

"or the person upon whom the powers have been delegated by the President"

The motion was negatived.

Mr. Deputy-Speaker : The question is:

Page 2,

line 5—

for "seven days" substitute:
"fifteen days".

The motion was negatived.

Mr. Deputy-Speaker : The question is:

Page 2,

line 5—

for "seven days" substitute:
"fourteen days"

The motion was negatived.

Mr. Deputy-Speaker : The question is:

Page 2,

line 9—

after "before it" insert "or in the Session immediately following".

The motion was negatived.

Mr. Deputy-Speaker : The question is:

Page 2,

line 9—

after "before it" insert "or the succeeding Session"

The motion was negatived.

Mr. Deputy-Speaker : The question is:

Page 2—

for lines 11 and 12, substitute :

"Provided that nothing in the Act shall be valid and enforceable unless the two Houses of the Parliament have considered the Act under this sub-section."

The motion was negatived.

Mr. Deputy-Speaker : The question is:

Page 1,

line 17—

omit "whenever he considers it practicable to do so".

The motion was negatived.

Mr. Deputy-Speaker : The question is:

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

The motion was adopted.

Clause 3, as amended, was added to the Bill

Clause 1, the Enacting Formula and the Title were added to the Bill.

Shri Datar : I beg to move :

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

Mr. Deputy-Speaker : The question is :

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

The motion was adopted.

INDIAN INCOME-TAX (AMENDMENT) BILL

The Minister of Revenue and Civil Expenditure (Shri M. C. Shah) : I beg to move :

That the Bill further to amend the Indian Income-tax Act, 1922, be taken into consideration."

This is a very short and simple measure. The purpose is to remedy the difficulty created by the decision of the Supreme Court in a recent case to the effect that an order passed by the Central Board of Revenue and the Commissioner of Income-tax under section 5 (7A) transferring the case of an assessee in general terms without reference to any particular year and without limitation as to the time is beyond the competence of those authorities and, therefore, invalid.

The difficulty will be appreciated if I briefly explain the basis on which the jurisdiction for making assessments etc. under the Income-tax Act is conferred on Income-tax officers. Under section 5 (2), the Central Government appoints Commissioners of Income-tax and they exercise their functions in the jurisdictions determined by the Central Board of Revenue. Section 5 (5) enables the Commissioner of Income-tax in his turn to allocate the work in his charge among the income-tax officers dividing the work area-wise or income-wise or person-wise. It often becomes necessary, in the ordinary course of administration of the Income-tax department, to transfer cases from one income-tax officer to another either in the same Commissioner's charge or outside.

[Shri M. C. Shah]

For example, transfers are made on the assessee's own request on grounds of convenience. Complicated cases and cases of fraud requiring prolonged and detailed investigation have to be taken away from their original jurisdiction and allotted to special officers for that purpose. Sometimes, for the sake of facility in disposing of assessments, all cases belonging to a particular group or all cases of persons engaged in a particular trade or industry in a locality have to be dealt with by the same officer and for this purpose also transfer of cases becomes necessary. In order to provide for such contingencies, sub-section (7A) was inserted in section 5 in the year 1940. Under this provision, the Commissioner of Income-tax is empowered to transfer a case from one officer to another within his own charge. And, likewise, the Central Board of Revenue is empowered to transfer a case from one officer to another whether in the same Commissioners' charge or in different Commissioners' charges.

While due regard is always paid by these authorities to the assessee's convenience in making these orders of transfer, the Government have all along been proceeding on the basis that once the case of an assessee is transferred from one income-tax officer to another, there is complete transfer of jurisdiction over the case as a whole. In short, the latter officer steps into the shoes of the former in relation to the person whose case is so transferred and all assessment and other proceeding under the Act, irrespective of the years to which they relate, are to be made by the same officer after the date of such transfer. In this manner, a large number of cases have been transferred from their original jurisdictions since 1940. Special circles have been brought into existence already, and there are certain company circles also. Certain difficult and complicated cases have been transferred in order to bring to bear upon them the specialised experience of certain officers.

A case thus transferred under Section 5(7A) was taken to the Supreme Court by the assessee, very recently, and the Supreme Court came to the decision that the word 'case' in that sub-section referred only to a pending proceeding for a particular assessment year of that case and, therefore, whenever there is a general order which makes *ad hoc* transfer of a case, the

proceedings taken under that order will be invalid. So, we have brought forward an Explanation to section 5(7A), to say what was meant by Government and what was the meaning of that section 5(7A). This was made necessary by the judgment of the Supreme Court. We have transferred thousands of cases to special circles, company circles. And, if all those orders are to be held invalid, then, there will be a lot of difficulty. Many cases have already been disposed of and taxes have already been collected and we have also thousands of cases pending. When the Supreme Court decided against the Government with regard to section 5(1) and 5(4) of the Income-tax Investigation Commission Act, all the cases that were pending had to be transferred to a special agency created then. That is a Special Directorate of three Senior Commissioners, and most of these cases are still pending. Some of them have been decided and taxes have been collected. There may be cases belonging to a particular group which may have activities in several parts of the country, and it becomes necessary to group all these cases in one charge in order to facilitate the disposal of these cases by a special officer. So, if we do not amend section 5(7A), the result will be that all the assessments which were disposed of under the powers given by 5(7A) will be held to be invalid and enormous amounts will have to be refunded and all those proceeding which have still to be disposed of will also be held invalid. Therefore, we consulted the Attorney-General, and as advised by him, we have brought forward this amendment. I hope that the House will agree to this amendment, because it involves revenue to the extent of crores of rupees, and, in addition, the Members are all very keen to see that such cases are investigated very thoroughly. Therefore, it requires very special knowledge of investigation. We cannot expect the ordinary income-tax officers to have that special knowledge. Therefore, we have created some special circles, some company circles. For example, in Bombay and Calcutta we have created a number of company circles where all the assessments of companies located within those areas can be taken over by the company circle officers. If we do not amend the section as is proposed, then naturally we cannot make use of such experienced officers to deal with the complicated and intricate cases, involving a revenue, not in lakhs of rupees but in crores of rupees in some cases. In order to facilitate the

administrative work of the Income-tax Department and at the same time to have very deep investigation into these cases,—there are very many big cases as I already said—this amendment is made so as to have retrospective effect. Unless that is done, the Government will come into unnecessary difficulties in matters which have been disposed of, in matters where tax has been collected, in matters where orders have been passed. Already, thousands of cases are with those officers in charge of those special circles.

Mr. Deputy-Speaker : Motion moved:

“That the Bill further to amend the Indian Income-Tax Act, 1922, be taken into consideration.”

I now call upon Shri N. C. Chatterjee. The hon. Member was not present when I mentioned this before. As the time is short, I would request him to be very brief.

Shri N. C. Chatterjee (Hooghly) : I shall be brief, Sir.

I have something to do with those cases in the Supreme Court, and I take it that the hon. Minister was referring to the judgment of Chief Justice Das, Justice Vivian Bose, Justice Bhagwati, Justice Jagannadhadass, and Justice Sinha, delivered on the 20th March this year. I do not know whether you had the opportunity of reading this judgment. A *bidi* merchant who was carrying on his business in Calcutta in the name of Bidi Supply Company had been assessed all along in Calcutta by the Income-tax Officer there. Suddenly, the Central Board of Revenue passed an order whereby he transferred his case from Calcutta to Ranchi, and that transfer was challenged as not proper.

What the Chief Justice said in delivering the judgment of the majority judges was this, namely, that the order of transfer was expressed in general terms without any reference to any particular case, that is, assessment year, and without any limitation as to time, and that was not contemplated by subsection (7A) of section 5 and was beyond the competence of the Central Board of Revenue. Section 5(7A) contemplates only the transfer of an assessment case for a particular year, actually pending before an income-tax officer. Chief Justice Das never said that you cannot transfer a case. What he said was that you must be very careful so that a general omnibus order of transfer is not involved. For example, the case of a

firm which is carrying on business in Delhi should not be transferred to, say, Travancore-Cochin as it may work as a great hardship to the firm. Therefore, he said that the Central Board of Revenue should apply its mind to the particular facts of the case, and if it is satisfied on certain data before it that the particular case for a particular year should be transferred to another place—it may be that a large number of transactions of a Delhi merchant took place in Travancore-Cochin and that it is necessary to have an investigation—then it could be transferred to a particular officer in Travancore-Cochin. Look at section 64 of the Income-tax Act, which is the cardinal point, and it says that where an assessee carries on business, profession or vocation at any place, he shall be assessed by the income-tax officer of the area in which the place is situated. The Supreme Court has referred to the judgment of Beaumont C. J. and Kania J. Section 64 is conferring a valuable right on a citizen. If you are carrying on business in Punjab and carrying on your profession in Patiala, you have got a right to be assessed by the income-tax officer of the area in which your place of business or profession is situated. In all other cases, under section 64(2), an assessee shall be assessed by the income-tax officer of the area in which he resides. Therefore, the Supreme Court has said that that is a right which can be claimed by a citizen. I am reading the language of the Chief Justice,—the assessee is, therefore, entitled to the benefit of sub-sections (1) and (2) of section 64, and he has the right along with the other merchants to have his assessment proceedings before the income-tax officer of the area in which his place of business is situated. The Supreme Court goes on to say that the order in this case is calculated to inflict considerable inconvenience and harassment to the petitioner. Books of account would have to be produced hundreds of miles away from Calcutta and the principal officers of the firm would have to be away from the head office to comply with the order of the income-tax authorities to whom the transfer is made. Extra expenditure also would have to be incurred on railway fare; such an order is an illegal order as it denies the petitioner equality before the law and it involves an infringement of the fundamental right under article 14 of the Constitution.

I would respectfully point out that if you had read the judgment carefully you would find that the majority judgment

[Shri N. C. Chatterjee]

did not say that you cannot at all transfer the case, but you should do it under certain safeguards. The Commissioner of Income-tax or the Central Board of Revenue should apply their mind to the particular facts of the particular case of a particular assessee, and after convincing themselves that that case demands a transfer to an officer outside that area, they should transfer it. The transfer order should not be in this general way. Suppose you are carrying on business at Calcutta and Punjab, and that your case is transferred to Calcutta from Punjab. Two years later, suppose you stop your business in Calcutta because there is no necessity to supply goods there, what will happen to you? That is why the Chief Justice has pointed out that it would be wrong to pass an omnibus order without a limitation as to time. How is the hon. Minister getting rid of this judgment by this kind of amendment if he thinks it is a mischievous judgment? I always deprecate the attempt of the executive acquiring to themselves the power to nullify the judgment of the Supreme Court immediately the Supreme Court, the highest tribunal of the country, passes an order declaring illegal any statute or rule. Justice Bose has declared that the section itself is illegal, but the other Judges have held that even if the section is valid, article 14 of the Constitution can be invoked for discriminatory application of a valid statute. If a statute is on the face of it illegal or discriminatory, it can be struck off. If it is on the face of it not discriminatory, but if the officer in the application of the statute makes a discrimination, that is also illegal. So long as section 64 is there, that gives some kind of a fundamental right to the assessee to be taxed locally, have his books of account locally examined, etc., and I think it would not be right to completely nullify the judgment in that process. Even if this judgment is accepted, I ask hon. Members to consider this point. Even if this explanation is there, would you nullify in any case article 14 of the Constitution? Would it not be still open to the assessee to go to court if this judgment is not respected? If the Central Board of Revenue should assume executive power by executive fiat to send any firm or group of firms from one area to another, say, from Delhi to Travancore-Cochin or Madras, cannot one say that there is discrimination in this? You are doing something

repugnant to the Constitution, which is not right. I would, therefore, say that you must give a clear assurance to the House that the spirit of the judgment will be respected, that you shall not use this power unless the assessee wants such a transfer nobody grudges that but you should not give this power without any restrictions, without laying any standards, without laying any safeguards to the executive; otherwise it will act as it likes, in an unrestricted, unregulated way, without any reference to the assessee, without any reference to our representation, without any notice to him of the transfer of his case to a place which is hundreds of miles away from his place of business. I am not one of those who want to help any tax-evader. I want that all our tax should be realised in an independent India. It is the duty of the citizens to co-operate with the revenue authorities but we should do it in a fair, just and proper manner. So long as section 64 is there, how can you say that the judgment is improper? Therefore, I submit that this will not really meet the situation.

3 P.M.

I may also submit that the spirit of this judgment should be accepted and respected by the Government and there should be a definite assurance given by the authorities and the hon. Minister that before it is done, notice should be given to the assessee and his representation should be heard.

[MR. SPEAKER *in the Chair*]

Shri Tek Chand (Ambala Simla) : I feel that the amendment before the House is rather unhappy and it deserves closer and deeper scrutiny. The judgment of the Supreme Court is, if I may say so, in certain respects very monumental and very weighty considerations prevailed with their Lordships of the Supreme Court. In this connection, this judgment, even on the assumption that the amendment were to be made into law, so far as the weight attached to the dicta is concerned, can in no way be diluted. I particularly wish to invite the attention of the Minister to that passage from the judgment of Mr. Justice Vivian Bose where His Lordship expressed himself in this manner with respect to this particular section :

"In my opinion, section 5 (7) (a) and 64 (5) (b) of the Indian Income-tax are themselves *ultra vires* article 14 of the Constitution."

It is not merely the order of the Central Board of Revenue. That is to

say, these sections themselves are *ultra vires*. The reasons are given a few pages ahead and I wish to present that reason to the hon. Minister with all my earnestness.

"What is the position here ?

There is no hearing, no reasons are recorded : just peremptory orders transferring the case from one place to another without any warning ; and the power given by the Act is to transfer from one end of India to the other ; nor is that power unused. We have before us in this Court a case pending in which a transfer has been ordered from Calcutta in West Bengal to Ambala in the Punjab."

Then His Lordship proceeds :

"After all, for whose benefit was the Constitution enacted ? What was the point of making all this bother about fundamental rights ? I am clear that the Constitution is not for the exclusive benefit of governments and States ; it is not only for lawyers and politicians and officials and those highly placed. It also exists for the common man, for the poor and the humble, for those who have business at stake, for the butcher, the baker and the candlestick maker. It lays down for this land a rule of law as understood in the free democracies of the world. It constitutes India into a sovereign *Democratic Republic* and guarantees in every page rights and freedom to the *individual* side by side and consistent with the overriding power of the State to act for the common good of all."

This is the dicta that should have been accepted and amendments should have been made in section 5 (7) (a) in the light of these comments.

So far as these observations are concerned, they are there. But an attempt has been made—I feel, an unhappy and feeble one at that—in order to tighten and almost nullify this. What was the judgment in this case ? The retro-activity or the retrospectivity has received the just censure from all High Courts, except in rare cases. But what do you do in this amendment ? Not only do you give recognition to the principle of retrospectivity but you do something further. You say that the word 'case' includes all proceedings under this Act which may be commenced after the date of the transfer in respect of any year. To my mind, this is incomprehensible.

The explanation is to section 5 (7) (a) and that section refers to the powers of the Commissioner and the Central Board of Revenue for the purpose of transferring any case. That contemplates that there is a pending case which is sought to be transferred from one income-tax officer to another. You are, however, adding an explanation and say that the word 'case' includes all proceedings under this Act which may be commenced after the date of the transfer in respect of any year. That, to my mind, is a contradiction in terms. This section deals with transfer proceedings of existing case that is being transferred to another tribunal. That is understandable. But, you are putting an explanation wherein you say that this 'case' includes commencement of proceedings in the transferred tribunal. The very words 'commencement of proceedings' mean they began for the first time and when they began for the first time the question of transfer did not arise. So, the moment you are elaborating and including in your explanation a definition which includes proceedings subsequent to the transfer, it becomes a little contradictory. One could have understood the pending proceedings to whichever they may relate, being transferred to another tribunal. But you cannot include those proceedings which are not yet commenced in the transferring court. They go on to the transferee court and they commence there.

If closer attention is paid I have no doubt that the defects as I have humbly indicated will bear conviction with the hon. Minister. Then, you use the expression 'case' in relation to 'any person'. Why should you use the expression 'person' ? There is the term 'assessee'. You are transferring the case of an assessee. The term 'assessee' has got a statutory definition. It would be very desirable if, in the explanation, the word 'assessee' were used rather than 'person' because in most of these proceedings, or almost all of them, the party to the litigation is the assessee on the one side and the income-tax department on the other. Therefore, bringing in the word 'person' to my mind will be less precise.

But, on the reasons which happen to be the basis of the Judgment in the Bidi case, I wish that amendment were real and respect were paid not only to the language but also to the spirit of the judgment, maintaining and upholding the constitutional rights of the citizens.

Pandit Thakur Das Bhargava : So far as this Bill is concerned, when I first studied it I thought it was a very ordinary measure and deserved our support, because, as a matter of fact, when cases are transferred from one income-tax officer to another, it is generally on the application of the assessee. If the assessee thinks that he will not get justice from an income-tax officer or any other high officer, then he goes to the highest authority and gets his case transferred. So far so good. In the case of an assessee, if one case is transferred from one officer or some higher officer, I should think that all cases should be transferred because an application is made on the basis that he has got an apprehension that he will not get justice. So, ordinarily, in the case of an assessee this would work well and for his benefit.

But, I find that, as a matter of fact, the line taken in this reported case is absolutely different. As you know, Sir, and the entire House knows, in the Civil Procedure Code, a suit can be brought against a defendant if he resides in a particular place, carries on business there, if contact is made there and cause of action wholly or partly arises there. In this case, the comparative section 64 says that the assessee shall be assessed in the place where he ordinarily resides or has his business. That means in the interests of the assessee the law has made a sort of a provision in his favour that jurisdiction will be exercised by those officers only in whose jurisdiction he resides. So if he lives in Punjab, his case is not transferred to any other place like Bihar or Calcutta. In such cases, it should be the right of the assessee, according to section 64, to insist that his case should be decided in his place. But what do we find here? On the contrary, powers are given to the highest income-tax officer to transfer cases. I can understand that in some special cases, about which my friend the hon. Minister has spoken, in which crores and crores are involved, which has got many ramifications where a firm is there which has got 20 branches. In such cases it is better that the cases are decided by those big tribunals etc. But so far as ordinary income-tax assessee are concerned, they will be harassed for all time, if for any reason except their own complaint their cases are transferred from one place to another.

I am rather surprised to hear from the hon. Minister that when once a case is transferred for all time the

jurisdiction is transferred. I can never think of a rule like this. He has just been pleased to say that as soon as the case is transferred, even on the application of the assessee—suppose I am not satisfied with my income-tax officer and I get transferred my particular case—then for all times the jurisdiction is transferred and future cases in respect of that assessee will be decided in another place. That means section 64 will be abrogated. To my mind this is not fair.

As a matter of fact, I should think that the difficulty can be got over very easily. So far as CSR is concerned, they can pass orders in all pending cases. Section 5 (7) is there. Instead of passing orders in one case they can pass orders in all the pending cases and thus the difficulty will be overcome. But, at the same time this right of the assessee to be assessed in a particular place, according to section 64 should be there. Just look at the Civil Procedure Code. You are taking away the rights of all defendants in this manner. Supposing you bring an innovation in the Civil Procedure Code that all cases will be decided at any place where the hon. Minister wants them to be decided, nobody will agree to that. This is a case going into the root of the matter. My hon. friend Shri Tek Chand has just read out the judgment of the Supreme Court by Justice Bose. We find that this involves a question of great principle. It is not a question of section 14 only from which some extracts have been just read out. It is a very important question. Supposing there are 20 persons whose cases can be decided in Hissar, why should 19 of them be taken to Ambala, Jodhpur or any other place? This is a question of principle. I should think that this practically means that we are abrogating section 64. I am not in favour of abrogating this section at all. This gives a sort of right to every citizen that his case should be decided by a court having jurisdiction. I am sorry, Sir, I cannot support this Bill in this way. I should say, the hon. Minister should think twice before taking away this very cherished right of every citizen by this simple looking Bill.

Shri M. C. Shah : Mr. Speaker, Sir, there is some misapprehension in the minds of some of the Members. It is not the intention of the Central Govt. to transfer all those cases which are to be assessed at the place of residence or at the place where the business is carried on. I have already indicated that wherever the transferee's convenience is

concerned, that will be taken into account first. But, there are certain very complicated cases and where the business activities are spread all over the country by one group in various names. Then it becomes necessary to transfer all the cases of that group at a particular place. Therefore, whenever there is a complicated case, the Central Board of Revenue applies its mind as to whether it will be in the interest of the revenues to entrust that case to an officer who has great experience in handling such cases. For example, as I indicated while introducing the Bill, the Supreme Court held *ultra vires* section 5 (1) of the Income-tax Investigation Commission Act. Then they held *ultra vires* section 5 (4) of the Income-tax Investigation Commission Act. There were about 1,200 cases pending disposal. Some of the cases were already disposed of and even moneys were collected but still all those cases which were disposed of by the Income-tax Investigation Commission after the 26th January, 1950, were held to be invalid. Therefore, we had to have this 34 (1) A inserted in the Income-tax Amending Bill and that was agreed to by both the Houses of Parliament. All those cases have been transferred to a special directorate consisting of three senior Income-tax Commissioners. What do we do with all those cases? If we accept the judgment as it stands, that means all those orders will be held to be invalid. So, those cases which have been disposed of even after the amendment of the Income-tax Act by inserting 34(1) A all those orders will be held invalid because those cases relate not only to one year but to a number of years and there are several proceedings pending in respect of them. There are very many groups, very big business people having their business activities not only in Bombay, Calcutta, Madras and Kanpur, but in various other places in the country. They are all interdependent and inter-linked. At the same time those cases require special consideration by the income-tax officers who have to go very deep and find out where evasion has occurred, whether the income-tax returns are correct and so on. As a matter of fact, the House is very much concerned with regard to the evasion of income-tax. It has been stated that evasion to the extent of crores and crores of rupees has been there. In order to find out all this concealed income we have to entrust all those cases to those officers who have got special knowledge of probing into the details of those cases. Therefore, it

becomes necessary for the Central Board of Revenue to transfer those cases to certain special circles we have created.

We have created special circles in Bombay and in Calcutta and also in other important places in the country where business activities are being carried on. Therefore, it becomes absolutely necessary for the Government, for the convenience of administration of the Income-tax Department, to transfer all those cases to certain places. In view of all this, this explanation should be there as contained in the Bill.

Then again, special knowledge is required to go into the accounts of companies and find out whether there has been evasion of income-tax, whether the returns have been filed correctly by the companies and whether there are other items which can be found out to represent income. Therefore, we had to form company circles. This process goes on since the year 1940. An amendment was made in the year 1940 empowering the Central Board of Revenue to transfer such complicated cases to certain special circles which were then opened. Thereafter also we have had a Directorate of Inspection and Investigation. There also we have certain circles. Whenever we find that there is a huge sum of evasion of tax or concealed income, we always entrust that case to that special directorate.

Therefore, it becomes absolutely necessary to have these powers under (7A) but the judgment says, they can just have it for a particular assessment year. We know that in such cases it takes years and years. Before we finalise the assessment for one year, some two, three or four years pass because from our experience we find that these persons or companies file their returns always when they are near being time-barred. One after the other, they are just dodging in order to lengthen the proceedings, and therefore from 1940, it has been found necessary that all such special circles should be there, and all such important and complicated cases should be sent to those circles where we have got very, very experienced officers who can give deep and careful consideration on these matters and find out the evaded incomes.

Shri Tek Chand has referred to a minority judgment of Justice Vivian Bose.

Shri Tek Chand : It was not a minority judgment. It was a separate judgment.

Shri M. C. Shah : All right. It was a separate judgment. There is no contradiction in terms. Once a case of such a nature is transferred, then naturally all those proceedings coming thereafter must be dealt with by that officer to whom that case has been transferred. My friend Pandit Thakur Das Bhargava need not have any apprehension with regard to the ordinary income-tax payers. It is not a pleasure for the Commissioners of Income-tax and the Central Board of Revenue to transfer ordinary cases in their charge. It is only when the cases are complicated, when it is found that a case requires a very thorough investigation and should be gone through deeply, such case or cases are transferred to those special circles. Therefore, it has become necessary to amend this law because of the judgment of the Supreme Court where they have said that the transfer refers only to the particular assessment year. Hence, we have used the word 'proceedings' very advisedly. Also the word 'person' has been used, because there are various assesseses and groups. So, in the interests of the public, it is most important that we should amend the Act as we have suggested. I hope that the House will agree to this amendment and adopt the motion for consideration of the Bill.

Mr. Speaker : The question is :

"That the Bill further to amend the Indian Income-tax Act, 1922, be taken into consideration."

The motion was adopted.

Clauses 1 and 2, the Enacting Formula and the Title were added to the Bill.

Shri M. C. Shah : I beg to move :

"That the Bill be passed".

Mr. Speaker : The question is :

"That the Bill be passed".

The motion was adopted.

STRIKE SITUATION IN KHARAGPUR

Mr. Speaker : The House will now proceed with the discussion *re* strike situation in Kharagpur, which has been given notice of under rule 212 by Shri Feroze Gandhi. First the Minister.

The Minister of Railways and Transport (Shri L. B. Shastri): In the statement made by me on the 23rd May, 1956, I had stated that a stay-in-strike

in the Kharagpur workshops started on 8-5-1956 and no reason had been given by the workers for going on strike either before or immediately after the stoppage of work nor was any notice served by them on the administration.

The stay-in-strike in the Kharagpur workshops subsequently spread to electric shops, general stores, signal shops and the locoshed. At the worst phase of the strike the total number of men working in the workshops, general stores and electric shops declined to about 476 out of a normal attendance of 12,000.

It was alleged that the strike was in sympathy with the stay-in-strike of brush-hand painters of the same workshop which had been going on since 1st March, 1956. These brush-hand painters numbering about 100 had commenced their strike without notice, the demand being that their work of marking rolling stock with stencils should be considered as a 'skilled work'. This demand was unwarranted and could not be agreed to.

From the very beginning of this strike the workers who wanted to attend to the work had been subjected to intimidation, molestation and assault by the strikers in spite of whatever police protection could be afforded. There had been a large number of cases of assault involving injuries ranging from minor ones to serious ones, including 5 fractures and one case of stabbing of a worker. The total number of cases recorded between 11th May and 27th May were 87. Not only the workers who wanted to work were attacked with lathis, stones and brickbats resulting in serious injuries and an Assistant Commandant of West Bengal Armed Police Force also received serious injuries along with 10 other police staff, but even the families of the loyal workers, while their men-folk had gone to work, were threatened and intimidated by the strikers, so much so that one day workers had to leave their work and were allowed to go back to look after their families.

As the attendance of workers in the Workshops increased from 729 on 23rd May to 3,362 on the 25th May, the strikers resorted to more violent methods by picketing and intimidation, and in order to keep themselves in the background, crowds of women and children helped by other rowdy elements, assembled outside time office gate on 26th morning and started pelting stones at the loyal workers trying to enter the