

# **PUBLIC ACCOUNTS COMMITTEE (1974-75)**

(FIFTH LOK SABHA)

## **HUNDRED AND SEVENTY THIRD REPORT**

**[Paragraph 34 of the Report of the Comptroller and Auditor General of India for the year 1972-73— Union Government (Civil) relating to Directorate of Advertising and Visual Publicity (Ministry of Information & Broadcasting)]**



सत्यमेव जयते

**LOK SABHA SECRETARIAT  
NEW DELHI**

*April 30, 1975 | Vaisakha 10, 1897 (S)*

*Price : Rs. 1.30*

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**CORRIGENDA TO THE HUNDRED AND SEVENTY-THIRD REPORT  
OF THE PUBLIC ACCOUNTS COMMITTEE (1974-75) PRESENTED  
TO LOK SABHA ON 5.5.1975.**

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<u>Page</u>	<u>Line</u>	<u>For</u>	<u>Read</u>
(v)	23	for their cooperation	for the cooperation
2	30	but no not exceeding	but not exceeding
4	8	appendix I of the	appendix I. Of the
8	5	mobile car unit	mobile van unit
9	17	literacy	literary
9	24	<del>Delete</del> 'on the basis of special consideration'	
13	35	erroneously	erroneously
25	16	blak-market	blackmarket
31	33	larger share of	larger share of
37	28	<del>Delete</del> the word 'of' after 'Ministry'	
49	10	classified dvvertisements	classified advertisements

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### PART II\*

Minutes of the sittings of the Committee held on—

25-11-74  
31-1-75  
30-4-75

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**PUBLIC ACCOUNTS COMMITTEE**  
(1974-75)

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**Shri Jyotirmoy Bosu**

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**SECRETARIAT**

**Shri Avtar Singh Rikhy—Additional Secretary.**

**Shri B. K. Mukherjee—Chief Legislative Committee Officer**

**Shri N. Sunder Rajan—Senior Financial Committee Officer**

## INTRODUCTION

I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Hundred and Seventy-Third Report of the Public Accounts Committee on Paragraph 34 relating to Directorate of Advertising and Visual Publicity (Ministry of Information and Broadcasting) included in the Report of the Comptroller and Auditor General of India for the year 1972-73—Union Government (Civil).

2. The Report of the Comptroller and Auditor General of India for the year 1972-73—Union Government (Civil), was laid on the Table of the House on the 30th April, 1974. The Committee examined paragraph 34 of the Audit Report relating to Directorate of Advertising and Visual Publicity (Ministry of Information and Broadcasting) at their sittings held on the 25th November, 1974 and 31st January, 1975. This Report was considered and finalised by the Committee at their sitting held on the 30th April, 1975. Minutes of the sittings form Part II\* of the Report.

3. A statement showing the summary of the main conclusions/recommendations of the Committee is appended to the Report (Appendix III). For facility of reference these have been printed in thick type in the body of the Report.

4. The Committee place on record their appreciation of the assistance rendered to them in the examination of the Audit Report by the Comptroller and Auditor General of India.

5. The Committee would also like to express their thanks to the officers of the Ministry of Information and Broadcasting for their cooperation extended by them in giving information to the Committee.

NEW DELHI:  
April 30, 1975.

Vaisakha 10, 1897 (S).

JYOTIRMOY BOSU,  
*Chairman,*  
*Public Accounts Committee.*

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## REPORT

### MINISTRY OF INFORMATION AND BROADCASTING

(DIRECTORATE OF ADVERTISING AND VISUAL PUBLICITY)

#### Audit Paragraph

1.1. The Directorate functions as the central organisation of Government of India for advertising and visual publicity. It issues classified advertisements to newspapers, plans, produces and releases display advertisements to newspapers and periodicals, designs and produces printed publicity material and undertakes visual and outdoor publicity. It does these on behalf of all the Ministries (except the Railways) including their attached and subordinate offices and a number of autonomous bodies. For visual and outdoor publicity, the Directorate utilises various media such as posters, folders, calendars, display panels, cinema slides, neon-signs, hoardings, models and charts, and also organises exhibitions. The Directorate has been called upon to give publicity to the Five Year Plans, national integration etc.

1.2. For performance of these functions, the Directorate has in Delhi an art studio and a workshop for fabricating prototypes of exhibits, three regional offices in Bombay, Calcutta and Madras for distribution of printed publicity material, seventeen general publicity field exhibition units, seven family planning field exhibition units and five mobile van units (located at different stations) and two rail field exhibition units (one broad-gauge coach and one metre-gauge coach).

1.3. The expenditure of the Directorate during the three years ending March, 1973 is as under:—

	1970-71 Rs.	1971-72 Rs.	1972-73 Rs.
Display and classified advertisements } Radio Spots }	1,95,17,500	1,32,54,300 16,65,000	1,86,80,500 24,33,600
Printed Publicity	60,11,500	52,57,500	11,32,000
Outdoor Publicity other than exhibitions	36,41,200	42,39,100	51,37,000
Exhibitions	15,17,600	15,04,900	29,50,000
Establishment charges including travelling allowance and contingencies	64,52,800	70,13,300	80,68,000
<b>TOTAL</b>	<b>3,35,40,600</b>	<b>3,29,34,100</b>	<b>4,15,01,100</b>

*Advertisements*

1.4. The Directorate registers newspapers and periodicals for release of classified and display advertisements. Newspapers and periodicals apply to the Directorate for registration giving necessary media particulars such as circulation as certified by chartered accountants, advertisement rates, ownership etc. The Directorate checks the figures of circulation with the data published by the Registrar of Newspapers and the information supplied by the Audit Bureau of Circulation. According to the Directorate the following considerations are kept in view while selecting newspapers and periodicals for release of Central Government advertisements:—

- (a) effective circulation (normally papers having paid circulation below 1,000 are not used);
- (b) Regularity in publication (a period of six months uninterrupted publication is essential);
- (c) Class of readership;
- (d) Adherence to accepted standards of journalistic ethics;
- (e) Other factors such as production standards, the languages and areas intended to be covered within the available funds;
- (f) advertisement rates which are considered suitable and acceptable for Government publicity requirements”.

1.5. Some Government advertisements are, however, being actually given to newspapers and periodicals with less than 1,000 circulation and less than 6 months publication. For instance, during 1972-73 Government advertisements were given to 56 newspapers and periodicals each with less than 1,000 circulation (advertisement payments Rs. 0.70 lakh). Four cases were noticed where periodicals with less than 6 months publication were given Government advertisements (Rs. 3,387)....

1.6. Newspapers and periodicals are classified as follows:—

- |           |           |  |
|-----------|-----------|--|
| 1. Small  | . . . . . | With circulation not exceeding 15,000                      |
| 2. Medium | . . . . . | With circulation above 15,000 but no not exceeding 50,000. |
| 3. Big    | . . . . . | above 50,000.  |



1.7. The expenditure on advertisements during the past six years was as follows:—

Serial No.	Class of newspapers/Periodicals	Expenditure (in lakhs of Rupees)	Percentage of total expenditure
<b>1967-68</b>			
1.	Small	17.55	23.70
2.	Medium	16.43	22.18
	TOTAL—I & 2	33.98	45.12
3.	Big	40.08	54.12
	TOTAL—I, 2 and 3	74.06	100.00
<b>1968-69</b>			
1.	Small	27.62	25.95
2.	Medium	27.64	25.97
	TOTAL— I&2	55.26	51.92
3.	Big	51.17	48.08
	TOTAL—I, 2 and 3	106.43	100.00
<b>1969-70</b>			
1.	Small	29.57	24.83
2.	Medium	29.43	24.71
	TOTAL—I & 2	59.00	49.54
3.	Big	60.08	50.46
	TOTAL—I, 2 & 3	119.08	100.00
<b>1970-71</b>			
1.	Small	40.19	22.66
2.	Medium	42.35	23.88
	TOTAL—I & 2	82.54	46.54
3.	Big	94.81	53.46
	TOTAL—I, 2 and 3	177.35	100.00
<b>1971-72</b>			
1.	Small	32.22	17.09
2.	Medium	49.01	26.01
	TOTAL—I & 2	81.28	43.10
3.	Big	107.25	56.90
	TOTAL—I, 2 & 3	188.49	100.00
<b>1972-73</b>			
1.	Small	52.20	27.11
2.	Medium	44.95	23.35
	TOTAL—I, & 2	97.15	50.26
3.	Big	95.38	49.54
	TOTAL—I, 2 & 3	192.53	100.00

1.8. It would be seen from the above that while the expenditure on advertisements increased from Rs. 74.06 lakhs in 1967-68 to Rs. 192.53 lakhs in 1972-73, the share of small and medium newspapers/periodicals increased from 45.88 per cent in 1967-68 to 51.92 per cent in 1968-69. During the next three years, it continuously declined, being 43.10 per cent in 1971-72 and rose to 50.46 per cent in 1972-73.

1.9. Information about 70 big newspapers and periodicals which got advertisements in 1972-73 is given in Appendix I of the 70 big newspapers and periodicals. English papers were 23 in number, Hindi 14, Tamil and Malayalam 8 each, Marathi and Gujarati 5 each, and Bengali 3, while Telugu and Kannada were 2 each. There was no such big newspaper or periodicals in Urdu, Punjabi, Sindhi, Assamese and Oriya.

1.10. Payments to newspapers and periodicals language-wise for Government advertisements in 1972-73 are shown below:—

Language of the newspaper/ Periodicals	Number of papers which received advertisements	Circulation	Space used in single column (centimetres)	Expenditure (in lakhs of rupees)	Percentage of total charges
English	355	45,76,000	11,55,000	85.96	44.65
Hindi	561	33,39,000	13,18,000	40.01	80.78
Bengali	90	9,33,000	2,05,000	12.87	6.68
Urdu	205	6,45,000	6,27,000	9.96	5.18
Marathi	117	12,44,000	3,36,000	8.48	4.40
Gujarati	68	8,59,000	2,39,000	7.66	3.98
Malayalam	43	15,86,000	1,56,000	6.59	3.42
Tamil	57	17,37,000	1,64,000	5.80	3.01
Punjabi	73	2,82,000	2,45,000	4.73	2.46
Kannada	40	5,32,000	1,33,000	3.03	1.58
Telugu	30	4,85,000	1,14,000	2.93	1.52
Oriya	11	68,000	67,000	1.93	1.00
Assamese	13	83,000	670	1.47	0.76
Sindhi	15	67,000	54,000	1.11	0.58
<b>TOTAL</b>	<b>1,678</b>	<b>164,34,000</b>	<b>48,80,000</b>	<b>1,92,53</b>	<b>100.00</b>

1.11. Advertisement rates per single column centimetre are the highest (Rs. 7.70) for English daily newspapers followed by Hindi (Rs. 2.70), the lowest being Urdu (Rs. 1.95). The average milli-rate (rate per centimetre per 1,000 circulation) of advertisements in Hindi daily newspapers is twenty-seven per cent more than that of English newspapers.

1.12. It is not the practice of the Directorate to negotiate with newspapers and periodicals the advertisement rates but it makes use of only papers whose rates are found suitable and acceptable. The milli-rates of daily newspapers registered with the Directorate vary from 5 paise to 132 paise. Some newspapers and periodicals published in the same language and with more or less the same circulation were paid, for advertisements, at rates which varied as much as thrice nearly. Twenty-one instances of such variations ranging between one and half to three times were noticed (October, 1973). Conversely, rates being the same, the circulation varied as much as thrice. Forty-one instances of such variations ranging between two to three times came to notice. There was also substantial variation, making allowance for relative circulations, in the amount of payments for advertisements obtained by newspapers and periodicals published from the same station and in the same language.

1.13. The Directorate obtains a commission of 15 per cent in advertisement rates for display advertisements and 25 per cent commission for Union Public Service Commission advertisements which are "display cum series" advertisements. The commission of 15 per cent on classified advertisements obtained by the Directorate in the past from some newspapers was discontinued from November, 1966.

### **Printed Publicity**

1.14. The Directorate has normally to get all its printing work done by government presses. When government presses are unable to undertake the work, private printers can be utilised for printing publicity material. During 1972-73, no printing work for the Directorate could be undertaken by government presses and all the work was entrusted to private printers. While the Chief Controller of Stationery and Printing is consulted for drawing up the panel of approved printers for the Directorate, it is not the practice to obtain from him certificate (which, as a rule, has to be obtained by others) of reasonableness of the rates at which contracts are awarded to private printers.

1.15. In the following cases, the publicity materials were brought out after the occasion for which they were intended:—

- (a) Tenders were invited on 12th September, 1972 from printers, on the approved panel of offset printers with the Directorate,

for bringing out 2 lakh copies of brochure "Mother and Child" for vasectomy campaign organised in different States in September and October, 1972 and also for the International Trade Fair from 3rd November, 1972 to 17th December, 1972. The last date for receipt of tenders was 23rd September, 1972 and the tenders were opened on 25th September, 1972. The work was awarded to the lowest tenderer on 24th November, 1972 for Rs. 1,42,800. The brochures were received from the printer on 27th February, 1973 and subsequently sent to the Department of Family Planning and the Family Planning Offices of State Governments for distribution to the public. The total cost of the publicity was Rs. 1,48,000.

- (b) Three tender notices were issued on 18th November, 1972 for production of 3 types of folders—2 lakhs each—for family planning fortnight to be observed from 10th December, 1972 to 23rd December, 1972 in the country. The last date for receipt of tenders was 22nd November, 1972 and the work was awarded on 25th November, 1972. The folders were received during 14th December, 1972 to 28th December, 1972 and were sent to the Regional Directorate of Field Publicity and Family Planning Offices of the State Governments for distribution to the public. The total cost of the publicity was Rs. 18,000.

1.16. Prestige diaries are being printed by the Directorate on a no profit no loss basis to give publicity to Indian events and facts about India. For 1972 and 1973, 49,351 and 34,533 diaries (excluding 5,434 and 4,997 diaries to be distributed as complimentary copies) were printed at a cost of Rs. 2,70,000 and Rs. 1,82,000 respectively. The sales realisations were Rs. 1,93,000 and Rs. 1,71,000 respectively. Twenty-one thousand and five hundred diaries relating to 1972 and fourteen thousand diaries relating to 1973, which should have been received some time by the end of December, 1971 and 1972 respectively, were actually received in the sales counters during January (50 per cent) and February (50 per cent) 1972 and January (80 per cent) to April of 1973. Fifteen thousand diaries pertaining to 1972 and nine thousand diaries pertaining to 1973 were left unsold (October, 1973).

#### **Outdoor Publicity other than exhibitions**

1.17. The Directorate decided in September, 1972 to produce thirty thousand metallic tablets relating to Nirodh for display in post offices.

Two tablets in the local languages were to be installed in the head post offices and one in the sub-post offices, the total requirement on this basis being twenty thousand tablets. The remaining ten thousand tablets were to be displayed in circle offices in backward areas. Quotations were invited in October, 1972 for production of thirty thousand metallic tablets and the work was awarded in February, 1973. The cost of producing the tablets at the tendered rates and packing, freight and other incidentals was estimated to be Rs. 2.35 lakhs. At the instance of the Department of Family Planning, the number of tablets to be produced was increased in February, 1973 to forty thousand at an overall cost of Rs. 2.82 lakhs and the firm to which the work was awarded was asked to produce ten thousand more tablets. Twenty-two thousand tablets were ready with the firm in March, 1973 and Rs. 0.81 lakh representing 90 per cent advance payment was paid in that month. However, the tablets remained with the firm pending finalisation of the distribution lists. Production of the remaining eighteen thousand tablets was completed in August, 1973. In the absence of distribution lists from the Department of Family Planning, the entire stock of forty thousand tablets was lying (October, 1973) with the firm.

1.18. Quotations were invited in December, 1972 for printing twenty-five crores of match box labels for family planning publicity in twelve languages. As the publicity work was to be completed by the end of February, 1973, the quotations were split into three groups. The work was awarded to the lowest tenderers (two printers) in January, 1973. Sanction for expenditure of Rs. 6.72 lakhs to be spent during 1972-73 or 1973-74 was accorded in February, 1973. It was, however, decided in May, 1973 to postpone this publicity to 1974-75 in view of paucity of funds during 1973-74. As printing had been completed by then, the two match box manufacturers to whom the work of pasting and distribution had been awarded in January, 1973 were informed in June, 1973 to suspend their work. The match box labels in four southern languages were delivered by the printer to the match box manufacturer during the period April, 1973 to December, 1973. The labels from the printers in eight other languages were received in the Directorates regional distribution centre in Madras in July, 1973 and despatched to the other match box manufacturer between August, 1973 and November, 1973. Rupees 103 lakhs have been paid to the printers.

### **Exhibitions**

1.19. The Directorate, in addition to organising exhibitions independently, participates in big fairs and exhibitions. The basic themes of the exhibitions are "Development of India" and "Family Planning".

Details of exhibitions during the past three years are as follows —

	Field Exhibition Units			Mobile Van Units		
	1970-71	1971-72	1972-73	1970-71	1971-72	1972-73
Number of exhibitions . . . . .	175	196	60	367	416	330
Number of districts in which held . . . . .	116	115	126	49	52	52
Number of areas covered:						
(a) Urban . . . . .	157	172	155	108	125	67
(b) Rural . . . . .	18	24	5	259	291	263
Expenditure (in rupees) . . . . .	9,23,000	8,47,000	24,78,000	56,000	35,000	72,000
	Railway Coaches			Family Planning Units		
Number of exhibitions . . . . .	119	112	85	69	69	73
Number of Districts in which held . . . . .	(8 states)	9 (8 States) & 1 Union Territory)	6 (States)	57	51	63
Number of areas covered:						
(a) Urban . . . . .	65	56	33	63	64	71
(b) Rural . . . . .	54	56	52	6	5	2
Expenditure (in rupees) . . . . .	7,000	9,000	20,000	3,93,000	4,04,000	3,44,000

1.20. The mobile van units move out to urban and rural areas from their headquarters at Ahmedabad, Ambala, Calcutta, Jaipur and Madras to organise the exhibitions and return to headquarters periodically for organising further programmes of exhibitions, settling accounts etc. One hundred and fifty days per year are allotted to each mobile can unit for work at headquarters. The number of exhibitions scheduled to be held per year by these units during the three years ending March, 1973 was 750. Since, however, the number of exhibitions actually held was much less, the time actually spent by the units at headquarters in the three years increased to 234, 203 and 237 days respectively.

1.21. The expenditure on the railway coaches incurred by the Directorate does not include hire charges, haulage and service charges for the railway coaches, which are not charged to the Directorate. The railway coaches were to hold one hundred and eighty exhibitions per year and in view of the smaller number of exhibitions actually held during the three years ending March, 1973, the time at headquarters increased from the allotted one hundred and fifty days per year to 195, 249 and 254 days respectively.

1.22. As in October 1973, unserviceable and obsolete exhibits and exhibition equipment of book value of Rs. 12.85 lakhs were lying undisposed of in thirty-one exhibition units. Physical verification of stores of book value of Rs. 23.80 lakhs in nineteen units had not been conducted since 1965.

[Paragraph 34 of the Report of the Comptroller and Auditor General of India for the year 1972-73, Union Government (Civil)].

1.23. The Committee were given to understand by Audit that the Ministry of Information and Broadcasting stated in February, 1974 that:—

“Normally newspapers and periodicals, having a circulation of less than 1,000 are not considered for use for Government advertisements, but relaxation is made in the case of those coming out from areas like J&K, Meghalaya, Manipur, etc. where development of the Press has been slow and inadequate and only a few newspapers having small circulations are being published. Such relaxation is also made in respect of technical, literacy, scientific or specialised publications which, in the very nature of things, have a limited circulation. Relaxation is also made in regard to newspapers brought out in certain languages like Urdu, the growth and development of which has been retarded.

Normally newspapers are not considered for use before completion of six months' regular publication. However, in some cases where a publication deserves special consideration on the basis of special consideration on the basis of specialised readership and appeal, advertisements are issued to it on an ad hoc basis”.

In reply to a Parliament\* Question, it was stated in November, 1972 that a period of six months of uninterrupted publication is essential for newspapers/periodicals being selected for release of Government advertisements.

1.24 The Committee learnt that the number of papers in which advertisements were given by Government in 1972-73 was as under:—

(1) Small . . . . .	1460
(2) Medium . . . . .	148
(3) Big . . . . .	79
	1678

\*Unstarred Question No. 1311 answered in Lok Sabha on 22-11-72.

1.25. The Committee further learnt from Audit that the Enquiry Committee on small newspapers had recommended that:—

“After careful thought, the Committee has come to the conclusion that taking into consideration the pulling power, influence and the readership served by small newspapers and with a view to assisting them in development, the Central Government should so arrange their advertising that at least 50 per cent of the expenditure on display is apportioned to small newspapers and periodicals. In the case of classified advertisements, the small newspapers may be utilised to the maximum extent possible to suit the needs of a particular advertisement.”

1.26. The Committee also learnt from Audit that the Ministry of Information & Broadcasting stated in February, 1974 that:—

“DAVP’ which is functioning as an advertising agency, is entitled to two types of commission. The first is the 15% commission as service charge which it receives on display advertisements. The second category is an additional 10 per cent “Series discount”. This is allowed to DAVP on display advertisements taking up sizeable space, issued at regular intervals, such as UPSC releases. This is a special rebate which the Directorate have been able to secure from newspapers for assured quantum of advertisements from a single source in a year. There was a proposal to negotiate and obtain a series discount of 10 per cent on some other categories of display, not classified advertisements, besides those emanating from the UPSC, but this has been dropped for the present in view of the critical situation facing the newspaper industry as a result of 30 per cent reduction in the newsprint quota and the steep rise in the price of newsprint.”

1.27. Asked about the different categories of advertisement released to newspapers, the Committee were informed in a written note, furnished by the Ministry of Information and Broadcasting (DAVP):

“Advertisements are of two main categories, namely 1. Classified and 2. Display. Under the classified category fall (a) recruitment advertisements issued by UPSC, public undertakings, autonomous bodies etc. which require national regional or local coverage. (b) Tender notices issued by major projects, DGS&D, Atomic Energy, public undertakings, autonomous bodies etc. requiring all-India coverage and CPWD, P & T and others requiring regional coverage.



The second category of display advertisements relate to (a) mass publicity campaigns of information and education character, issued on behalf of the different Ministries and departments of Government, (b) sales promotion for organisations such as Unit Trust of India IFC Bonds, Handicrafts, books and publications of Government, Income Tax etc. requiring national coverage, or regional coverage, (c) cultural programmes, (c) scholarship advertisements."

1.28. The Committee note that one of the considerations in selecting newspapers and periodicals for release of Central Government advertisements is adherence to accepted standards of journalistic ethics and class of readership. Explaining the criteria to ascertain the aforesaid consideration, the Committee were informed by the Ministry of Information and Broadcasting in a written note:

"Newspapers and periodicals are required to submit specimen copies of 6 months to make an assessment of its class of readership and the standard of journalistic ethics followed by them. Cases of newspapers and periodicals whose writings appear to be of virulent communal nature, inciting communal hatred and violence etc. are referred to the Press Information Bureau to provide us with detailed analysis of their writings. Reports about the tone and trend of writings of each newspapers and periodical (excluding paper of scientific and technical nature) are also solicited from state Governments. If the remarks of the State Government are adverse about a paper, those are referred to P.I.B. to provide us with detailed comments for independent assessment.

Press Council's decision in such cases are also taken into account."

1.29. The Committee note that in the matter of advertising policy and of rates, the D.A.V.P. itself has classified the papers into small, medium and big ones. Explaining the variation in the advertisement rates which are considered suitable and acceptable for Government publicity requirements, the Secretary, Ministry of Information and Broadcasting during evidence stated:

"The language and the location of a newspaper are not the only criteria in making the rates of a certain paper acceptable. When we advertise, we try to determine the target to be reached; and the character and level of the readership. Suppose there is a tender notice issued by the DGS&D who might want steel girders etc. We would not, naturally, go to small paper for advertisement, since we know that it will not be

read by the people who have the tenders to offer, for selling the girders.”

1.30. Explaining the position further the witness added that:

“It is based on certain scientific criteria, arrived at through readership surveys and other details which give us information in respect of a paper; e.g. as to who read that paper, its circulation and the intensity of its circulation in a particular town we are aiming at. We take these factors into account when we put in an advertisement. The element of subjectivism is eliminated as far as possible.”

1.31. The Committee asked whether DAVP could not fix rates in such a way that there was no complaint of discrimination, the witness stated that:

“It cannot happen. The rates of different newspapers will vary; and we are not dispensing advertisements as gifts. We work on behalf of our clients who are interested in reaching particular targets. I have a complaint from one of the Ministries they said that the advertisement that they gave to the DAVP did not appear in Hindustan Times and Statesman. But they did not accept over rates and so they refused to accept the advertisement and the problem is that the clients do not want to miss these papers. . . . It is only to small newspapers that we can dictate our terms.”

1.32. The Committee wanted to know the reasons for the relaxation made in giving advertisements to newspapers/periodicals with circulation of less than 1000 copies and of less than 6 months uninterrupted publication. The Ministry of Information and Broadcasting in a written note have stated:

“Normally advertisements are given to newspapers/periodicals with a maximum circulation of 1,000 copies. The relaxation, however, is made in case of following categories of newspapers and periodicals:

1. Journals devoted to specialised discipline of trade, industry, science and technology, literacy criticism etc. These journals, though their circulation is small, have effective readership amongst the influential and opinion building sections of the society. Those journals are a forum of expression of opinions and new ideas in the respective field of study. By their vary nature, such journals cannot have very large circulation. Of the 56 newspapers and periodicals used during 1972-73 with less than 1000 circulation, 31 were of this nature. During the year 1973-74 their number was 21.

2. Newspapers and periodicals published from backward areas like Jammu and Kashmir, Manipur, Nagaland, etc. The development of press is uneven in the country due to well known historical reasons. For example, in Jammu and Kashmir, there are a large number of newspapers and periodicals but a very great proportion of these publications have a circulation of less than 1000. There are hardly two or three publications which claimed a circulation ranging between 2,000 and 4,000. In such circumstances, for effective coverage of the area, the use of newspapers and periodicals with less than 1000 circulation is essential. During the year 1972-73, 17 such publications were used. Out of these 3 in English were —1 from Shillong and 2 from Imphal and 14 Urdu dailies and weeklies were from Jammu and Kashmir. During 1973-74 in addition to 1 English daily from Imphal and one weekly from Shillong, 2 English dailies and 1 weekly from Jammu and Kashmir and 20 Urdu dailies/weeklies/fortnightlies were used in Jammu & Kashmir (Making a total of 24).
3. Relaxation was also made in case of Urdu news papers. Urdu, a minority language is spread over from Srinagar to Madras and from Bombay to Calcutta. In case of large number of Urdu newspapers, it was felt that though they have effective readership in the city of publication, they had circulation less than 1000 copies. For effective coverage of the urdu reading section of society, it was felt that smaller papers with circulation ranging from 500 to 1000 may also be used. During the year 1972-73, 7 such papers were given advertisements. In the year 1973-74 their number is 18. Two sanskrit papers were also used on similar grounds.
4. One Hindi paper included in the list of 56 had a chained circulation of 1500 during 1972-73. Its circulation was erroneously shown as 950 which was the figure for the preceding year 1971-72.

As regards relaxation of the minimum period of six month's publication required before releasing Government advertisements to newspapers, it is made very rarely. During the year 1972-73 there were 4 such cases on account of special considerations like:

One English fortnightly which was published by a group of students of Delhi University on co-operative basis. It was

considered a good medium for the coverage of Delhi students. Two publications which had claimed circulation outside India were considered a medium of communications in these areas, and were used on ad hoc basis for suitable advertisements.

The fourth publication was highly academic Urdu monthly published from J & K having good circulation amongst the literacy circles.

The total expenditure on all these publications during the year was only Rs. 3,387/-.

During the year 1973-74, five periodicals were used on ad hoc basis before completing six months' publication on similar grounds. The total amount spent on these publications was Rs. 7,048.50:

1.33. The Committee desired to know the reasons as to why the expenditure on advertisements given to a few big newspapers is almost equal or more than the expenditure on advertisements in a large number of small and medium newspapers during the year 1967-68 to 1972-73. The Ministry of Information and Broadcasting in a written note explained that:

“Advertisements are released to meet varying publicity requirements and not as a measure of financial assistance. This is the keynote of the advertising policy.

Media selection is, therefore, made judiciously keeping in view the specific publicity requirements i.e. area and class of readership required to be covered within the availability of funds. Remaining within these limitations, every effort is, however, being made for increasing use of small and medium newspapers to the extent possible.

The space consumed by small/medium and big newspapers is shown below:

Year	Percentage of space		Percentage of cost	
	Small & Medium	Big	Small & Medium	Big
1968-69	80.63	19.37	51.60	48.40
1969-70	79.87	20.13	49.54	50.46
1970-71	79.63	20.87	46.54	53.46
1971-72	79.27	20.73	43.10	56.90
1972-73	82.61	17.39	50.46	49.54
1973-74	80.95	19.05	50.59	49.41
1974-75 (upto the end of september)	77.71	22.29	47.22	52.78

1.34. The expenditure on advertisements is however divided about 50—50 among the big newspapers on the one side and small and medium newspapers on the other. This is mainly due to the fact that the tariff rates of big newspapers are several times more than those of small and medium newspapers. The rates range from Rs. 3.25 to Rs. 29.60 in the case of big and Rs. 0.50 to Rs. 10.00 in the case of small and medium papers. The higher rates demanded by big papers are paid because of the wider impact create on the readers. Although the number of big newspapers is very small as compared to those in the medium and small categories, the fact remains that the big newspapers command over 50 per cent of the circulation enjoyed by the total number of newspapers being used by the DAVP. The willing power of big newspapers particularly for advertisements requiring potential and selective readership is also unquestionable. Because advertisements are not released as a subsidy or aid but are meant to obtain necessary publicity the use of big newspapers particularly in certain cases such as UPSC advertisements etc., is imperative.

1.35. The Committee wanted to know precisely the action taken by the Government on the following recommendations made in the Reports of Press Commission, 1954—and that the Enquiry Committee on Small Newspapers, 1965, (Diwakar Committee):

*Press commission*

“We feel the Government would be justified in claiming a special consideration in respect of the rates charged by the newspapers and can insist that the rates should follow a particular pattern without reference to language location of the paper. We would suggest a telescopic maximum rate subject to an overall maximum. . . . .”

And “Such a rate structure would take into account the fact that the cost of production of a newspaper decreases with higher circulation,”

1.36. The Secretary, Ministry of Information and Broadcasting during evidence explaining the position stated that:

“The present position is 80 per cent of the space we buy goes to small and medium newspapers and 20 per cent goes to big newspapers. But I must confess that the percentage share which small and medium newspapers derive of advertisement revenue going out of DAVP is 50 per cent while the other 50 per cent goes to the big newspapers. This is because of the fact that the rates of the big newspapers are high.

We do not try to beat down the small newspapers in the matter of their advertisement rates. They have an advertisement card and by a large we accept whatever their advertisement rates are.

Earlier a question had been raised whether the DAVP should be a commercial organisation. If the DAVP were a commercial organisation it would have gone strictly according to business principles. Our policy has been greatly conditioned by considerations of social justice between the big chap and the small chap. We have given advertisement even to papers which sell below 1000."

1.37. The Committee drew attention to the following recommendations by the Diwakar Committee:

"We have also noticed that large newspaper space is booked for recruitment advertisements of the Air Force, Army, Navy etc. in bigger newspapers. We do not deny the need for release of such advertisements in bigger newspapers but it is a matter of fact that quite a good deal of the personal for the Armed Forces is drawn from the rural areas which to a very large extent, are catered for by district newspapers and periodicals. We were informed by the DAVP in the course of his oral evidence that at times his hands were tied because of the client departments insisting on particular media for advertising.

We agree that the wishes of the client department should be respected, where possible but the choice of the media should, by and large, be made by the Director of Advertising and Visual Publicity who has the necessary expert knowledge of the pulling power and readership etc. of the different media. We therefore recommend that in such cases the quantum of space should be reduced to that a larger number of newspapers could be accommodated within the same budget."

\* \* \* \*

".....In spite of the larger use of advertising space the advertisement expenditure has not been equally proportionate possibly due to low advertising rates of small newspapers and the steep rise in the rate of higher papers. Our conclusion which has been referred to elsewhere, is that these rates are uneconomical and that there is scope for their enhancement."

\* \* \* \*

"It will be observed that while the bigger newspapers have been permitted to raise their rates many times over small newspapers are being paid at rates lower than the rates recommended by the Press Commission as far back as 1954, in complete disregard of the increase in the production cost which has since taken place. Rates at present allowed by the Directorate of Advertising and visual Publicity to small newspapers are uneconomic. They seem to have accepted these uneconomic rates for fear of losing advertisements from the Central Government. It is possible to regard this as an exploitation of the weaker financial position of small newspapers and periodicals."

1.38. Explaining further in detail the action taken on the recommendations made by the Press Commission and the Diwakar Committee, the Ministry of Information and Broadcasting in a written note stated:

"In 1954 the Press Commission recommended a telescopic tariff maximum rate on the following lines in respect of contracted display advertisements:

Circulation	Maximum rate per s.c. inch			Maximum rate per Mille.			Converted to Maximum rate per s.c. cm.			Metric system Maximum per s.c. cm. rate per Mille.	
	Rs.	As.	P.	Rs.	As.	P.	Rs.	P.	Paise		
5,000	3	14	0	0	12	0	1	54	30	8	
10,000	5	7	0	0	8	8	2	38	23	8	
15,000	6	11	0	0	7	2	2	69	18		
20,000	7	5	0	0	5	10	2	92	14	6	
30,000	8	9	0	0	4	7	3	42	11	4	
40,000	9	13	0	0	3	11	3	92	9	8	
50,000	11	1	0	0	3	6	4	42	8	82	
60,000	12	5	0	0	3	3	4	92	8	2	
70,000	13	9	0	0	3	1	5	42	7	74	
80,000	14	3	0	0	3	0	5	92	7	4	
81,500	15	0	0	0	2	11	6	00			
						less					

The ceiling of Rs. 15 per s.c. inch i.e. Rs. 6/- per s.c.cm. implied that all the newspapers having circulation above 81,500 should be treated

uniformly without any further increase in rates, however, high their circulation might be. The suggestion suffered from the disadvantage that we could not force newspapers to accept lower rates than what they had been getting. Similarly, it would have been a severe strain on the resources of the Government if newspapers charging lower rates were suddenly to enhance their charges. In view of this, the recommendation was not accepted by the Government."

1.39. In para 122 of their report, the Enquiry Committee on Small Newspapers 1965 (Diwakar Committee) made the following recommendations regarding the advertisement tariff:—

"We recommended that the Government should revise its policy. Either the Tariff fixed by the Press Commission (which needs to be revised upwards in view of the tremendous rise in prices since 1954) may be introduced in the case of all newspapers and periodicals or small newspapers may, as in the case of big newspapers, be permitted to raise their advertising rates from time to time so as to conform to the minimum rate accepted by commercial advertisers".

1.40. In pursuance of the above recommendation, the Government announced the following decision in Parliament on 30th May, 1967.—

"Newspapers and periodicals are free to fix their own advertisements rates.

DAVP will make use of such organs whose rates are suitable and acceptable to him from the point of public requirements."

1.41. As regards Chanda Committee's recommendations the position is stated below:—

## PART I

### Recommendations accepted or substantially accepted

S. No.	Recommendation No.	Substance of Recommendation	Action taken to implement the decision	Remarks
1	2	3	4	5
1.	2(Para 16)	All news papers, irrespective of size and circulation should be given the same treatment in respect of commissions for classified advertisements.	With effect from 7-11-66, DAVP have discontinued claiming 15% commission on classified advertisements from all news papers.	



1 2	3	4	5
2. 18(Paras 44-45)	Advertisements should be so placed as to give a return on the expenditure incurred by reaching the people concerned. This should be the basic principle and not distribution of patronage or largesse, only thus would it be possible to refute the charge of political discrimination.	The Government policy is to encourage small newspapers, consistent with the requirement that advertisements should obtain the widest possible coverage. The distribution is not made on the basis of patronage or political consideration.	

## PART II

### Recommendations not accepted

S. Recommendation No.	Substance of Recommendation	Decision taken	Remarks
1. 3(Paras 17 & 18)	The total commission earned by D. A. V. P. on classified advertisements falls far short of expenditure incurred for placing them. It would be more economical if Ministries and Departments were to place their classified advertisements direct. DAVP or some other agency should settle the rates with the papers annually and communicate them to Ministries & Departments concerned along with a list of approved newspapers.	<ol style="list-style-type: none"> <li>1. The existing centralisation is in accordance with the Report of the Press Commission, which suggested extension of this principle to state Governments as well.</li> <li>2. DAVP secures uniform contract rates for classified and display advertisements.</li> <li>3. The vetting of the advertisement material received from various Ministries/Depts makes for economy.</li> <li>4. It is also the policy of Government to encourage the Development of small and medium newspapers, it is, therefore, necessary that the distribution of advertisements should continue to be centralised in DAVP.</li> </ol>	In emergencies, client Ministries/ Departments are free to insert advertisements directly to subject expert factory regularisation by DAVP

1.42. The Committee desired to know whether the rates of advertisement inserted in the smaller and medium newspapers had been suitably enhanced due to high cost of printing. The secretary, Ministry of Information and Broadcasting during evidence stated that they have allowed a surcharge of 20 per cent on all advertisement on account of the high-cost.

1.43. During evidence, the Secretary, Ministry of Information and Broadcasting referring to the share of Small Newspapers in display advertisements stated:

"I will give you the latest figures for 1972-73 which will give you an idea of the present position. The number of small papers is 1460. 86 per cent of the space was bought from them. I am talking of Display Advertisements. I am talking of small newspapers. They are getting Rs. 39,26,629. The medium papers are 148 in number and they are getting Rs. 18,81,378 out of advertisement expenditure. The total amount for small and medium papers comes to Rs. 58,08,000. The total amount for big papers works out to Rs. 29,76,013 and there are only 70 such newspapers.

You will admit that it means a great deal of emphasis on the small and medium newspapers, but I would beg of you to consider one other factor. We have been talking as though this is one central pool of resources from which the small, the big and the medium newspapers have to be fed. There is another aspect of advertising, and that is that Government when it spends this money, must get the value for its money. That is in advertisement it gives a message. If it wants to get the value for its money, it must try to reach the largest number of people. This is a factor that should not be lost sight of because Government cannot be entirely oblivious of this consideration. If it wants to reach 200 or 300 thousand people at one go by one an important advertisement, then it must choose a paper with a circulation of 200 or 300 thousand. In commercial companies, an entirely commercial consideration prevails, but here we are trying a mix of commercial consideration that is cost benefit consideration in terms of the advertiser, and also considerations of social and economic

policy."

1.44. The Committee enquired whether any survey has been conducted to determine the impact of Government advertisement on readership. The Secretary, Ministry of Information & Broadcasting during evidence stated:

"We have not conducted a comprehensive survey and it is because of the fact that evaluation had been largely neglected in previous plans. It is only in this plan that we have got some money from the Planning Commission for evaluation. In the earlier Plans we did not have any money for evaluation. It is not because the Planning Commission did not give us money, but because we neglected the evaluation. In this Plan we felt that when

crores are being spent in various media of the I & B Ministry, we must get a certain amount of money to evaluate what is happening on the ground. We have just set up an evaluation machinery. Recently we undertook an evaluation of the use of TV sets in Kashmir. The area that we have to undertake is very large. We will by and by come to advertisement too. It is our intention."

1.45. The Secretary, Ministry of Information and Broadcasting further stated that "there have been a number of Sectional Surveys, but there is no overall Survey." He admitted that he himself was not satisfied with such Surveys. He also confessed that readership surveys have not been done.

1.46. The Committee wanted to know the rates for Government of India advertisements quoted by 20 top papers, rate proposed by D.A.V.P. and the rates finally negotiated. The Ministry in a written note furnished the following information for the year 1974-75:—

Serial No.	Name of the paper	Language	Minimum Rate Card Rates accepted by D.A.V.P. for 1974-75	
			P. S. Col.	Om. V.P.
1	2	3	4	5
			Rs. P.	Rs. P.
1	Malayala Manorama, Kottayam/ Cochin	Malayalam	16.81	16.81
2	Ananda Bazar Patrika, Calcutta	Bengali	26.00	26.00
3	Times of India, Delhi/Bombay/ Ahmedabad	English	31.00	29.60
4	Mathrubhumi, Ernakulam/Cochin	Malayalam	16.82	16.82
5	Nav Bharat Times, Delhi/Bombay	Hindi	18.50	18.50
6	Dina Thanthi, Madras (All editions)	Tamil	14.55	14.55
7	Hindu, Madras	English	22.73	21.82
8	Indian Express, Madras (South editions)	English	23.18	18.75
9	Statesman, Delhi/Calcutta	English	26.92	20.00
10	Jugantar, Calcutta	Bengali	20.45	17.90
11	Dinamani, Madras/Madurai	Tamil	10.45	8.50
12	Hindustan, Delhi	Hindi	14.00	14.00

1	2	3	4	5
13	Loksata, Bombay	Marathi	12·27	9·50
14	Hindustan Times, Delhi	English	20·00	18·50
15	Amrita Bazar Patrika, Calcutta Northern India Patrika, Allahabad	English	18·40	15·60
16	Keral Kaumudi, Trivandrum	Malayalam	9·09	9·09
17	Maharashtra Times, Bombay	Marathi	9·54	9·54
18	Andhra Prabha, Vijayawada/ Bangalore	Talugu	9·09	7·25
19	Tribune, Chandigarh	English	10·00	10·00
20	Bombay Samachar, Bombay	Gujarati	10·90	10·90

1.47. The Committee were informed during evidence by the Secretary, Ministry of Information and Broadcasting that the bigger newspapers were refusing to give them 15 per cent commission on classified advertisements. Smaller papers to which they can dictate their terms were giving the Commission but the D.A.V.P. has given up that also. Stating the reasons for discontinuance of Commission of 15 per cent on classified advertisements in 1966, the Ministry of Information and Broadcasting in a written note stated:

“All newspapers and periodicals to whom advertisements were released by this Directorate were approached for a Commission of 15 per cent on both display and classified advertisement because of the special position of the Government of India as an advertiser. The normal trade practice is to allow 15 per cent commission to advertising agencies on display advertisements. Commission is not allowed on classified advertisements. The members of the IENS after prolonged discussions agreed to allow 15 per cent commission only on display advertisements. The rest of the newspapers and periodicals because of their poor bargaining power had agreed to allow this commission on both display and classified advertisements. These newspapers and periodicals were mostly of small category and some of them were of medium category. To eliminate this discrimination, it was decided to forego the commission of 15 per cent from all newspapers in respect of classified advertisements release to them regardless of the fact whether they were members of the IENS or not.”

1.48. The Committee find that while advertisements released by Government to the Press occupy as much as 80 per cent in terms of space in small and medium newspapers, they get no more than 50 per cent of the total advertisement charges paid by Government. As Diwakar Committee had pointed out as early as 1965, this is due to the fact that while the rates for small and medium newspapers are low, the bigger newspapers charge very high rates. Moreover, while the bigger newspapers have been permitted to raise their rates many times, the small newspapers are being paid even lower rates than those recommended by the Press Commission as far back as 1954.

1.49. The Committee find that more than 44.65 per cent of total expenditure was incurred on advertisements in 1972-73 on papers and periodicals brought out in English medium. While this percentage has gone up for English medium papers and periodicals the percentage for Hindi medium papers and periodicals has come down from 20.8 per cent in 1972-73 to 18.8 per cent in 1973-74. The Committee consider that with the growth of papers and periodicals in national and regional languages, greater percentage of advertisements both in terms of space and value should be given to national and regional language papers.

1.50. The Committee were informed that the Government have not accepted the recommendation of the Diwakar Committee on the ground that they could not force the big Newspapers to accept lower rates than what they have been getting and it would have been a severe drain on the resources of the Government if newspapers charging lower rates were to be allowed suddenly to enhance their charges. The Committee further note that in May, 1967, the Government announced its policy regarding advertisement rates which was more or less a recognition of the existing position and in fact gave more freedom to the big newspapers to fix their own advertising rates.

1.51. The Committee are perturbed to find that in spite of Government's avowed policy of entrusting the medium and small newspapers with a large share of advertisements, there has been no marked increase in the percentage of advertisement in terms of revenue given to them. It has stood at about 50 per cent for the last five years. It is indicative of the fact that no serious effort has been made by Government in this behalf.

1.52. The Committee recommend that it should be possible for Government to give an increased percentage of the display advertisements to medium and small newspapers in terms of advertisement charges. This objective can be achieved if Government undertake a systematic survey of all the medium and small newspapers language-wise and area-wise and release display advertisements to them keeping in view the readership

coverage desired in terms of the objective of advertisement. The performance in this behalf should be monitored at the level of the Ministry so that effective remedial measures as necessary may be taken without delay.

1.53. The Committee have gathered the impression that the present system of distribution of advertisements leaves much to be desired. The Committee feel that the criteria should be spelt out in detail so as to provide a real guideline for distribution of advertisements. The Committee stress that those criteria should be such as to be entirely free from any taint of partisanship or favouritism so as to inspire confidence in all sections.

1.54. The representative of the Ministry has admitted that there has been no meaningful and comprehensive readership survey so as to determine whether the advertisement had, in fact, reached the desired readers. It is imperative that Government should have suitable machinery to critically and scientifically appraise the type of readership covered by papers, so that advertisements could be so placed as to get the best return for the outlay.

1.55. The Committee find that the milli-rates (rate per centimeter per 1000 circulation) allowed to some newspapers and periodicals published in the same language and with more or less the same circulation varied upto thrice nearly. Conversely, rates being the same the circulation varied as much as thrice. There was also substantial variation in making allowance for relative circulations, in the amount of payment for advertisements obtained by Newspapers and periodicals published from the same station and in the same language. The Committee would like Government to examine the entire question of fixing the milli-rate (rate per centimeter per 1000 circulation) keeping in view the size of newspapers/periodicals with reference to its circulation, language place of publication and the impact it has on public mind. Government may lay down uniform rates for newspapers/periodicals published from the same station in the same language and having more or less same circulation.

1.56. The Committee suggest that in determining a rational rate for advertisement, Government should also take into consideration the news coverage by the paper as compared to the space devoted to advertisements. The Committee feel that those which carry more reading matter as compared to mere advertisements should receive more consideration while determining the release of and charges for Government advertisements. Such of those papers which do not conform to the expectations of Government in this regard should not receive the usual quota of advertisement.

1.57. The Committee find that Government were getting till 1966, 15 per cent commission on classified advertisements, but this was given up by Government. The Committee have been given to understand that some newspapers, however, continue to give commission to other private agencies for placing advertisements with them. If this is correct, the Committee would like DAVP to pursue this matter earnestly so as to secure the commission of 15 per cent, if not more, particularly from bigger newspapers, as they provide them with sizeable custom.

1.58. The Committee note that the DAVP have been able to secure an additional 10 per cent series discount of UPSC display-cum-series advertisements. The Committee recommend that Government should pursue with the big newspapers the extension of this additional 10 per cent discount for other Government display advertisements also.

1.59. On expression of an opinion by the Committee that because the small papers could not maintain the establishment, the bulk of the newsprint was finding its way to black-market, the representative of the Ministry stated :

“What you say was certainly correct last year, till about 7 or 8 months ago. But now the price of newsprint has gone up very high and some of the big newspapers and medium newspapers are not even lifting their quota. The situation has changed to that extent. I had the opportunity of visiting some States early this month and I have heard this complaint that some of the paper were selling newsprint in the black-market. It was not merely the big papers but the medium and small papers were also selling newsprint in the blackmarket. During the last three or four months there has been a complete transformation and today we are faced with a situation where we have large stocks of newsprint and newspapers are not lifting it. STC has something like 13,000 to 14,000 tonnes in its godwons and are trying to persuade the newspapers to lift it. But nobody is willing to lift it.

At the commencement of the year, when the licensing policy for 1974-75 was announced, there was a shortage of newsprint and a virtual famine and a forty per cent cut was imposed in June, 1974. But by August we found that the situation has improved to some extent. . . . . Therefore, we reduced this cut to 30 per cent.

1.60. The Committee wanted to know the details of the contract for the supply of newsprint with the Scandinavian Countries. The representative of the Ministry during evidence stated that they had a running contract of

about 20,000 tonnes for three years with Scandinavian Countries, but, because of the world shortage of newsprint they decided not to supply the newsprint.

1.61. The Committee then wanted to know if there was any change in the newsprint policy due to the recent glut. The representative of the Ministry during evidence explained "I will give you a simple explanation for what is called the glut. The glut has not changed the overall situation of scarcity of newsprint in the country. We have got newsprint from abroad at a very high cost. But this has coincided with the credit squeeze in the country. What is now happening is that even the big newspapers are not lifting their quota from the STC godowns because of the credit squeeze. The STC and Nepa mills are crying that newspapers are not lifting the stock. . . . We have been sending desperate appeals to small newspapers to go and lift newsprint quotas of the odd size newsprint from newsprint dealers. The newsprint dealers are not entirely interested in giving it to newspapers. The newsprint supply is so short that there is constant pressure. They say, "Our stocks are lying; we are not able to sell it; give us freedom to sell it to anybody we like."

1.62. Explaining the reasons for not entertaining the new concerns for newsprint quota, the Secretary, Ministry of Information and Broadcasting during evidence stated :

"The reason for shutting the door to the new ones is that we got quite a number of bogus applications. The Committee on newspaper economics has found that a very large number of newspapers which are on our books did not reply to the questionnaire and, on a further investigation, it was found that they were not coming out. This is the situation. . . . What we have done recently is to reduce the period. As far as odd size newsprint was concerned, we had, first, the condition that a newspaper should be run for six months before it became entitled to newsprint quota. But now we have said that, even if they are running for three months, they may come to us and we shall give them odd size newsprint and that after six months we would give full-fledged newsprint quota."

1.63. The Committee wanted to know what action had been taken on the recommendations made by the Diwakar Committee to the effect that "these scrutinies are in some cases not the final word on a paper's circulation claims. In certain cases figures have been accepted by the parties by way of compromise. Except for a reduction in the newsprint quota, no other action has so far been taken against publishers who furnished wrong information. Cases should invariably be brought to the notice of the



appropriate professional body, namely, the Institute of Chartered Accountants, for suitable action. We cited before the Press Registrar when he appeared before the Committee a specific case in which a daily of Madras had preferred a claim of 23,000 copies, which was duly certified by a Chartered Accountant, but which was, on verification, assessed by Press Registrar's Office at 10,000 copies. The Press Registrar admitted that this was a fit case which should have been placed before the Institute of Chartered Accountants."

1.64. The Committee further wanted to know the steps taken to implement the recommendations made by the Chanda Committee which says, "Information obtained from the ABC or the Registrar of Newspapers is not a suitable index for determining the distribution of advertisements, The Directorate should be in a position to conduct periodic readership surveys for material on which to draw up a list of papers to be used selectively for different purposes. It would also provide information on the response to advertisements in different papers and different regions. . . . We should now add that advertisements should be so placed as to give a return on the expenditure incurred by reaching the people concerned." (Chanda Committee). The Secretary, Ministry of Information & Broadcasting during evidence stated :

"The position is this that not a single source for the circulation of a newspaper is reliable. Now, you may have a certain paper which might give a chartered accountant's certificate about its circulation. That also may not be quite a correct one. And Chanda Committee is quite right in saying it. The best check that you can have for the circulation is that you should have your own machinery in checking the circulation. But, this needs a very large machinery in the country.

Over the years, this particular condition of scarcity did not exist. By and large, the country was able to import newsprint at a reasonable price and the newspapers were able to get their newsprint at a reasonable price. At such a time, it was not considered necessary to develop a big policing machinery for the newsprint."

**1.65. The Committee understand that because of the steep increase in the price of the newsprint, the demand has temporarily fallen. This should not, however, make the Government complacent in the matter, for it is well known that there is a worldwide shortage of newsprint and till such time as our country attains self-reliance, the problem of procurement and distribution of newsprint will have to be methodically tackled. It is therefore imperative that objective criteria are laid down and publicised for determining the allocation of newsprint. If any agency or organisation**

allotted newsprint, is found to be indulging or was detected to have indulged in malpractice, such as showing inflated circulation, sale of newsprint surreptitiously in the open market, then deterrent action such as, drastic reduction or stoppage of allocation of newsprint, stoppage of Government advertisements etc. should be taken so as to serve as a warning to others.

1.66. In order to ensure that no newspaper is unfairly treated in the matter of allocation of newsprint, they recommend that a Standing Committee should be appointed which should also review the position about allocation of newsprint from time to time.

1.67. The Committee noted that in the Newsprint Allocation policy for the year 1974-75 the daily newspapers who are entitled to a newsprint upto 25 tonnes have to get their entire supply in Nepa Newsprint. Normally it is only the medium and small newspapers who are entitled to newsprint upto 25 tonnes.

1.68. The Committee recommend that if a small or medium newspaper desires to have a certain proportion of newsprint of imported variety, it may not be denied to it. It is also very necessary that Nepa newsprint is made available immediately for sale at all important towns against permit on "cash and carry basis". There should be no other condition imposed on the supply system especially for medium and small newspapers, whose requirements are smaller.

1.69. The Committee wanted to know the number of papers found guilty of indulging in malpractices which had received advertisements from DAVP. During evidence, the representative of the Ministry stated that "unless some action is taken, prosecution or conviction has been made, we cannot take action just on the basis of some complaint."

Asked further whether the Government advertisements have been withheld from newspapers which have been black-listed, the Ministry of Information and Broadcasting in a written note stated: "No black-list is maintained and the question of denying advertisement on this score does not arise."

1.70. The Committee are surprised as well as distressed to note that though there is a provision for blacklisting of newspapers and periodicals for indulging in malpractice, in actual practice no such list is being maintained. If no such black-list is maintained and the parties indulging in malpractices are not denied advertisements or allocation of newsprint quota, the very objective underlying such blacklisting would not be served. The Committee would like Government to take effective action to ensure that blacklisted newspapers and periodicals are denied newsprint quota

**advertisements etc. and are also proceeded against as admissible under the law.**

1.71. The Committee pointed out that certain advertisements do not reach the illiterate people in rural areas who do not have access to the papers and opined that such advertisements may be broadcast over the radio by suitably increasing the hours of broadcasting, if so considered necessary. Explaining the position during evidence, the Secretary, Ministry of Information & Broadcasting stated, "The difficulty about broadcasting advertisements for recruitment is this. It has got to be precise. The technical qualifications have to be precisely stated. They should be before the candidate when he applies. Now, in case of oral advertisement which is broadcast over the radio the candidate is at a disadvantage in the sense that he does not set the exact terms of the advertisement."

1.72. The representative of the Ministry during evidence also stated "There is great pressure on transmission right from morning 6 O'clock till midnight except for a brief one hour between two and three. It starts from morning 6 O'clock. Transmission time is not free and for this brief half an hour or so, we devoted this time to slow speed bulletin. You are aware of this. It is a kind of service as we are putting out to the newspapers. Suggestions had come from Members of Parliament and from representative organisations of small newspapers and medium newspapers to change the timing of these bulletins. We are not able to accommodate them."

1.73. The Committee were informed that most of the classified advertisements issued by the U.P.S.C., Public Sector Undertakings, and other advertisements for recruitment of all India Character were published in big newspapers as desired by the Ministries issuing agencies and also because of wider circulation of such newspapers.

1.74. To a suggestion by the Committee whether recruitment advertisements could not be broadcast over the AIR by enlarging the hours of broadcast so that these reached all parts of the country, the representative of the Ministry of I. & B. expressed difficulties in implementing such a suggestion because of the existing pressure on broadcasting time. It was further stated that all the details especially regarding technical engineering advertisements could not be spelt out precisely in oral broadcast.

1.75. The Committee realise that the difficulties pointed out by the Ministry of I. & B. are real. The Committee suggest that one way of overcoming them is to make an announcement on All India Radio giving only essential information about the vacancies and the office from where detailed information could be obtained by the interested candidates.

1.76. The Committee further recommend that in the case of display advertisements, particularly those relating to developmental and social objectives, such as, 'Grow More Food', Family Planning, etc., the medium of All India Radio may be more extensively utilised. Moreover, the Committee would like to point out that the insertion of advertisements on subjects like 'Grow More Food' in bigger newspapers, which are primarily read by the urban population, is inappropriate.

1.77. As recommended elsewhere in the Report, the Committee stress that advertisements should be released to such newspapers and periodicals which would cover the readership in view.

1.78. The Committee wanted to know as to why Public Undertakings cannot make use of the DAVP for the purpose of their Advertisements. The Secretary, Ministry of Information and Broadcasting during evidence stated. "They can. D.A.V.P. was originally set up for Government Departments. They say we are a commercial undertaking. We want flexibility. We are the best judge ourselves as to how to publicise rather than giving it to someone far away. . . . . The Committee on Public Undertakings also made this recommendation in 1970-71 that all Public Sector undertakings should make use of DAVP. We will pursue this with public sector undertakings".

1.79. To a further question by the Committee whether the DAVP is competent enough to undertake the job without detriment to the interest of Public Undertakings, the Secretary, Ministry of Information and Broadcasting replied in the affirmative and added that "It would be very good for us. It would decrease our overheads. It would give us greater resources to plough into socially purposeful directions."

1.80. The Committee on Public Undertakings in paragraphs 3.39 to 3.42 of their 47th Report (4th Lok Sabha) on Public Relations and Publicity in Public Undertakings had recommended that all commercially non-competitive public undertakings should route their advertisements through the DAVP to get the benefit of the concessional rates. The Committee had also stressed that the Commercial Competitive public undertakings should also as far as possible and practicable, use the agency of DAVP for their advertisements. Where a commercial public undertaking found it necessary to utilise the services of a private advertising agency it should be one out of the approved panel of agencies maintained by the DAVP. Further, while sending their enquiries for display advertisements and other publicity work to private agencies they should endorse a copy thereof to the DAVP. The Government had accepted these recommendations and had issued suitable instructions to all the Public Undertakings in March, 1970.

1.81. The Committee were informed during evidence by the Secretary, Ministry of Information and Broadcasting that the Public Sector Undertakings under the control of Central Government "wanted to keep their advertisement operations to themselves. They want to choose their own agencies." The Secretary, Ministry of Information and Broadcasting added that DAVP was competent enough to undertake the job of public undertakings without detriment to their interest.

1.82. The Committee desired to have the following information in respect of Public Undertakings:—

- (i) "It is understood that the advertisement of certain Public Sector Undertakings are channelised through agencies not fully owned by Indians. Please furnish a list of the advertising agents of all public sector undertakings."
- (ii) It has been stated that details of expenditure on advertising by Public Undertakings were not available and will have to be collected. Please furnish this information in respect of Public Sector Undertakings and Government-owned companies for the years 1971-72, 1972-73 and 1973-74."
- (iii) Please furnish a statement indicating (a) the rates paid by Public Sector Undertakings and Government companies for newspaper advertisements through advertising agencies, (b) how these rates compare with DAVP rates, and (c) the commission paid by such undertakings companies to the advertising agencies."

1.83. The Committee have been merely informed that the Public Sector Undertakings have been requested to furnish the requisite information but the detailed information is still awaited despite numerous reminders.

1.84. This is indicative of the fact that Government have not shown any earnestness in implementing, in letter and spirit, the accepted recommendations of the Committee on Public Undertakings. In fact, the Ministry of Information and Broadcasting should have taken full advantage of the recommendations of the Committee on Public Undertakings and pursued with the administrative Ministries concerned and Public Undertakings in order to secure ever larger share of advertisements being routed through DAVP. Had this been done during the last five years, the Committee feel that DAVP would have by now gained valuable experience in the field and demonstrated its capacity to render such service. The Committee stress that DAVP should spare no efforts to upgrade its skill, so as to win the confidence of the Public Undertakings in the matter of display advertisements.

1.85. The Committee wanted to know the criteria for recognition as an accreditation agency for the purpose of advertisement. The Secretary, Ministry of Information and Broadcasting stated during evidence that "The Company should have one lakh capital and three lakh turn over before actually we accredit it." Elucidating the position further, the witness stated "Formerly, the big advertising professions and agencies were mostly—partly or fully—owned by foreign interests. There were two resolutions in the Parliament calling for cutting down the amount of business to these agencies and later on seeking to exclude them altogether. So, at that stage, companies where part capital investment was by Indians, could not be entitled to advertisement business from the Government. So many companies broke up and Indian shareholders started separate companies. Clarion Mc Cann is an example. Immediately on its formation, we gave permission to the Indian company to operate. Now it was in the particular circumstances following a parliamentary demand that we waived the one year rule because when we found that top executives who were all along in the advertising business, broke up from the foreign concern and formed a wholly Indian company, then we waived that one year requirement. The witness also stated that "the D.A.V.P. has no power to go beyond the norms laid down. D.A.V.P. reforms the case to the Government and after that we modify the rules."

1.86. The Secretary, Ministry of Information and Broadcasting also stated during evidence that the rules in question are not statutory but only administrative in character for which the Government uses its reserve power and keep on changing.

1.87. The Committee noted that one of the conditions in the "Norms for Accreditation of Advertising Agencies to the D.A.V.P." required that an advertising agency must have carried on agency business for a minimum period of 1 year. The Committee wanted to know the reasons for the accreditation of M/s. R.K. Swamy Advertising Associates Pvt. Ltd., Madras in relaxation of this condition as also of other cases where similar relaxation was allowed. This Ministry of Information and Broadcasting in a written note stated as follows:—

"M/s. R. K. Swamy Advertising Associates Pvt. Ltd., Madras was registered on February 16, 1973. It was given provisional accreditation for one year on April 27, 1973 for the following reasons:—

- (i) The company was started by Mr. R. K. Swamy and other members of M/s. Indian Thomson Associates Ltd. (Earlier M/s. J. W. Thomson Co.) with fullfledged media, copy, art, production and marketing research departments manned by experienced persons in the profession.
- (ii) The Co. started with a paid up capital of Rs. 1,00,000.

- (iii) The minimum anticipation of annual turn-over was over Rs. 40 lakhs which was supported by copies of letters received from their clients.

This agency was fully qualified to obtain DAVP accreditation on all counts barring the condition of one year's existence. This was waived because it was considered that such accreditation would be in tune with the spirit of Rajya Sabha Resolution of March 13, 1970 (which directed, *inter-alia*, that all Government advertising including public undertaking etc. should be done only through Indian controlled and Indian-owned advertising agencies) and would weaken the hold of party foreign-owned and controlled advertising agency i.e. Hindustan Thomson. This presumption proved correct as the Hindustan Thomson Associates had to convert themselves to an Indian owned and controlled agency after about a year of this decision.

This case was decided at the level of the Director, on the basis of precedents, and after checking with the Ministry.

1.88. Earlier relaxation of similar nature was made in the case of Advertising Consultants (India) Ltd., and M/s. Chaitra Advertising Pvt. Ltd.

The Advertising Consultants (India) Ltd. was established in December, 1970 and provisional accreditation for one year was granted to it on March 15, 1971 for the following reasons:—

- (i) The agency was established by the staff of M/s. Clarion Mc Cann Advertising Pvt. Ltd., with a paid up capital of Rs. 1,00,000.
- (ii) Its list of clients—a heritage from Clarion Mc Cann accounted for an annual turn-over of Rs. 27 lakhs. Its annual turn-over for the first year was over Rs. 40 lakhs.
- (iii) The company was manned by experienced personnel in the profession with all service departments like copy, studio, media, production and marketing research etc.

As the firm fully qualified itself for accreditation except the condition relating to a minimum standing of one year, it was decided to waive the condition as the step was in tune with the spirit of Rajya Sabha Resolution of March 13, 1970. In November 1974 M/s. Clarion Mc Cann also gave up their collaboration with M/s. Mc Cann and thus became fully Indian owned and controlled agency. M/s. Chaitra Advertising Pvt. Ltd. was constituted by the Ex-Managing Director of M/s. Aiyars Pvt. Ltd. and other members of its staff. The company started with a paid up capital of Rs. 1,00,000. It was assured by its clients, most of them were earlier clients of Aiyars Pvt. Ltd. (formerly London Press Exchange Pvt. Ltd.) of annual turn-over of over Rs. 50 lakhs. Its annual turn-over during its first year of existence was Rs. 70 lakhs.

It was granted provisional accreditation for one year as it fulfilled all the conditions except that relating to the period of one year. This condition was waived because the new company was an off-shoot of Aiyars Pvt. Ltd. and was manned and owned by experienced professional advertising executives.

1.89. It may also be mentioned that similar relaxation in the case of all these three companies was made by Indian and Eastern Newspapers' Society by giving them accreditation immediately after their constitution before the expiry of one year, a condition which is also observed by them while granting accreditation."

1.90. The Committee were informed that Government have laid down criteria for recognising Advertising Agencies and Accredited Agencies for the purposes of advertisement. The Committee were also informed that formerly, the big advertising agencies were mostly—partly or fully—owned by foreign interests. In pursuance of two resolutions passed by Parliament for Indianisation of these agencies, many companies broke up and Indian share holders started separate companies. In some cases the top executives, who were all along in the advertising business, broke away from the foreign concern and formed a wholly Indian Company.

1.91. The Committee note that there have been cases where foreign concerns have been controlling Indian advertising agencies. The Secretary, Ministry of Information and Broadcasting during evidence stated:—

"It may be that an Indian owned advertising Company to do some international business which it can not do directly, so it comes into agreement with some company outside and says, for this consideration we will get into international business. That we will have to consider on merits."

1.92. The Committee feel that in extending recognition to advertising agencies, Government should go in detail into the ownership of the agency so as to see that it is truly Indian and not merely a cover for foreign interest. The Committee see hardly any scope or justification for foreign expertise in a field where we have decades of experience.

1.93. The Committee stress that Rules for recognition should be made more stringent and no exception should be allowed, except at the level of Ministry for reasons which must be placed on record, so that advertising agencies of proven standing and merit and integrity are only accredited recognition.

1.94. To a suggestion by the Committee whether it would be better if D.A.V.P. was reorganised into various Divisions such as Newspaper adver-



tisements, Printed publicity, posters etc., and run on commercial lines, the Secretary, Ministry of Information and Broadcasting stated during evidence that "A thought has been given to that. It is very good idea." They were in favour of any operation being based on commercial cost considerations.

1.95. The Committee wanted to ascertain the desirability of converting D.A.V.P. into a commercial organisation. Explaining the position in a written note the Ministry of I. & B. stated:—

"D.A.V.P. plays the role of a medium of mass communication within the I. & B. Ministry on the one hand, and of an advertising agency for the Central Government Departments on the other. In playing this role, it does not seem feasible or desirable to substantially alter the complexion of the organisation. The role of the DAVP and its organisational pattern was examined by the Chanda Committee in 1966 (paragraph 14 to 30 of the Report) while some modifications in the functions of the DAVP were suggested alongwith the strengthening of professional skill at the higher level, the Committee did not consider or suggest making it a Commercial Organisation."

1.96. Asked about the estimate of the expenditure by the Directorate on Classified Advertisements, the Secretary, Ministry of Information and Broadcasting replied that "it is nearly two crores."

1.97. The Committee were informed that the DAVP played the role of a medium of mass communication within the I. & B. Ministry on the one hand and of an advertising agency for the Central Government, Departments on the other. The Committee were further informed that the role of DAVP was examined by the Chanda Committee in 1966 who recommend modifications in the functions and strengthening of professional skill at the higher level but it did not consider or suggest making DAVP a Commercial Organisation. To a suggestion whether it would not be better if DAVP was reorganised into various divisions, such as, newspaper advertisements, Printed Publicity, Posters, etc., and run on commercial lines, the representative of the Ministry of I. & B. argued that the matter needed to be examined having regard to commercial cost consideration.

1.98. In view of the fact that the classified advertisement budget of DAVP is at present of the order of Rs. 2 crores and that the Committee have recommended elsewhere in this report that the advertising and publicity work of Public Undertakings should also be entrusted to DAVP, the Committee would like Government to examine in detail the feasibility of converting DAVP into a commercial organisation. Pending the examination suggested, the Committee desire that there should, however, be Committee consisting of representatives of both the Houses to give guidance

**in the matter of advertising and publicity, since a lot of criticism has been voiced in this regard in and outside Parliament.**

1.99. The Committee wanted to know as to what steps have been taken against Indian Observer for his reported prosecution for obscenity. The Secretary, Ministry of Information and Broadcasting in his evidence stated that generally the State Governments took action to prosecute a paper.

1.100. The Ministry of Information and Broadcasting in a written note, in regard to release of newsprint to the said paper stated:—

“The ‘Indian Observer’ ceased publication in 1968, and resumed publication in 1969. The paper had been debarred by the Chief Controller of Imports & Exports from getting newsprint to the extent of 50 per cent of its entitlement for two years, namely, the licensing year 1967-68 and 1968-69. The action was taken on charges of misutilisation of newsprint imported by the paper against the actual users’ licence. On resumption, the paper applied in a letter to the Minister for Information and Broadcasting requesting for newsprint quota, but no quota was released, as the paper did not apply in the prescribed form, as required under the Newsprint Allocation Policy. The paper again suspended publication, and restarted in July 1972. The paper applied for newsprint quota in the prescribed form. On the basis of newsprint allocation policy of the year, the paper was asked to furnish a Bank Guarantee equivalent to 75 per cent for the first three months of its publication. As the bank guarantee was not furnished, no newsprint quota was issued to the paper. There has been no further application for newsprint from the paper.”

1.101. Giving the details of the cases against this paper, the Ministry of Information and Broadcasting in a written note stated:—

“According to information received from the Delhi Administration 31 cases were registered against editor, owner of “Indian Observer” during the last 10 years. The disposal of these cases are as under:—

(i) Acquitted	14
(ii) Convicted	16
(iii) Cancelled	1

No case is stated to have been withdrawn by the Delhi Administration against the “Indian Observer” during the last two years.”

**1.102. The Committee had called for the following information arising out of the evidence of the representatives of the Ministry of Information and Broadcasting on 31st January, 1975.**

- (a) The Ministry was asked to furnish a list of advertising agents of all public sector undertakings. The Ministry have stated that they will furnish it later on receipt of the information from the Public Sector Undertakings.
- (b) The Ministry was asked to furnish a list of periodicals and souvenirs published by various political parties in the country during the last three years which were given Government advertisements by D.A.V.P. and to indicate the expenditure incurred thereon. The Ministry in their reply have stated that information regarding the details of advertisements released to individual newspapers and souvenirs and the amount paid to them is treated as confidential between the D.A.V.P. and individual publishers.
- (c) The Ministry was asked to furnish the details of the cases against 'Indian Observer'. The Ministry in their reply have stated that further information regarding the details of cases against 'Indian Observer' is being collected from the Ministry of Home Affairs and will be furnished as soon as it becomes available.
- (d) The Ministry was asked to furnish the details of expenditure on advertising by Public Undertakings. The Ministry have stated that they have requested the Public Sector Undertakings to furnish the information.
- (e) The Ministry was asked to furnish the rates paid by Public Sector Undertakings and Government companies for newspaper advertisements through advertising agencies. The Ministry of have stated that the information has been requested for from the Undertakings and is awaited.

**1.103. A copy of D.O. letter No. 2 1 20 74 PAC dated 16th April, 1975 from the Chairman, Public Accounts Committee to the Minister of Information and Broadcasting is reproduced in Appendix II.**

**1.104. Had the information been furnished in time as desired by the Committee they would have been in a better position to go into the matter covered by this report.**

NEW DELHI;

JYOTIRMOY BOSU,

30th April, 1975.

Chairman,

10th Vaisakha, 1897 (Saka)

Public Accounts Committee.

## APPENDIX I

*List of Big Newspapers and Periodicals which got advertisements during 1972-73.*

Serial No.	Periodicity	Space in single column centimetre	Payment for advertisements in rupees thousands	Percentage of total payment
1	2	3	4	5
1	Daily	50,000	994	10.43
2	Do.	60,000	708	8.27
3	Do.	48,000	750	7.87
4	Do.	41,000	710	7.45
5	Do.	25,000	612	6.42
6	Do.	20,000	581	6.10
7	Do.	39,000	547	5.74
8	Do.	20,000	511	5.36
9	Do.	35,000	485	5.09
10	Do.	20,000	259	3.77
11	Do.	17,000	261	3.05
12	Do.	20,000	273	2.87
13	Do.	20,000	232	2.44
14	Do.	30,000	218	2.29
15	Do.	37,000	191	2.00
16	Do.	14,000	174	1.83
17	Do.	32,000	135	1.42
18	Do.	19,000	123	1.29
19	Do.	22,000	122	1.28
20	Do.	15,000	118	1.24
21	Do.	25,000	111	1.17

1	2	3	4	5
22	Do.	11,000	105	1·12
23	Do.	27,000	105	1·12
24	Do.	14,000		
25	Do.	11,000	94	0·99
26	Do.	4,000	92	0·97
27	Do.	12,535	87	0·91
28	Do.	9,714	70	0·79
29	Weekly	4,681	56	0·73
30	Daily	10,311	46	0·48
31	Do.	10,972	44	0·46
32	Do.	9,672	35	0·37
33	Do.	3,886	33	0·35
34	Monthly	8 pages	31	0·38
35	Daily	7,080	28	0·29
36	Weekly	30 3/4 pages	20	0·21
37	Do.	21 pages	19	0·20
38	Do.	2,327	17	0·18
39	Do.	8,631	17	0·18
40	Do.	1,402	16	0·17
41	Do.	25 pages	14	0·15
42	Do.	31 1/2 pages	13	0·14
43	Fortnightly	28 pages	13	0·14
44	Daily	1,704	12	0·13
45	Weekly	57 1/2 pages	11	0·12
46	Daily	2,126	11	0·12
47	Weekly	1,461	10	0·10
48	Weekly	1,108	9	0·09
49	Do.	455	9	0·09
50	Do.	697	9	0·09
51	Do.	2,814	8	0·08

1	2	3	4	5
52	Fortnightly . . . . .	3½ pages	8	0·08
53	Weekly . . . . .	1,260	8	0·08
54	Monthly . . . . .	15½ pages	8	0·08
55	Weekly . . . . .	1,964	7	0·07
56	Fortnightly . . . . .	2 pages	7	0·07
57	Monthly . . . . .	14½ pages	7	0·07
58	Weekly . . . . .	13 pages	6	0·06
59	Monthly . . . . .	5 pages	5	0·05
60	Weekly . . . . .	954	4	0·04
61	Do. . . . .	15 pages	4	0·04
62	Do. . . . .	483	4	0·04
63	Do. . . . .	8½ pages	3	0·03
64	Monthly . . . . .	5 pages	3	0·03
65	Do. . . . .	16 pages	2	0·02
66	Weekly . . . . .	169	2	0·02
67	Do. . . . .	120	2	0·02
68	Monthly . . . . .	15½ pages	1	0·01
69	Do. . . . .	5 pages	1	0·01
70	Do. . . . .	1 pages	1	0·01
<b>TOTAL</b>			95,27,000	100·00

## APPENDIX II

JYOTIRMOY BOSU

MOST IMMEDIATE

By Special Messenger

16th April, 1975.

D.O. No. 2|1|20|74|PAC

Dear Shri Gujral,

The Public Accounts Committee have under examination paragraph 34 of the Report of the Comptroller and Auditor General of India for 1972-73 (Civil) relating to the Directorate of Audio Visual Publicity. At their sitting held as long as two and half months ago (i.e. on 31st January, 1975), the Committee desired to be furnished with further information on 30 points. In spite of the fact that the Ministry took an unusually long time to furnish the information, I regret to find that some of the replies are incomplete. In this connection I particularly want to invite your attention to the replies of the Ministry to points 16(b), 19, 21, 24 and 25 (copies enclosed).

The information desired by the Committee and the reply of the Ministry is briefly stated below:

**Point No. 16(b):** The Ministry was asked to furnish a list of advertising agents of all public sector undertakings. The Ministry have stated that they will furnish it later on receipt of the information from the Public Sector Undertakings.

**Point No. 19:** The Ministry was asked to furnish a list of periodicals and souvenirs published by various political parties in the country during the last three years which were given Government advertisements by D.A.V.P. and to indicate the expenditure incurred thereon. The Ministry in their reply have stated that information regarding the details of advertisements released to individual newspapers and souvenirs and the amount paid to them is treated as confidential in between the D.A.V.P. and the individual publishers.

**Point No. 21:** The Ministry was asked to furnish the details of the cases against 'Indian Observer'. The Ministry in their reply have stated that further information regarding the details of

cases against 'Indian Observer' is being collected from the Ministry of Home Affairs and will be furnished as soon as it becomes available.

**Point No. 24:** The Ministry was asked to furnish the details of expenditure on advertising by Public Undertakings. The Ministry have stated that they have requested the Public Sector Undertakings to furnish the information.

**Point No. 25:** The Ministry was asked to furnish the rates paid by Public Sector Undertakings and Government companies for newspapers advertisements through advertising agencies. The Ministry have stated that the information has been requested for from the Undertakings and is awaited.

The term of the Public Accounts Committee is coming to an end on 30th April, 1975. The information on the points is vital for finalising the Report of the Committee.

I would, therefore, request you kindly to look into the matter and ensure that this information is forwarded to the Committee immediately, within three days at the most.

Regards,

Yours sincerely,  
JYOTIRMOY BOSU.

Shri I. K. Gujral,  
Minister of Information & Broadcasting,  
New Delhi.

No. 2/1/20/74/PAC

16th April, 1975

Copy forwarded for information to:

Dr. G. S. Dhillon,  
Speaker, Lok Sabha,  
Parliament House, New Delhi.

JYOTIRMOY BOSU



## APPENDIX III

*Summary of main Conclusion/Recommendations*

S. No.	Para No. of Report	Ministry/Deptt. concerned	Conclusions/Recommendations
1	2	3	4
1.	1-48	Ministry of Information and Broadcasting	The Committee find that while advertisements released by Government to the Press occupy as much as 80 per cent in terms of space in small and medium newspapers, they get no more than 50 per cent of the total advertisement charges paid by Government. As Diwakar Committee had pointed out as early as 1965, this is due to the fact that while the rates for small and medium newspapers are low, the bigger newspapers charge very high rates. Moreover, while the bigger newspapers have been permitted to raise their rates many times, the small newspapers are being paid even lower rates than those recommended by the Press Commission as far back as 1954.
2.	1-49	Do.	The Committee find that more than 44.65 per cent of total expenditure was incurred on advertisements in 1972-73 on papers and periodicals brought out in English medium. While this percentage has gone up for English medium papers and periodicals the percentage for Hindi medium papers and periodicals has come down from 20.8 per cent in 1972-73 to 18.8 per cent in 1973-74. The Committee consider that with the growth of papers and periodicals in national and regional languages, greater

1	2	3	4
			percentage of advertisements both in terms of space and value should be given to national and regional language papers.
3.	1.50	Ministry of Information and Broadcasting	The Committee were informed that the Government have not accepted the recommendation of the Diwakar Committee on the ground that they could not force the big newspapers to accept lower rates than what they have been getting and it would have been a severe drain on the resources of the Government if newspapers charging lower rates were to be allowed suddenly to enhance their charges. The Committee further note that in May, 1967, the Government announced its policy regarding advertisement rates which was more or less a recognition of the existing position and in fact gave more freedom to the big newspapers to fix their own advertising rates.
4.	1.51	Do.	The Committee are perturbed to find that in spite of Government's avowed policy of entrusting the medium and small newspapers with a large share of advertisements, there has been no marked increase in the percentage of advertisement in terms of revenue given to them. It has stood at about 50 per cent for the last five years. It is indicative of the fact that no serious effort has been made by Government in this behalf.
5.	1.52	Do.	The Committee recommend that it should be possible for Government to give an increased percentage of the display advertisements to medium

and small newspapers in terms of advertisement charges. This objective can be achieved if Government undertake a systematic survey of all the medium and small newspapers language-wise and area-wise and release display advertisements to them keeping in view the readership coverage desired in terms of the objective of advertisement. The performance in this behalf should be monitored at the level of the Ministry so that effective remedial measures as necessary may be taken without delay.

6. I. 53

Do.

The Committee have gathered the impression that the present system of distribution of advertisements leaves much to be desired. The Committee feel that the criteria should be spelt out in detail so as to provide a real guideline for distribution of advertisements. The Committee stress that those criteria should be such as to be entirely free from any taint of partisanship or favouritism so as to inspire confidence in all sections.

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7. I. 54

Do.

The representative of the Ministry has admitted that there has been no meaningful and comprehensive readership survey so as to determine whether the advertisement had, in fact, reached the desired readers. It is imperative that Government should have suitable machinery to critically and scientifically appraise the type of readership covered by papers, so that advertisements could be so placed as to get the best return for the outlay.

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8.	1.55	M/o I & B	<p>The Committee find that the milli-rates (rate per centimetre per 1000 circulation) allowed to some newspapers and periodicals published in the same language and with more or less the same circulation varied upto thrice nearly. Conversely, rates being the same the circulation varied as much as thrice. There was also substantial variation in making allowance for relative circulations, in the amount of payment for advertisements obtained by Newspapers and periodicals published from the same station and in the same language. The Committee would like Government to examine the entire question of fixing the milli-rate (rate per centimetre per 1000 circulation) keeping in view the size of newspapers/periodicals with reference to its circulation, language place of publication and the impact it has on public mind. Government may lay down uniform rates for newspapers/periodicals published from the same station in the same language and having more or less same circulation.</p>
9.	1.56	Do.	<p>The Committee suggest that in determining a rational rate for advertisement, Government should also take into consideration the news coverage by the paper as compared to the space devoted to advertisements. The Committee feel that those which carry more reading matter as compared to mere advertisements should receive more consideration while determining the release of and charges for Government advertisements. Such of those papers which do not conform to the expectations of Government in this regard should not receive the usual quota of advertisement.</p>

10. 1.57 Do. The Committee find that Government were getting till 1966, 15 per cent commission on classified advertisements, but this was given up by Government. The Committee have been given to understand that some newspapers, however, continue to give commission to other private agencies for placing advertisements with them. If this is correct, the Committee would like DAVP to pursue this matter earnestly so as to secure the commission of 15 per cent, if not more, particularly from bigger newspapers, as they provide them with sizeable custom.
11. 1.58 Do. The Committee note that the DAVP have been able to secure an additional 10 per cent series discount on UPSC display-cum-series advertisements. The Committee recommend that Government should pursue with the big newspapers the extension of this additional 10 per cent discount for other Government display advertisements also.
12. 1.65 Do. The Committee understand that because of the steep increase in the price of the newsprint, the demand has temporarily fallen. This should not, however, make the Government complacent in the matter, for it is well known that there is a worldwide shortage of newsprint and till such time as our country attains self-reliance, the problem of procurement and distribution of newsprint will have to be methodically tackled. It is therefore imperative that objective criteria are laid down and publicised for determining the allocation of newsprint. If any agency or

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organisation allotted newsprint, is found to be indulging or was detected to have indulged in malpractice, such as showing inflated circulation, sale of newsprint surreptitiously in the open market, then deterrent action such as, drastic reduction or stoppage of allocation of newsprint, stoppage of Government advertisements etc. should be taken so as to serve as a warning to others.

13. 1-66 M/o I & B In order to ensure that no newspaper is unfairly treated in the matter of allocation of newsprint, they recommend that a Standing Committee should be appointed which should also review the position about allocation of newsprint from time to time.
14. 1-67 Do. The Committee noted that in the Newsprint Allocation policy for the year 1974-75 the daily newspapers who are entitled to a newsprint upto 25 tonnes have to get their entire supply in Nepa Newsprint. Normally it is only the medium and small newspapers who are entitled to newsprint upto 25 tonnes.
15. 1-68 Do. The Committee recommend that if a small or medium newspaper desires to have a certain proportion of newsprint of imported variety, it may not be denied to it. It is also very necessary that Nepa newsprint is made available immediately for sale at all important towns against permit on "cash and carry basis". There should be no other condition imposed on the supply system especially for medium and small newspapers, whose requirements are smaller.

16. 1'70 Do. The Committee are surprised as well as distressed to note that though there is a provision for blacklisting of newspapers and periodicals for indulging in malpractice, in actual practice no such list is being maintained. If no such black-list is maintained and the parties indulging in malpractices are not denied advertisements or allocation of newsprint quota, the very objective underlying such blacklisting would not be served. The Committee would like Government to take effective action to ensure that blacklisted newspapers and periodicals are denied newsprint quota advertisements etc. and are proceeded against as admissible under the law.
17. 1'73 Do. The Committee were informed that most of the classified advertisements issued by the UPSC, Public Sector Undertakings, and other advertisements for recruitment of all India Character were published in big newspapers as desired by the Ministries/issuing agencies and also because of wider circulation of such newspapers. 49
18. 1'74 Do. To a suggestion by the Committee whether recruitment advertisements could not be broadcast over the AIR by enlarging the hours of broadcast so that these reached all parts of the country, the representative of the Ministry of I & B expressed difficulties in implementing such a suggestion because of the existing pressure on broadcasting time. It was further
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- stated that all the details especially regarding technical/engineering advertisements could not be spelt out precisely in oral broadcast.
19. 1'75 M/o I & B The Committee realise that the difficulties pointed out by the Ministry of I & B are real. The Committee suggest that one way of overcoming them is to make an announcement on All India Radio giving only essential information about the vacancies and the office from where detailed information could be obtained by the interested candidates.
20. 1'76 Do. The Committee further recommend that in the case of display advertisements, particularly those relating to developmental and social objectives, such as, 'Grow More Food', Family Planning, etc., the medium of All India Radio may be more extensively utilised. Moreover, the Committee would like to point out that the insertion of advertisements on subjects like 'Grow More Food' in bigger newspapers, which are primarily read by the urban population, is inappropriate.
21. 1'77 Do. As recommended elsewhere in the Report, the Committee stress that advertisements should be released to such newspapers and periodicals which would cover the readership in view.
22. 1'80 Do. The Committee on Public Undertakings in paragraphs 3.39 to 3.42 of their 47th Report (4th Lok Sabha) on Public Relations and Publicity in Public Undertakings had recommended that all commercially non-competitive public undertakings should route their advertisements through the



DAVP to get the benefit of the concessional rates. The Committee had also stressed that the Commercial Competitive public undertakings should also as far as possible and practicable, use the agency of DAVP for their advertisements. Where a commercial public undertaking found it necessary to utilise the services of a private advertising agency it should be one out of the approved panel of agencies maintained by the DAVP. Further, while sending their enquiries for display advertisements and other publicity work to private agencies they should endorse a copy thereof to the DAVP. The Government had accepted these recommendations and had issued suitable instructions to all the Public Undertakings in March, 1970.

23.

I·81

-DO-

The Committee were informed during evidence by the Secretary, Ministry of Information and Broadcasting that the Public Sector Undertakings under the control of Central Government "wanted to keep their advertisement operations to themselves. They want to choose their own agencies." The Secretary, Ministry of Information and Broadcasting added that DAVP was competent enough to undertake the job of public undertakings without detriment to their interest.

24.

I·82

-DO-

The Committee desired to have the following information in respect of Public Undertakings:—

- (i) "It is understood that the advertisement of certain Public Sector Undertakings are channelised through agencies not fully owned

by Indians. Please furnish a list of the advertising agents of all public sector undertakings."

(ii) It has been stated that details of expenditure on advertising by Public Undertakings were not available and will have to be collected. Please furnish this information in respect of Public Sector Undertakings and Government-owned companies for the years 1971-72, 1972-73 and 1973-74."

(iii) Please furnish a statement indicating (a) the rates paid by Public Sector Undertakings and Government companies for newspaper advertisements through advertising agencies, (b) how these rates compare with DAVP rates, and (c) the commission paid by such undertakings/companies to the advertising agencies."

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26. 1-83 M/o I & B The Committee have been merely informed that the Public Sector Undertakings have been requested to furnish the requisite information but the detailed information is still awaited despite numerous reminders.

2 1-84 -DO- This is indicative of the fact that Government have not shown any earnestness in implementing, in letter and spirit, the accepted recommendations of the Committee on Public Undertakings. In fact, the Ministry of Information and Broadcasting should have taken full advantage of the recommendations of the Committee on Public Undertakings and pursued

with the administrative Ministries concerned and Public Undertakings in order to secure ever larger share of advertisements being routed through DAVP. Had this been done during the last five years, the Committee feel that DAVP would have by now gained valuable experience in the field and demonstrated its capacity to render such service. The Committee stress that DAVP should spare no efforts to upgrade its skill, so as to win the confidence of the Public Undertakings in the matter of display advertisements.

27. 1 '90 -DO-

The Committee were informed that Government have laid down criteria for recognising Advertising Agencies and Accredited Agencies for the purposes of advertisement. The Committee were also informed that formerly, the big advertising agencies were mostly-partly or fully-owned by foreign interests. In pursuance of two resolutions passed by Parliament for India-nisation of these agencies, many companies broke up and Indian share holders started separate companies. In some cases the top executives, who were all along in the advertising business, broke away from the foreign concern and formed a wholly Indian Company.

28. 1 '91 -DO-

The Committee note that there have been cases where foreign concerns have been controlling Indian advertising agencies. The Secretary, Ministry of Information & Broadcasting during evidence stated:—

“It may be that an Indian owned advertising Company to do some international business which it can not do directly, so it comes

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into agreement with some company outside and says, for this consideration we will get into international business. That we will have to consider on merits."

29. 1992 M/O I & B The Committee feel that in extending recognition to advertising agencies, Government should go in detail into the ownership of the agency so as to see that it is truly Indian and not merely a cover for foreign interest. The Committee see hardly any scope or justification for foreign expertise in a field where we have decades of experience.
30. 1993 -DO- The Committee stress that Rules for recognition should be made more stringent and no exception should be allowed, except at the level of Ministry for reasons which must be placed on record, so that advertising agencies of proven standing and merit and integrity are only accredited recognition.
31. 1997 -DO- The Committee were informed that the DAVP played the role of a medium of mass communication within the I & B Ministry on the one hand and of an advertising agency for the Central Government, Depts. on the other. The Committee were further informed that the role of DAVP was examined by the Chanda Committee in 1966 who recommend modifications in the functions and strengthening of professional skill at the higher level but it did not consider or suggest making DAVP a Commercial Organisation. To a suggestion whether it would not be better if DAVP was reorganised into various divisions, such as, newspaper advertisements, Printed Publicity, Posters, etc., and run on commercial lines, the representative

of the Ministry of I & B argued that the matter needed to be examined having regard to commercial cost consideration.

32.

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-DO-

In view of the fact that the classified advertisement budget of DAVP is at present of the order of Rs. 2 crores and that the Committee have recommended elsewhere in this report that the advertising and publicity work of Public Undertakings should also be entrusted to DAVP, the Committee would like Government to examine in detail the feasibility of converting DAVP into a commercial organisation. Pending the examination suggested, the Committee desire that there should, however be Committee consisting of representatives of both the Houses to give guidance in the matter of advertising and publicity, since a lot of criticism has been voiced in this regard in and outside Parliament.

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Sl. No.	Name of Agent	Sl. No.	Name of Agent
<b>WEST BENGAL</b>		32.	Lakshmi Book Store, 42, Municipal Market, Janpath, New Delhi.
21.	Grantholoka, 5/1, Ambica Mookherjee Road, Belgharia, 24-Parganas.	33.	Bahree Brothers, 188, Lajpat Rai Market, Delhi-6.
22.	W. New Man & Company Ltd., 3, Old Court House Street, Calcutta.	34.	Jayna Book Depot, Chhaparwala Kuan, Karol Bagh, New Delhi.
23.	Firma K. L. Mukhopadhyay, 6/1-A, Banchharam Akur Lane, Calcutta-12.	35.	Oxford Book & Stationery Co., Scindia House, Connaught Place, New Delhi.
24.	Mrs. Manimala, Buys & Sells, 128, Bow Bazar Street, Calcutta-12.	36.	People's Publishing House, Rani Jhansi Road, New Delhi.
25.	M/s. Mukerji Book House, Book Seller, 8B, Duff Lane, Calcutta.	37.	The United Book Agency, 48, Amrit Kaur Market, Pahar Ganj, New Delhi.
<b>DELHI</b>		38.	Hind Book House, 82, Janpath, New Delhi.
26.	Jain Book Agency, Connaught Place, New Delhi.	39.	Book Well, 4, Sant Nirankari Colony, Kingsway Camp, Delhi-9.
27.	Sat Narain & Sons, 3141, Mohd. Ali Bazar, Mori Gate, Delhi.	40.	M/s. Saini Law Publishing Co 1899, Chandni Chowk, Delhi.
28.	Atma Ram & Sons, Kashmere Gate, Delhi-6.	<b>MANIPUR</b>	
29.	J. M. Jaina & Brothers, Mori Gate, Delhi.	41.	Shri N. Chaob Singh, News Agent, Ram Lal Paul High School Annex Imphal.—MANIPUR.
30.	The Central News Agency, 23/90, Connaught Place, New Delhi.		
31.	The English Book Store, 7-I., Connaught Circus, New Delhi.		

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