being taken into custody. I had got the information yesterday itself, but I had no time to place it before the House. The moment I stood up to mention it, the hon. Deputy Speaker adjourned the House. So it was not possible for me, yesterday.

Sri P. Subbaiah:— What about consideration of their problems? The Labour Department seems to be very inhuman, the management are also very inhuman. Therefore, would the hon. Chief Minister utilise his good offices to settle their affairs?

Sri P. V. Narasimha Rao:— So far as the Labour Department is concerned, they are extremely human. There is no question of our being inhuman. We are looking into the matter. We find that some accounts and some balance sheets are to be called for from the management and 8th of December has been fixed as the last date for production of those documents. Only after such
production, it will be possible to go into the merits and come to a conclusion. That seems to be the present position,

Sri P V Narasimha Rao:— It is a fact that previously when they were asked to produce those documents, viz., the balance sheet etc. they did not do so and they have been given time and finally 8th December has been fixed as the date for production.

Sri A Bhagavantha Rao.— Sir, may I present the Supplementary Estimates for 1971-72?

Sri C V. K. Rao.— I raise a point of order. The Minister has no business whatsoever to interrupt when the Hon'ble Speaker is taking up the privilege motion which is to come soon after the question hour.

Mr. Speaker:— Now the point is he has attended the Council.

Sri C V. K. Rao.— If the prescribed business has to be altered, the Speaker has to put it to the House and seek its permission. How is it open to the Finance Minister to ask for the Speaker's permission.

Sri A. Bhagavantha Rao.— I am only asking for his opinion.

Dr. T. V. S. Chalapathi Rao.— I did not take it that way.
Business of the House.

27th November, 1971. 395

Sri C V K. Rao:— The Minister has no business whatsoever to interrupt the business when a privilege motion is there on the agenda according to notice. The privilege motion has priority and it should be taken up soon after question hour.

Mr Speaker:— It is only formal; he is asking permission to present We have to adjust

Sri B Ratnasabhapathi:— Before the call-attention motions are taken up, the Minister cannot present the Supplementary Budget. Even otherwise, it is he who has to make adjustment. The order of business cannot be changed to suit his convenience.

Mr. Speaker:— He has to present it in the Council at 10 o' clock and it has to be presented here before it is presented there.

Sri B. Ratnasabhapathi:— The present order of business has already been approved by the House. How can we change it unless the House permits.

Mr. Speaker:— I don't think the House can have any objection.

Dr. T V S Chalapathi Rao:— It must be put to the House and the House must permit it.

Mr. Speaker:— Because he has asked me for permission to present it, I will ask the House for permission.

Dr. T V S. Chalapathi Rao:— If the House agrees, that is a different matter. But the procedure prescribed in the rules must be followed.

Mr. Speaker:— It has to be presented in this House before it is presented in the Council. It is only formal. There need not be any controversy.

Dr. T. V S. Chalapathi Rao:— While we appreciate the view of the Speaker, we are anxious that no unhealthy precedent should be established on account of the generosity of the Speaker.

Mr. Speaker:— By this, no precedent will be taken.

Dr. T V S Chalapathi Rao:— How? Without the permission of the House, does it not amount to a precedent?

Mr. Speaker:— The point is in the Council Mr. Thota Ramaswamy, Minister Panchayat Raj, is presenting the Supplementary Budget at 10 o' clock. Before its presentation there, it has to be presented here. Under the circumstances it is quite justifiable.

Sri B. Ratnasabhapathi:— When you are creating precedents you must be cautious, otherwise every rule of the Assembly will be scuttled like this.
Privilege motion
re Violation of Promise to
Supply rice at Re. 1/- a Kilo.

Mr. Speaker — Take it from me; this will not be a precedent.

Dr. T. V. S Chalapathi Rao — I appreciate your assurance, but even this is highly objectionable. We will leave it to you now. Even at this stage, it may be put to the House.

Mr. Speaker — I will put it to the House. I request the House to permit the presentation of the Supplementary Budget. I don't think the House has any objection.

Sri B. Ratnasabhapathi — Deviating from the procedure

Sri C. V. K. Rao — The House has objection. It is gross violation of the rules. There is a privilege motion.

Mr. Speaker — I will take it up after this.

Sri C. V. K. Rao — Before that you have to take up.

Presentation of Supplementary Estimates of Expenditure for 1971-72

Sri A. Bhagavantha Rao — Sir, I beg to present the statement showing the supplementary estimates of expenditure for 1971-72.

Mr. Speaker — Statement presented.

Privilege Motion
re Breach of privilege committed by the Chief Minister and the Minister for Civil Supplies for not fulfilling the promise; of supplying rice at Re. 1 a kilo (Ruling Reserved)

Mr. Speaker — Sri C. V. K. Rao has given notice of the following privilege motion regarding the breach of privilege committed by the Chief Minister and the Civil Supplies Minister.

"During the last Assembly session, the Government has assured the House that in order to ward off the suffering of the people due to high price of rice, cheap price shops will be opened in the State and rice would be supplied, i.e., 'Akkullu' at one rupee per kilo but the cheap price shops were inadequate and rice was sold at a high price; the distribution is anarchic; black-marketing, hoarding and export have been blatantly and clandestinely done; thereby, people are made to suffer and are mercilessly exploited by profiteers and corrupt administration due to artificial increase in the price of rice. And hence for the rise in price and not taking effective steps to control the prices and make rice available to the poor and middle classes. The Government representative i.e., the important spokesman on this, viz., the Civil Supplies Minister, the Chief Minister have committed breach of the privilege of this House of having gone back on the assurance..."
given and the responsibility to be discharged to the people on this vital issue of control of price of rice. Futhet, in the recent utterance, The Minister of Civil Supplies said that there are not enough stocks of rice for supply to the people, its inefficient way of tackling the issue amounts to total disregard of the people by non-implementation of the assurance given to the House, the Civil Supplies Minister, the Chief Minister who is responsible for appointing the said Civil Supplies Minister, have committed a breach of privilege of this House, which has to be dealt with by this House itself."
Privilege motion
re: Violation of Promise to Supply rice at Re 1/- a Kilo.

Under the Rules of Procedure of this House Sir I am stating that it is a fit subject which has to be dealt with Sir.

re. Violation of Promise to Supply rice at Re 1/- a Kilo

Sir, I want the matter to go before the House is that the Government has violated its promise, has gone back on its words, starving the people and encouraging Black marketing. I will prove it.

Sri P. V, Narasimha Rao — Sir, I have not much to add to what my colleague has already said. This is not a matter of privilege.
which has been raised in the shape of a motion of privilege. There is absolutely no privilege in the matter. We are going to discuss the matter it self-food situation itself to-day. While we are going to discuss it to-day, how can a privilege arise of it? It just beats me, Sir. There is no privilege, and it can be rejected.

Sri C. V. K. Rao. Now, the hon Chief Minister is trying to confirm the position that whatever promises they have made, they are not caring. They are caring two hoots. My contention is that they have promised to sell the people at Re. one a kilo. I have brought to the notice of the Chief Minister. I have addressed two letters to him and those two letters he had only forwarded to Secretary of the Department. My contention is violation has been there. You have violated and now he has been saying there is no privilege. After having given enough time, I have now come before the House. And the Minister for Civil Supplies says that he has not gone back on his promise. My contention is that he has gone back on his promise. Now that is the position. And the Chief Minister says there is no privilege.

Mr. Speaker. It is for the hon. Speaker to decide. I will give my ruling later on.

Sri C. V. K. Rao. You have to give your ruling, Sir. But, do not take it lightly. My request is, there is a Government callous to the core and exploiting the people. My request is a simple one, implement your promise and see that the people are not made to suffer. That is all. There is nothing more that I am asking them. For that I am not coming here as though for technical grounds so much so the Chief Minister can exhibit his legal acumen. Have I not addressed to him two letters? The reply he gives me is he forwarded them to the Civil Supplies Department. What do I get from the Civil Supplies department? I do not get any reply at all. Here the Chief Minister says that the promise is to sell rice at Re. 1 a kilo. I say, you are selling rice at Rs. 1-20 Ps in the very shops. Therefore, it is a fit case that should go before the House itself or Privileges Committee.

re, Violation of Promise to Supply rice at Re 1/- a Kilo.

There definitely is a violation. How far this Government is responsible for the violation, we are not concerned. But the fact remains that there is violation. There is no doubt about its
Privilege motion
re. Violation of Promise to
Supply rice at Re. 1/- a Kilo.

for three reasons: the price level is not kept up, the quantum is not kept up, the quality is not kept up. For these three reasons, I am of the opinion that there is a prima facie case because there is violation of the promise given by the Government in this connection on the Floor of this House.
Privilege motion 27th November, 1971. 403

1. Violation of Promise to Supply rice at Re 1/- a Kilo.

There is no question of privilege as far as this case is concerned and there is no question of violation by the Government.
404 27th November, 1971. Privilege motion re: Violation of Promise to Supply rice at Re 1/- a Kilo.

ಶ್ರೀ ಮೇಳಿಕೆ ಚಿತ್ರೆ — ಎಂದು. ಅನುಸಂದರ್ಶನ ಮೂಲಕ ಬಿಲಿಯನ್ನೀರೆ ನಿಯತವಾದ ವಿಕಾಸ ಉದ್ದೇಶಗಳನ್ನು ಮೂಲಕ ಬಿಲಿಯನ್ನು ಕೇಂದ್ರ ರಾಜ್ಯದ ವಿವಿಧ ಸರ್ಕಾರಗಳು ಮತ್ತು ಮಹತ್ತವಾದ ವಸ್ತುಗಳು ಪಡೆದಿದ್ದಾರೆ. ಅವುಗಳಲ್ಲಿ ಸಿಕ್ಕಾರ್ ಪ್ರಾರಂಭ ವಿದ್ಯಾರ್ಥಿಗಳ ಸಂಖ್ಯೆಯು ಪ್ರಮುಖ ವಿದ್ಯಾರ್ಥಿಗಳ ಸಂಖ್ಯೆಯಿಂದ ಕಡೆ ವಿದ್ಯಾರ್ಥಿಗಳ ಸಂಖ್ಯೆಯು ಪ್ರಮುಖ ವಿದ್ಯಾರ್ಥಿಗಳ ಸಂಖ್ಯೆಯಿಂದ ಕಡೆ. ದೊಡ್ಡ ಪ್ರದೇಶಗಳಿಗೆ ಬೆಳೆದಿದ್ದಾರೆ. ಅಭಿವೃದ್ಧಿಯ ಗಣನೆಗೆ ಮುಖ್ಯವಾಗಿದ್ದಾರೆ. ಅನುಸಾರದಿಂದ ಪ್ರತಿಯೊಂದು ಪ್ರದೇಶ ಪ್ರದೇಶಗಳಿಗೆ ವಿದ್ಯಾರ್ಥಿಗಳ ಸಂಖ್ಯೆಯನ್ನು ಕಡೆ ವಿದ್ಯಾರ್ಥಿಗಳ ಸಂಖ್ಯೆಯನ್ನು ಕಡೆ. ಅಭಿವೃದ್ಧಿಯ ಗಣನೆಗೆ ಮುಖ್ಯವಾಗಿದ್ದಾರೆ. ಅನುಸಾರದಿಂದ ಪ್ರತಿಯೊಂದು ಪ್ರದೇಶ ಪ್ರದೇಶಗಳಿಗೆ ವಿದ್ಯಾರ್ಥಿಗಳ ಸಂಖ್ಯೆಯನ್ನು ಕಡೆ. ಅಭಿವೃದ್ಧಿಯ ಗಣನೆಗೆ ಮುಖ್ಯವಾಗಿದ್ದಾರೆ. ಅನುಸಾರದಿಂದ ಪ್ರತಿಯೊಂದು ಪ್ರದೇಶ ಪ್ರದೇಶಗಳಿಗೆ ವಿದ್ಯಾರ್ಥಿಗಳ ಸಂಖ್ಯೆಯನ್ನು ಕಡೆ. ಅಭಿವೃದ್ಧಿಯ ಗಣನೆಗೆ ಮುಖ್ಯವಾಗಿದ್ದಾರೆ. ಅನುಸಾರದಿಂದ ಪ್ರತಿಯೊಂದು ಪ್ರದೇಶ ಪ್ರದೇಶಗಳಿಗೆ ವಿದ್ಯಾರ್ಥಿಗಳ ಸಂಖ್ಯೆಯನ್ನು ಕಡೆ. ಅಭಿವೃದ್ಧಿಯ ಗಣನೆಗೆ ಮುಖ್ಯವಾಗಿದ್ದಾರೆ. ಅನುಸಾರದಿಂದ ಪ್ರತಿಯೊಂದು ಪ್ರದೇಶ ಪ್ರದೇಶಗಳಿಗೆ ವಿದ್ಯಾರ್ಥಿಗಳ ಸಂಖ್ಯೆಯನ್ನು ಕಡೆ. ಅಭಿವೃದ್ಧಿಯ ಗಣನೆಗೆ ಮುಖ್ಯವಾಗಿದ್ದಾರೆ. ಅನುಸಾರದಿಂದ ಪ್ರತಿಯೊಂದು ಪ್ರದೇಶ ಪ್ರದೇಶಗಳಿಗೆ ವಿದ್ಯಾರ್ಥಿಗಳ ಸಂಖ್ಯೆಯನ್ನು ಕಡೆ. ಅಭಿವೃದ್ಧಿಯ ಗಣನೆಗೆ ಮುಖ್ಯವಾಗಿದ್ದಾರೆ. ಅನುಸಾರದಿಂದ ಪ್ರತಿಯೊಂದು ಪ್ರದೇಶ ಪ್ರದೇಶಗಳಿಗೆ ವಿದ್ಯಾರ್ಥಿಗಳ ಸಂಖ್ಯೆಯನ್ನು ಕಡೆ.
Privilege motion 27th November, 1971. 405
re. Violation of Promise to Supply rice at Re 1/- a Kilo.

Mr Speaker - There is discussion going on (INTERRUPTIONS)

Sri A Madhava Rao — If any person makes a statement on the floor of the House and violates there is a privilege.

Sri P V Narasimha Rao — It is not there. If a Minister or Member deliberately misleads the House and as a result of it Members are precluded from doing their duties, probably as they ought to — those are the circumstances when a privilege can be thought of. But, this is rather a fantastic way of bringing a privilege where it does not arise or fit in. We can otherwise devote our time for discussion on the same subject on the merits of the matter.

Sri T. V. S Chalapathi Rao — The word used ‘fantastic’ is a perverted interpretation of the Chief Minister, and that should be withdrawn.

Shri A Madhava Rao — Let me have my say. Let the Chief Minister answer.

Mr Speaker — It is not unparliamentary.

Sri A Madhava Rao — Now the Hon Chief Minister said that there must be a deliberate way of doing things. Deliberate way of things will be only by inference and no mental make-up of any individual can be an explicit thing. Therefore, here the question is whether there is a deliberate nature of making. That has to be considered. Admittedly there is deliberateness. Now Mr Pallevilli said that the Government has not issued any instructions to any individual to sell over and above Re 1/- a Kilo. Now when it is a fact that it is sold at more than Re 1/- a Kilo is the Government closing its eyes? How many persons are prosecuted? What is the course of action that has been followed and whether any course of action has been followed in the circumstances stated by Sri Pragada Kotaiah? It means, necessarily that being the case, there is deliberateness. Naturally it must be referred to the ‘Privilege’ Committee. I am not able to understand how the Chief Minister is able to say that deliberateness is a thing which cannot be seen. Therefore the deliberateness is inferred. Here it is to be inferred because in the entire State, there is no place where rice is being sold at Re 1/- per Kilo. When it is going on in the entire state, one must be in a position to know all these things and the Hon Chief Minister must be able to know more of it and if it is not there, naturally we have to infer. It is a privilege. It must go to the Privileges Committee.

Mr Speaker — I will give the ruling later on. I have to announce to the House.

(Many interruptions)

No. No. I cannot allow.
Privilege motion
re: Violation of Promise to
Supply rice at Re 1/- a Kilo.

Sri Poolla Subbaiah — Where is the rice first of all? They have categorically stated that they will supply rice. My point is simple. It is a prima facie case. They are not supplying rice to the Fair Price Shops. There are two points here. Supply of rice is one and the second is the selling of rice at Re 1/- per K. G. of which much case has been made out. But as regards the supply, where is the supply? When there is no supply, it is a clear case, a prima facie case, where it has to be referred to the Committee on Privileges. The Chief Minister has made a very uncharitable remark stating that it is fantastic. People in villages are clamouring for rice. There is no supply of rice. When such is the case the Chief Minister’s remark is uncharitable and has to be withdrawn.

Shri B Ratna Sabhapathi — Let that be sent to the Committee. Then the question will be decided.

Mr Speaker,— A ruling will be given at a later stage

(Many interruptions)

In that case. Call Attention motions will not be taken up. It is nearing 11 O'Clock
ANNOUNCEMENT


Mr Speaker — I am to announce to the House that cut motions in respect of Supplementary Estimates of Expenditure for 1971-72 will be received upto 5 P M to-day i.e., the 27th November, 1971.

MATTERS UNDER RULE 341

(1) re — Alleged high-handedness of the Police

Mr Speaker — Smt. Iswari Bai has given notice under Rule 341 of the Assembly Rules, which reads:

"Will the Chief Minister be pleased to order an enquiry into the alleged Police high-handedness. The S I. of Police, Kohir, Vikarabad Mr. Ramachandrarao, raided without a warrant on the night of 23rd November, 1971 taking the couple, a harijan and his wife Rajamma to the Police Station, Vikarabad and threatening them not to live as husband and wife because of their caste. The girl was sent away to Kohir. The boy is a harijan student aged 23 and resident of Madiri, Zaheerabad Talk. The Police has no business to interfere and take law into their hands."

Sri P V. Narasimha Rao — I would like to submit that these two notices were received by me only last night at 9 O' Clock. I would like to find out the facts and make a statement day after To-morrow i.e., Sri C.K.V. Rao and of Smt. Iswari Bai notices. To-morrow being it a Sunday, I don't know whether that would be practicable. If the hon. members agree, will we take up on 30th. At least there should be a day to get the information.

Mr. Speaker;— It is postponed to 30th.
re Harassment to Harijans of Hussainabad and Bhongir Taluk.

Sri P. V. Narasimha Rao.— As a compromise, I will try to make a statement on 29th, tomorrow being Sunday. On 30th, without fail, I will make a statement.

(2) re Harassment caused to Harijans at Hussainabad in Bhongir Taluq.

Mr Speaker— Smt. J. Iswari Bai has given notice as follows.

"Will the Minister for Revenue (Chief Minister) be pleased to enquire into the harassment being caused to the Harijan landless persons by names Bushpaka Rajiga, Bushpaka Buchiga, Barre Pochiah, Barre Rama and several others by the caste Hindus, to get them kept away from the Government land bearing S. Nos. 120, 129, 130 and 196 from enjoying the fruits of their labur; and see that these Harijans are provided with some waste land, if possible.

These poor Harijans were forcibly removed from their occupied lands, cases foisted and have been put to great losses."

Sri P. V. Narasimha Rao:— The only thing is she has not given their addresses.

Smt. J. Iswari Bai.— I will try to know the addresses.

I have given village, taluk, district and everything. What more do you want?

Mr Speaker— It can be taken up on Tuesday.
Matters under R 341

27th November, 1971. 409

re Assignment of waste land in Yellareddy and Kamareddy

Sri P V Narasimha Rao — I would like to bring one very important matter to your notice in this connection. The facts stated by the hon. member will be taken as they are and we will institute an enquiry and do what is possible. But the question is whether such a matter could be raised under Rule 341.

Sri C V K Rao — A point of order, Sir. What right has the Chief Minister got to dictate to you?

Sri P V Narasimha Rao — I am not dictating. I am only saying that matters like this are not those to be brought under Rule 341.

Mr. Sneakei — He is taking action. There is no dictation to the Chair. He is suggesting. That is all.

(3) re Assignment of waste land or Government land in Yellareddy and Kamareddy.

Mr. Speaker — Smt. Eswaribai has given another notice under Rule 341 of the Assembly Rules, viz., ‘Will the hon. Minister for Revenue be pleased to state how much waste land or the Government land was assigned to Harijans in Yellareddy and Kamareddy during the years 1969-70, and 70-71 up to-date. How many persons were benefited of the assigned lands? How many pattas have been granted? How many are remaining and what steps will be taken to assign more lands to the applicants still undisposed?’

Sri P V Narasimha Rao — This involves collection of statistics, and information.
27th November, 1971.

Announcement
re: Postponement of matters under Rule 341

Mr Speaker — This can be taken up on 1st December.

Sri C. V. K. Rao:— That is alright, Sir. Now I think, in your chamber he will influence you, Sir.

Mr Speaker — That is a very bad remark made by the member. That is very uncharitable. You are an hon. member, you must know your responsibility.

Sri C. V. K. Rao — As a matter of fact the Chief Minister should not hold that view. You (towards Speaker) are quite liberal, more liberal than anybody else. Therefore he cannot hold that view “I am speaking on the floor You cannot admit that under341.”

ANNOUNCEMENT
re:— Postponement of Matters under Rule 341

Mr Speaker — T. Purushothama Rao has given notice under Rule 341 of the Assembly Rules. He is not present. We will take in on... . Sri Madhava Rao has given notice under Rule 341 “The Central Government allotted Rs. 8.2 crores for the strengthening widening and laying of roads in Andhra Pradesh State. Out of it our Government spent only Rs 60 lakhs and the balance is being diverted to Madras State and thus the State Government is losing the entire amount of over and above Rs. 60 lakhs” I request the Deputy Chief Minister to make a statement.

Mr Speaker:— It will be taken up on 30th.

Srimati. J. Baswari Bai has given notice under Rule 341. This also can be taken up on 30th November, 1971.
Calling-attention motion

27th November, 1971.

Mr. Speaker — We will take this up on 1-12-1971.

Mr. Speaker — The Minister for Health is not present. We will take it up on 1-12-1971.

Sri Ch. Rajeswara Rao, Sri R Satyanarayana Raju and Dr T. S Murthi have given notice under Rule 341 about the representatives of Krishna District working journalists going on a hunger strike to get redressal of their longstanding demands.

They came and gave me a memorandum. As I said, the matter pertains to some payment of wages. 8th December has been fixed for production of their accounts. I have already stated in the Assembly that this will be taken up by the Labour Department after 8-12-1971.

Calling Attention Matters of Urgent Public Importance

(1) Alleged misbehaviour of SI of Police, Chirala against the RTC Staff.

(2) Transfer of SI of Police, Chirala.

Sir, I may be permitted to speak in English. There are very few buses. If they put more number of buses, they cannot ply them on the small roads. Therefore, at this stage it will be inevitable to take more passengers in every trip. On that day, it seems, there was heavy overloading in the RTC as well as some private buses. The Local Inspector of Police seems to have intervened and asked the RTC, bus conductors and drivers to show their licences, etc. to know whether they have got permits. One thing we should remember is that there were thousands of people and they were in a hurry to reach their destination which is about 5 or 6 miles. Now the Police Inspector questioned the conductors and others, and when they stated, 'this is peak time and we need to act very quickly,' within one or two hours to clear the traffic,' without knowing the consequences or the situation, he seems to have manhandled two...
or three drivers and conductors of the R. T. C. and took away their badges, etc. This has created a sort of dissatisfaction amongst the R T C. employees. The local Inspector of Police does not want the R. T. C. to overload, whereas he allowed all the private bus owners to have overloading. Thus, he has discriminated between private bus operators and the R T C. As far as my enquiry goes, he has made that discrimination and that is the truth. There must be some motive behind the police officer in allowing overloading on some private buses and not allowing on R T C. buses.

The second point is, the Inspector has man-handled and abused the R T C. drivers and conductors. There was the local Divisional Controller also and, it seems, he has remarked, 'I know why you are overloading and I know your purpose.' My point is normally when there is a situation the local officers should manage the traffic and if they do not manage it the whole thing goes wrong and the people blame the Government. Here, the R T C. is owned by the Government and the Divisional Controller is not a small officer; the Divisional Controller is an important officer and he has heavy responsibility. Therefore, the misbehavior of the Police Inspector has created a sort of dissatisfaction in the workers that they have been insulted, etc. On that they have preferred complaints and nothing has been done yet. We want the Government to enquire into it and take necessary action on the officer who has done wrong. Supposing the Government fails to take action, the R. T. C. employees may give a call for a General Strike and that will harm not only the public but it will affect the Government also. So, it is an urgent matter and the Government should look into this.

Here, there is one aspect to be considered. There may be overloading as far as the police are concerned and probably the Police Inspector might have thought that the R. T. C. employees might have allowed overloading without issue of tickets, etc. Is there any case that the Police Inspector has checked the tickets and found more passengers without tickets. If so, he should have sent a report to the Government and taken some action against him. Therefore, I feel that the Local Police Inspector has not acted properly in misbehaving and man-handling the R. T. C. drivers and conductors. On this, some of the R. T. C. employees have gone on hunger-strike and now they are preparing for a General Strike throughout the State. If that is allowed it will create hardship to the public and loss of revenue to the Corporation. I request the Government to make a proper enquiry. The R T C. employees feel that if the Inspector is continued in the same post, justice may not be done to them and they want that the Inspector should be transferred. That is my request.
Calling - attention motion re. Misbehaviour of S. I. of Police, Chirala.

27th November, 1971. 413

I. R. S.:— Admitted. The Minister of State for Home, Shri M. J. Akbar, moved a motion on this subject and it was referred to the Home Affairs Committee. The Committee reported it to the House. The J&K Government has also taken steps in this matter. But the report of the Committee indicates that it is not complete. What steps are being taken to complete the report of the Committee? Will the Government take action?

II. Shri H. S. Idris:— Admitted. The Minister of State for Home, Shri M. J. Akbar, on the 15th November, 1971, moved a motion in this House. He placed the report of the Committee before the House, which was referred to the Home Affairs Committee. The J&K Government has taken steps to complete the report of the Committee. But the report of the Committee indicates that it is not complete. What steps are being taken to complete the report of the Committee? Will the Government take action?

III. Shri H. S. Idris:— Admitted. Shri M. J. Akbar, the Minister of State for Home, moved a motion in this House on the 15th November, 1971. He placed the report of the Committee before the House, which was referred to the Home Affairs Committee. The J&K Government has taken steps to complete the report of the Committee. But the report of the Committee indicates that it is not complete. What steps are being taken to complete the report of the Committee? Will the Government take action?

IV. Shri H. S. Idris:— Admitted. Shri M. J. Akbar, the Minister of State for Home, moved a motion in this House on the 15th November, 1971. He placed the report of the Committee before the House, which was referred to the Home Affairs Committee. The J&K Government has taken steps to complete the report of the Committee. But the report of the Committee indicates that it is not complete. What steps are being taken to complete the report of the Committee? Will the Government take action?

V. Shri H. S. Idris:— Admitted. Shri M. J. Akbar, the Minister of State for Home, moved a motion in this House on the 15th November, 1971. He placed the report of the Committee before the House, which was referred to the Home Affairs Committee. The J&K Government has taken steps to complete the report of the Committee. But the report of the Committee indicates that it is not complete. What steps are being taken to complete the report of the Committee? Will the Government take action?
27th November, 1971.

Calling-attention motion re: Misbehaviour of S. L. of Police, Chirala.

The man. He is a man who is drawing Rs. 1500 to Rs. 1600 a month, and here is a Circle Inspector drawing Rs. 300 to Rs. 400, He is in shabby dress. He did not recognise the man. He is in shabby dress. He did not recognise

When I represented to the I. G. P., do you know what he said? He wrote it in writing. He referred it to S. P. and D. S. P. I will record your statement. We are not told that way.
Calling attention motion 27th November, 1971.

Of Police, Chirala.

Misbehaviour of S.I.

He should be shifted from that place. An enquiry should be conducted. Then only, I think people will be satisfied.

[Text in Telugu]

[Translation]

Calling-attention motion re. Misbehaviour of S.I. of Police, Chirala.

[Text continues in Telugu]
Calling attention motion 27th November, 1971.

re: Misbehaviour of S I. of Police, Chirala.

...

Sri Pragada Kothiah:— (again stood up and interrupted.)

Sri Pragada Kothiah.— He must sit down. I am here to prove all those things. Let the Government have an open enquiry. I will prove all these statements. I am here to prove all these statements.

(Again Sri G Venkata Reddy stood up and interrupted)

Dr. T V. S Chalapathi Rao.— Why not the Chair control him? He is taking law into his hands. I request the Chair to ask him to sit down.

Sri Pragada Kotaiah — I am the legislator from Chirala Constituency. I must be knowing the full information about these things. He (referring to Sri G Venkata Reddy) cannot. He comes from another constituency.

(Again Sri G Venkata Reddy stood up and interrupted)

Sri Pragada Kotaiah.— This sort of attitude must be given up. It is not going to help.

Sri G Venkata Reddy again stood up and interrupted

Sri Pragada Kotaiah.— Who else can know better than I as to what is happening in my constituency?
Calling - attention motion 27th November, 1971. 419

re: Misbehaviour of S I.
of Police, Chirala

Sri G Venkata Reddy:— He made certain personal allegations to which I would like to reply.

Sri Pragada Kotaiah: - I never made any personal allegations.


Sri K. N. Patil: — I second this carrying-attention motion.

Sri T. S. K. Patil: — I do not happen to be a member of the police service, neither have I made any personal allegations.

Sri K. N. Patil: — In my opinion, we have to consider the situation as a whole. We do not want to sit in judgment over the veracity of the versions that have come here. I have got the version of the Government in the Home Department here, but I do not propose to read it out because I feel that by taking one version and reading it out we shall not be solving the problem. After all, both are wings of the same Government, and the most important factor to be noted in this connection is whatever demands have been made here, whatever factual versions have reached here the situation there seems to be that there is no real commotion at the moment. Certain action has been taken by the Home Department in regard to the persons concerned and the R.T.C. Union appears to have been satisfied with that action; they have withdrawn their agitation and there is no difficulty at the moment. As regards action about the alleged misbehaviour of certain individuals in the matter, that is a matter which the Department will look into. Let us not tag it on to the specific matter of transfer of the Circle Inspector. So, I would appeal to the Members not to be...
re Provision of 27th November 1971.

Employment opportunities to agricultural graduates

gtated either this way or that way. Administratively, whatever is feasible, whatever is necessary, will be done.

(Mr Dy Speaker — in the chair)

Sri G Siviah — The Chief Minister said that the workers have been satisfied. I had been there on 10th. I made a personal enquiry and sat there for 3 hours. It is only after satisfying myself that I have given this notice.

Sri P V Narasimha Rao — We appreciate that there is no difference of opinion there. I would only request the members to bear with the Government. They will do whatever is necessary. We do not want a conflict between two wings of this Government. We are sorting out. We think that the sorting out will be satisfactory.

Sri G Venkat Reddy — The action that is already taken by the Department?

Sri P V Narasimha Rao — I did not say what all action had to be taken is already taken. I am saying that proper action will be taken. We need not go into details again here on the floor of the House. It will only make it very difficult for the action to be taken.

(3) re Provision of employment opportunities to agricultural graduates

Sri G Siviah — The action that is already taken by the Department?
422 27th November, 1971.

re Provision of Employment opportunities to agricultural graduates.

422 27th November, 1971.

re Provision of Employment opportunities to agricultural graduates.

27 November, 1971.

re Provision of Employment opportunities to agricultural graduates.

27 November, 1971.

re Provision of Employment opportunities to agricultural graduates.

27 November, 1971.

re Provision of Employment opportunities to agricultural graduates.

27 November, 1971.

re Provision of Employment opportunities to agricultural graduates.
re: Strike by Nexalite Prisoners 27th November, 1971 in Visakhapatnam Jail

Sir,

I have received a report from the Superintendent of Visakhapatnam Jail regarding a hunger strike by Nexalite Prisoners. The report states that the prisoners have demanded separate kitchen and permission to apply for permission. I have forwarded the same to the Department of Home Affairs for necessary action.

Yours sincerely,

[Signature]

Department of Home Affairs

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Sir,

I am forwarding a copy of the report received from the Superintendent of Visakhapatnam Jail regarding a hunger strike by Nexalite Prisoners. The report states that the prisoners have demanded separate kitchen and permission to apply for permission. I have forwarded the same to the Department of Home Affairs for necessary action.

Yours sincerely,

[Signature]

Assistant Secretary

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Sir,

Regarding the hunger strike by Nexalite Prisoners in Visakhapatnam Jail, I have received a copy of the report forwarded by the Department of Home Affairs. The report states that the prisoners have demanded separate kitchen and permission to apply for permission. I have forwarded the same to the Department of Home Affairs for necessary action.

Yours sincerely,

[Signature]

Assistant Director General

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Sir,

I have received a copy of the report forwarded by the Assistant Director General regarding the hunger strike by Nexalite Prisoners in Visakhapatnam Jail. The report states that the prisoners have demanded separate kitchen and permission to apply for permission. I have forwarded the same to the Department of Home Affairs for necessary action.

Yours sincerely,

[Signature]

Director General

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Sir,

I have received a copy of the report forwarded by the Director General regarding the hunger strike by Nexalite Prisoners in Visakhapatnam Jail. The report states that the prisoners have demanded separate kitchen and permission to apply for permission. I have forwarded the same to the Department of Home Affairs for necessary action.

Yours sincerely,

[Signature]

Chief Minister

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Sir,

I have received a copy of the report forwarded by the Chief Minister regarding the hunger strike by Nexalite Prisoners in Visakhapatnam Jail. The report states that the prisoners have demanded separate kitchen and permission to apply for permission. I have forwarded the same to the Department of Home Affairs for necessary action.

Yours sincerely,

[Signature]

Governor

Negotiations 7 and 8 of strike were not successful. The condition of the prisoners is serious. NBC Hospital was requested to visit the Central jail. The Governor directed that serious measures be taken by the jail authorities.

Serious treatment of the prisoners is alleged. The prisoners have requested to be allowed to bring in by the public to file a petition. The prisoners have requested to be allowed to bring in papers, ration and papers permit.

Secretary, Home Dept.
in Visakhapatnam Jail

27th November, 1971. 425

strike by nexalite prisoners

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426 27th November, 1971. re Strike by Nexalite Prisoners in Visakhapatnam Jail

The matter in hand is the strike by prisoners in Visakhapatnam Jail. The prisoners are seeking improvements in their living conditions. The authorities have not taken any action in this regard. The prisoners have been demanding their rights for a long time. The government has not yet responded to their demands.

The prisoners have filed a petition for the removal of their charges. The authorities have not yet responded to this petition. The prisoners are demanding their rights be respected.

In conclusion, the prisoners are seeking justice and their rights be respected. The government should take action to address their demands.

Sincerely,

[Signature]

[Name]
re Strike by Naxalite Prisoners 27th November, 1971

In my fairly long terms of imprisonment in various jails from 1940 till today I have not once heard of or come across such wooden headed bureaucrat as Mr Kapadia who is now unfortunately acting as Superintendent of Central Jail, Visakhapatnam. Even Mr Hower, the notorious Superintendent of the Jails in the Colonial Administration had not behaved so criminally. It is now more than a month and twenty days since the political prisoners have been on hunger strike in that prison. The whole incident was the result of a brutal lathi charge by the Superintendent of the Jail on the morning of October 1st and twenty four hour lock up implemented on that day. Since then the situation is surcharged with incident after incident. A few examples of his sadistic behaviour of provocation might help you to understand the nature of the problems. After a few days of the first Sri Govinda Rao's health became serious and he was admitted in the hospital. The Jail authorities informed Mrs. Govinda Rao by telegram of the seriousness of his health. She came all the way from her village to see him and if possible to stay with her husband in the hospital. But the most cruel part of it is she was not allowed to meet him. If that was the attitude adopted by the all-powerful in their madness I wonder why she was not informed that she would not be allowed to meet him and therefore she need not bother to come all the way from her village?

Even Mr Kolla Venkaiah, an old guard of the peasant movement, and Ex. M. P was so brutally manhandled that he is unable to walk except with the help of a stick.

Even after more than 15 days of giving up of the hunger strike, Sri Taieswara Rao was refused interviews with the political representatives. In the name of search all these dedicated leaders are being insulted.

Will you please make enquiries Mr Nagi Reddy was asking, as to the number of days a barber was not provided to them and the number of days that washing soda was not supplied to them. All these only go to show the petty minded behaviour of the small man who has been in the important position in administration in that Jail.

Added to all these the political prisoners are locked up all the 24 hours, their separate kitchen has been abolished, letters and interviews cancelled, newspapers are not provided and canteen facilities are withdrawn.

I need not read further Sir. Now he has categorically and clearly said a person as one who was my colleague at one time Mr Nagi Reddy. It is the misfortune that he should be locked up in the Jail. Now he is putting forward these things to the Chief Minister. He addressed the letter on the 19th. The main consideration that is required is that the Government should take steps. They have not taken any steps. On the other hand, I do not know, what attitude the Minister for Jails is going to adopt.

Let him immediately transfer. I ask him, in my name and in the name of everyone of us Sir, that K. Nagi Reddy is a brutal Superintendent. We know what the Jails are. Let him be immediately transferred. Let him consider. They are under their control. They are not doing any harm while these people are under their control. Let them not be so inhuman and let them give immediate consideration for those that are put forward in the letter of Sri Nagi Reddy, be considered.

"I have been penalised with such a treatment that I was twisted in my legs, and pushed into the shelf and locked up for a few days."

Is this Democracy? Are these Jails in Democracy?

In Visakhapatnam Jail

The prisoners are demanding the following:

1. Regular medical attendance on time.
2. Removal of unhygienic conditions.
3. Proper food and water supply.
4. Freedom of movement within the jail premises.
5. Regular visits by family members.

The prisoners have been confined to their cells since the last week, expecting the authorities to fulfill their demands.

The management is yet to respond to the prisoners' demands.
27th November, 1971. re Strike by Naxalite Prisoners in Visakhapatnam Jail

Sri C V K. Rao, What is that relevance I ask? We are asking those that are put in jail who are inhumanly treated. What have we got to do with the Naxalism? We are concerned with your prisoners and not our prisoners.

Sri B Ratnasabhapathi — If I remember Sir, Chowdary Satyanarayana did not speak on Naxalites. He has spoken about the conditions existing in the Jails and the reports he has received. When he has mentioned Chowdary Satyanarayana's name let him also remember what all he said. Let him truthfully comment on the statement he has made.

Sri P. Subbaiah;— Some of them changed their party. They are C. P. I. members. They are not Naxalite Members.

Sri C. V. K. Rao — Is the Congress Party and the Communist Party talking about who is a naxalite and who is not? We want human treatment for the prisoners. Are you going to treat them as human beings or you want to support the Superintendent who is treating them so brutally?

Sri B. Ratnasabhapathi — They are not banned.

Sri A. Bhagavanta Rao — When there was no discipline.

Sri B. Ratnasabhapathi — Freedom of speech and freedom of expression are allowed even inside the prison. Unless they go beyond their limits indulging in violence, you cannot take any sort of measures. They are permitted according to law. That is a different matter. Solong as they are peaceful, I do not know whether Government can take any action.

Mr Deputy Speaker — The issue was whether such a treatment was given or not. That is only the point referred to. If it is enquired into and is already proved, the Superintendent should be suspended. That is what they say. You restrict yourself to the points raised.
432 27th November, 1971. re Strike by Nexcelite Prisoners in Visakhapatnam Jail

Sri C V K Rao — They are under trial prisoners. Unless and until a man is convicted by the Court, he cannot be punished.

Sri A. Bhagavanta Rao — Under all the circumstances, I mentioned, the Superintendent must be strict and maintain discipline.

Sri A. Bhagavanta Rao — First you hear what I say. Then, you can argue. The Superintendent was strict.
re: Strike by Nexalite Prisoners 27th November, 1971. 433
in Visakhapatnam Jail.

Sri B Ratnasabhapathi — If I were to ask for anything I
would not have asked for transfer. Because transference is not a punish­
ment. Whoever he might be, if he had gone out of way, he is liable for punish­ment.

Sri A Bhagavantha Rao — He has not gone out of way.

Sri Vavitlala Gopalakrishnayya — Are you going to defend
Mr. Kapadia?

Sri A Bhagavantha Rao — It is not a question of defending
anybody.

Sri C V K. Rao — How could you come to a conclusion
that he has done exceedingly well?

Sri A. Bhagavantha Rao — It is not correct.

Sri A Bhagavantha Rao — It is not correct.

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Sri A Bhagavantha Rao — He has not gone out of way.

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Sri A Bhagavantha Rao — It is not a question of defending
anybody.

Sri C V K. Rao — How could you come to a conclusion
that he has done exceedingly well?

Sri A. Bhagavantha Rao — It is not correct.

Mr. Dr. Speaker — You have got opportunities and there are so many provisions to get it.

Srik Govinda Rao — He should go and enquire and say whether it is a fact or not.

Is it the justification for hunger strike? Absolutely not. He has tried to enforce the manual. The officer is a good and strict man. He is strictly adhering the Manual. The Government is certainly there to take action.

Is it the justification for hunger strike? Absolutely not. He has tried to enforce the manual. The officer is a good and strict man. He is strictly adhering the Manual. The Government is certainly there to take action.
Calling attention motion re: Opening of fair price Shops in the State.

27th November, 1971.

Mr. K. M. Rangaswamy:— Madam, Sir, Sir, the Speaker's attention is kindly drawn to a matter of importance. On the 27th November, the Hon. Minister for Commerce, Trade, and Industry, in his Budget speech for the year 1971-72, made a reference to the opening of fair price shops in the State. He said that the State Government had decided to open 21 fair price shops in the State. The Minister also said that the State Government would provide the necessary equipment and furniture for these shops. It is, therefore, necessary that this motion be taken up now.

Mr. K. M. Rangaswamy:— Madam, Sir, Sir, the Speaker's attention is kindly drawn to a matter of importance. On the 27th November, the Hon. Minister for Commerce, Trade, and Industry, in his Budget speech for the year 1971-72, made a reference to the opening of fair price shops in the State. He said that the State Government had decided to open 21 fair price shops in the State. The Minister also said that the State Government would provide the necessary equipment and furniture for these shops. It is, therefore, necessary that this motion be taken up now.

(5) re: Opening of fair price Shops in the State.

Mr. K. M. Rangaswamy:— Madam, Sir, Sir, the Speaker's attention is kindly drawn to a matter of importance. On the 27th November, the Hon. Minister for Commerce, Trade, and Industry, in his Budget speech for the year 1971-72, made a reference to the opening of fair price shops in the State. He said that the State Government had decided to open 21 fair price shops in the State. The Minister also said that the State Government would provide the necessary equipment and furniture for these shops. It is, therefore, necessary that this motion be taken up now.
27th November. 1971.

Calling attention motion

re Opening of fair price
Shops in the State

The Honourable Minister for Consumer Affairs called the attention of the House to the motion for the opening of fair price shops in the State.

The Honourable Minister for Consumer Affairs stated that the Government had decided to open fair price shops in the State. The decision was taken after careful consideration of the need for such shops in the State.

The Honourable Minister further stated that the fair price shops would be opened in all the urban areas of the State. The shops would be operated by the State Government and would be supervised by the Consumer Affairs Department.

The Honourable Minister assured the House that the fair price shops would be well-stocked with essential commodities at a reasonable price.

The Honourable Minister concluded by saying that the Government was committed to providing essential commodities at a fair price to the people of the State.
Calling attention motion 27th November, 1971. 437
re: Opening of fair price Shops in the State


re: Opening of fair price Shops in the State.
Calling attention motion re Opening of fair price Shops in the State.

I let him sit here. I am hauling up your Chief Minister.

(Sri Vayilala Gopalakrshnayya was seen standing.)

Mr Deputy Speaker — He is your Chief Minister also.

Sri C. V. K. Rao — Yes, I am hauling up my Chief Minister. Why should he run away?

Mr Deputy Speaker.— Don’t make personal insinuations.

Sri C. V. K. Rao — I say “our Chief Minister”. With due respect to the Chair, I correct myself.

Are you convinced that the state of affairs is bad? What a bogus thing? What a callous attitude? How they divert from the
Calling attention motion 27th November, 1971.

re Opening of fair price Shops in the State

subject? What is the reply from the Secretary, Food and Agriculture Department? I acknowledgement receipt kindly address the Chief Minister. I brought this Call Attention Motion. Should they not have the responsibility? Should they not feel the suffering of the people? They are so callous I want to tell you how they are implementing. I warn them. Let them open more fair price shops, and sell rice at rupee one per kilo. Let there be no irregularities. Are they considering the complaints I brought to their notice? Let them deal with the officers who violated it, from the Collector down to commonman. They are paying Rs. 340 per fair price shop, which goes to the dinner parties of the Collector and dinner parties of the men concerned. He must bend his head in shame.

Smt. T. N. Anasuyamma — I want a clarification from the Minister for Civil Supplies I want to know the basis on which fair price shops have been opened? Is it on the basis of population or on the basis of area or whatever it is? There are about 2000 villages in my constituency and for the entire taluk of Madanapalle 19 shops are opened of which 9 shops are in the town and 5 only in my constituency. It is a hilly region and it is the biggest constituency in the whole district. And each of the fair price shops is 20 to 30 miles apart. There are famine road works and about 150 workers are engaged, but only 100 K Gs are supplied. The workers do not get any rice from these shops. I want the Minister to tell us whether he is supplying rice to workers engaged in famine works. There are only 5 shops in my constituency and I want to ask the Minister if he can open more shops and supply rice to each shop.

Sri B. Ratnasabhapathi.—This is part of the debate on Drought conditions. The Minister may reply to the points raised now in his reply on the discussion on Drought conditions.

Sri C. Subbarayudu — I have no objection.

Sri Pragada Kotaih — We require at least two hours for discussion on Drought condition.

Mr. Deputy Speaker.— Now, the House has agreed to have a discussion separately for 2 or 2½ hours. Now, there is only half an-hour left. The Opposition Leader alone wants one hour to speak and there are many members who would like to speak. There is no alternative except to continue this on Monday evening. It is a very important matter.

Smt. B. Jayaprada:— We cannot come on Monday evening as we have got the Party meeting. Today we have no objection.

Mr. Deputy Speaker:— Would it be all right today?

Discussion on
Drought Conditions and Food Situation in the State.

Sri C. V. K. Rao.—We have other engagements for today evening.

Sri B. Ratnasahapathi:—Today we have got the meeting of the Committee on Public Undertakings.

Smt. B. Jayaprada — I will consult the Leader and tell you shortly.

PAPERS LAID ON THE TABLE

(1) Amendment to the A. P. Sugarcane (Regulation of Supply and Purchase) Rules, 1961

Sri Kakani Venkataratnam:—Sir, I beg to lay on the Table a copy of the amendment to the Andhra Pradesh Sugarcane (Regulation of Supply and Purchase) Rules, 1961 made in exercise of the powers conferred by sub-sections (1) and (2) of section 23 of the Andhra Pradesh Sugarcane (Regulation of Supply and Purchase) Act, 1961 and published in Rules Supplement to Part I of the Andhra Pradesh Gazette No. 29 dated 28—10—1971.

(2) Amendments to the A. P. Bhoodan and Gramdan Rules, 1965

Sri A. Bhagavanta Rao:—Sir, on behalf of the Minister for Revenue I beg to lay on the Table a copy of the amendments issued to the Andhra Pradesh Bhoodan and Gramdan Rules 1965 in G. O. Ms. No. 531 Revenue, dated 17—9—1971 and published at pages 353-354 of the Rules Supplement to Part II of the Andhra Pradesh Gazette dated 14—10—1971 as required under sub-section (3) of section 34 of the Andhra Pradesh Bhoodan and Gramdan Act, 1965.

Mr. Deputy Speaker:—Papers laid on the Table.

DISCUSSION ON DROUGHT CONDITIONS AND FOOD SITUATION IN THE STATE.

Discussion on Drought Conditions and Food Situation in the State.
Discussion on Drought Conditions and Food Situation in the State.

27th November, 1971.

Sri Ch. Rajeswara Rao.— Sir, there is no quorum. There is drought, as it were, on the Congress benches. It is an insult to the House when we are discussing a serious situation.

(The quorum bell was rung)

Mr. Dy. Speaker— On Monday evening, we will continue discussion on drought from 4 P.M. to 6 P.M.

...
Discussion on Drought Conditions and Food Situation in the State.

27th November, 1971.

...
Discussion on Drought Conditions and Food Situation in the State

27th November, 1971.

This is nothing but unalloyed hypocrisy. This Government is nothing but a direct inheritor of Smt Indira Gandhi's Government. What is it doing? What action are you taking on those people who are criminals?

If they are within the limits of constitutionalism, I am telling you, these are the worst criminals, real criminals, not even Naxals. What action are you taking? Are you hanging those criminals? If you hang them, it will be called hanging criminals. I do not know what to call this Government. I do not know what name is to be given to this Government. I do not know whether this Government deserves to exist even for one day. It is peoples' condemnation. If they have any conscience, their conscience should condemn them. This is one thing. Secondly, You sit there and now you are under the corridors of power and you forget yourself. I will put another question, Sir. This question which I am now raising has been discussed in the last Assembly session. So, I will not waste time on this question.

On the next tree he must be hanged.
Drought Conditions and Food Situation in the State.

There is a difference of Rs. 25/- per quintal in your selling. How do you sell this? Where is this difference going? 35% of the profit you are making. Whatever you call it, whether it is profit or difference, there is an actual difference of 35%. I am asking you. Sr. Acmundie, whether there was a difference of Rs. 25/- in your selling. If free trade is allowed, can a private trader expect 35% margin over his purchase price? It is unimaginable. It cannot happen in a competitive society. This is nothing short of unalloyed black-marketing. Can there be greater black-marketing than this? You are cheating the people. It is nothing but cheating and fraud. You are playing on the people. Therefore, suggest one thing.

If this Government is really genuine in its intentions, in its proclamations, in its professions that it is for socialism, for the poor and for Charkib Hatao, I suggest, let this difference be written off by the Government. Let this difference be underwritten. Let this be subsidised by the Government. This is not the only country, or the only State where prices are subsidised by the Government. The neighbouring country, Ceylon, has subsidised its foodstuffs. The prices of foodstuffs have gone up too far. I know the subsidising policy will certainly affect the rural economy of the country, but the alleviation of the poorest of the poor is of greater significance and importance to this Government, or any Government than the economy of the State. So, no economy has greater sanctity than the economic conditions of the poor. Therefore, are you prepared to subsidise the prices which are soaring higher than the limits put by any scientific economy. And the Central Government which says that it has invested so much of capital in the purchase of this procured price was collecting so much per quintal as interest. Today, you are purchasing the paddy, procuring the paddy, for the purpose of storing to face situations like this in order to go to the rescue of the poor. I ask this Government or anybody who laughs behind his seat exhibiting his ignorance whether this Government is being run on scientific lines, whether this Government stands for the poor classes about whose lot they proclaim their sympathy from house tops, whether their profession for socialism is real, whether they know the meaning of the word ‘socialism’, and whether they can allow the procured prices to go up in that manner. Therefore, what I say is...
Discussion on 27th November, 1971

Drought Conditions and Food Situation in the State.

That is their intrinsic capacity; they have been accustomed to it.
Discussion on Drought Conditions and Food Situation in the State.

27th November, 1971.
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27th November, 1971

These are the areas which are seriously affected by famine. Therefore, collection of land revenue should be immediately stopped.

The areas which are suffering from drought are:

1. These are the areas which are seriously affected by famine. Therefore, collection of land revenue should be immediately stopped.

2. These are the areas which are seriously affected by famine. Therefore, collection of land revenue should be immediately stopped.
Discussion on Drought Conditions and Food Situation in the State.

The House then adjourned till Half past Eight of the Clock on Monday, the 29th November 1971.