

country from the tourist; because foreign tourists come and spend money here. The income from year to year has been rising and last year, for 1957-58 it was as much as Rs. 16 crores.

DR. R. P. DUBE: Where is this amount of Rs. 95 lakhs spent? Was it spent in Kashmir?

SHRI RAJ BAHADUR: It is not yet spent. That is the allocation in the Second Five Year Plan of the State.

SHRI JASWANT SINGH: Does this income of Rs. 16 crores which the hon. Minister has stated, include the income of the Kashmir Government also or is it separate?

SHRI RAJ BAHADUR: I think, Sir, it does include.

SHRI B. SHIVA RAO: This sum of Rs. 95 lakhs that has been allotted to Kashmir, is it being spent by the Central Government or is any part of it spent by the Kashmir Government? If the answer is in the affirmative, are any accounts being submitted by the Kashmir Government of how the money is being spent?

SHRI RAJ BAHADUR: It is Rs. 95 lakhs and not Rs. 95,000 as somebody put it. The entire amount has not been spent. Rs. 38,000 was spent in 1956-57 and Rs. 12,33,000 in 1957-58. And recently it has been decided that the Central Government will reimburse 50 per cent of the expenditure incurred in the provision of amenities for tourist. As such we shall naturally have the accounts checked up with regard to all such projects in the normal course.

#### LIABILITY OF INDIAN AIRLINES CORPORATION FOR GOODS LOST IN AIR TRANSIT

\*533. SHRI M. P. BHARGAVA: Will the Minister of TRANSPORT AND COMMUNICATIONS be pleased to state:

(a) whether it is a fact that the Indian Airlines Corporation have no liability whatsoever for loss or damage to goods in air transit, whether

or not caused by the act, neglect, negligence or default of their employees or other staff; and

(b) whether Government propose to issue a notification envisaged in section 4 of the Indian Carriage by Air Act (XX of 1934) applying the rules contained in the 1st Schedule to carriage by air within India?

THE DEPUTY MINISTER OF CIVIL AVIATION (SHRI AHMED MOHIUDDIN): (a) A copy of the Indian Airlines Corporation's conditions of Carriage of Cargo is laid on the Table of the Rajya Sabha.

(b) The matter is under consideration.

#### STATEMENT

##### *Indian Airlines Corporation's conditions of carriage of Cargo*

1. Carriage hereunder, if International Carriage, as defined by the Convention for the unification of certain rules relating to International Carriage by Air signed at Warsaw on 12th October, 1929, and the first schedule to the Carriage by Air Act (XX of 1934), is subject to the rules relating to liability established by the said Convention and the first schedule to the said Act. In so far as there is no inconsistency with the said rules, carriage hereunder or other services and operations performed by the carrier in respect of which any liability is attached to the carrier is also subject to the terms and conditions herein set forth and to the conditions of carriage, tariffs, rules, regulations and time-tables (but not the times of departure and arrival stated therein) of the carrier which are hereby made a part thereof (copies of which are available for inspection at any of the offices of the carrier and at airports from which it operates regular services). Carriage hereunder is also subject to applicable laws as to liability and otherwise, governmental regulations, demands, orders and requirements. The agreed stopping places which may be altered by the carrier in case of neces-

ther by subrogation to the Consignor or Consignee or otherwise shall be entitled to proceed against the Carrier for recovery of any compensation or damages or otherwise whatsoever in respect of such loss or damage notwithstanding that any such loss or damage may have been caused or occasioned by the act, neglect, negligence or default of the Carrier or of pilots, flying, operational or other staff or employees or agents of the Carrier or in any other manner. If requested by the Consignor at or before receipt by the Carrier of the goods for carriage and upon payment of the appropriate premium the Carrier will arrange such insurance on behalf of the Consignor.

3. The Consignor agrees that no time is fixed for the completion of transportation hereunder and that the Carrier may substitute alternative carrier. The Consignor guarantees payment of collect charges and advances.

4. Actions must be brought before the Courts appropriate jurisdiction of the State of or Territory in which the principal place of business of the Corporation is situated.

5. No agent or employee of the Carrier has authority to alter, modify, waive in any manner any of the provisions or conditions of this contract.

6. For the purpose of exemptions from liability provisions set forth or contained herein the term "Carrier" as used therein shall be deemed to include the agents, employees and representatives of the Carrier.

7. For the purpose of the Consignment Note, precious freight includes all varieties of valuables (including bullion) the value of which exceeds Rs. 333 per pound.

SHRI M. P. BHARGAVA: May I know whether this is not a great hardship to those who book their goods by air?

SHRI AHMED MOHIUDDIN: It is rather difficult to say whether it is a hardship or not. But I may inform the hon. Member that generally businessmen insure their cargo when it is despatched.

SHRI M. P. BHARGAVA: Is it not a fact that the Railways and other means of transport give compensation for the goods lost in transit?

SHRI AHMED MOHIUDDIN: I am not aware of the Railways, Sir.

SHRI V. PRASAD RAO: What is the practice in foreign countries?

MR. CHAIRMAN: It varies with different countries.

SHRI V. PRASAD RAO: Our rules in this regard are modelled on those of the U.K. What is the practice in the United Kingdom? Is not the Deputy Minister aware that compensation is being paid in the United Kingdom?

MR. CHAIRMAN: Compensation, he says, is paid in the United Kingdom. Are you aware of that?

SHRI AHMED MOHIUDDIN: I may mention, Sir, that according to the Warsaw Convention, the countries that have air services, have passed an Act to cover damages either for loss of life or of property in respect of international services. But as far as I am aware, the domestic services—I am speaking subject to correction—in all these countries have not got the same liability as the international services.

SHRI V. PRASAD RAO: When we pay damages or compensation in the case of international services, how is it that to Indian consignees booking goods to various parts here, we do not pay any compensation?

SHRI AHMED MOHIUDDIN: In answer to part (b) I have already stated that the application of the Air Act to domestic service is under consideration.

sity are those places other than the airports of departure and destination set forth on the face of the consignment note and/or shown in the time-tables of the carrier as scheduled stopping places for the particular routing. The carrier declares that it is not a common carrier and does not accept the obligation or liability of a common carrier, nor is there implied in this contract of carriage any guarantee concerning an aircraft engaged for the carriage or concerning its fitness for the carriage of the goods to which this contract relates.

2. If and to the extent that is not in conflict with the law to be applied:—

(a) The Carrier shall be under no liability whatsoever to the Consignor or to the Consignee or the owner of the goods or their respective heirs, legal representatives or dependants or their respective assignees, for loss, damage, detention or delay to the goods arising out of the carriage or any other services or operations of the Carrier whether or not caused or occasioned by the act, neglect, negligence or default of the carrier or of pilots, flying operational or other staff or employees or agents of the Carrier or otherwise howsoever and the Carrier shall be held indemnified against all claims, suits, actions, proceedings, damages, costs, charges and expenses in respect thereof, or arising out of or in connection with such carriage or other services or operations of the carrier. The above exemption from liability and indemnities in favour of the Carrier extends to the carriage by surface transport of the goods to or from the airport at place of embarkation, destination or intermediate stopping places, the custody, loading or unloading of such goods into and from aircraft or surface transport and to all other services and operations of the Carrier whatsoever.

(b) (i) If the carriage is "International Carriage" then in any event

the Consignor, having been offered a choice of rates according to value agrees that the liability (if any) of the Carrier shall in no event exceed the shipper's declared value for carriage stated on the face of the consignment note upon which charges for carriage are partly based, liability for partial loss or damage to be computed *pro rata* on the basis of the declared value; notwithstanding that loss or damage to the goods or delay in the delivery thereof may have been caused or occasioned by the act, neglect, negligence or default of the Carrier or of pilots, flying, operational or other employees or agents of the Carrier or in any other manner.

(ii) If the carriage is other than "International Carriage" then in any event (in so far as any liability may be imposed on the Carrier by the law but not otherwise) such liability for loss of or damage to the goods or delay in the delivery thereof is limited to and agreed to be in the aggregate the actual value thereof or the declared value thereof or Rs. 300 whichever is the lowest, liability for partial loss or damage being computed *pro rata* on the above basis; notwithstanding that any loss, damage or delay may have been caused or occasioned by the act, neglect, negligence or default of the Carrier or of pilots, flying, operational or other employees or agents of the Carrier or in any other manner.

(c) In the event of loss of or damage to precious freight from any cause whatsoever, the Consignor specifically agrees that he or the Consignee or the owner of the goods shall receive the amount (if any) recoverable under the terms of the insurance referred to on the face of the consignment note subject to the terms and conditions thereof in full satisfaction of all his claims, including claims (if any) against the Carrier in respect of such loss or damage and that neither the insurer nor any other person whe-

SHRI AMOLAKH CHAND: May I know, Sir, whether because of these rules, the cargo-carrying capacity of Indian Airlines Corporation is not being fully utilised and if so what steps are taken to utilise it to the full capacity?

SHRI AHMED MOHIUDDIN: Every effort is made to utilise the cargo-carrying capacity in the I.A.C. planes. As for non-payment of compensation being a cause for non-utilisation, I cannot assert that.

SHRI B. K. P. SINHA: May I know whether under the Common Law of contracts and Tort, they are not liable to pay compensation as common carriers?

SHRI AHMED MOHIUDDIN: That is a very complicated legal question and if the hon. Member will read the Statement I have laid on the Table, he will see there that the I.A.C. does claim that it is not a common carrier.

#### FINANCIAL ASSISTANCE GIVEN BY CENTRAL GOVERNMENT FOR MAHI RIVER SCHEME

\*534. SHRI DAHYABHAI. V. PATEL: Will the Minister of IRRIGATION AND POWER be pleased to state the amount of financial assistance so far given by the Central Government to the Government of Bombay for the Mahi River Scheme?

THE DEPUTY MINISTER OF IRRIGATION AND POWER (SHRI J. S. L. HATHI): Central assistance to the Government of Bombay was given for financing the Miscellaneous Development Schemes sponsored by the State Government and approved by the Planning Commission. The assistance was intended to meet the expenditure on the Miscellaneous Development Schemes of the State as a whole and no portion thereof was exclusively earmarked for any particular scheme or set of schemes.

SHRI DAHYABHAI. V. PATEL: Is the amount? And does the hon.

Minister consider a major scheme like the Mahi Scheme one of the miscellaneous schemes in the State of Bombay?

SHRI J. S. L. HATHI: It is not for the Irrigation Ministry to consider whether it should be financed under the Miscellaneous Development Schemes or as a particular scheme. The State's resources as a whole are taken into consideration and then financial assistance is given to the State. This has been given from the Miscellaneous Development Fund.

SHRI JASWANT SINGH: Is this the practice followed in all the other States also? Or is a particular scheme chosen for assistance from the Centre?

SHRI J. S. L. HATHI: There are different ways in which financial assistance is given. In the case of certain schemes, grants are given as in the case of the Grow More Food schemes. There are certain schemes for which particular loan assistance is given as for example the multi-purpose schemes like Bhakra, D.V.C. and so on. There are certain other schemes for which no earmarked allocation is made, but it is given *ad hoc* as for miscellaneous development schemes. This is the practice followed in all the States.

SHRI V. K. DHAGE: But what is the amount that has been sanctioned for this miscellaneous development scheme?

SHRI J. S. L. HATHI: So far as the Bombay State is concerned, in 1957-58, the amount sanctioned for 1957-58 is Rs. 800 lakhs.

SHRI V. K. DHAGE: What are the various items in this Miscellaneous Development?

SHRI J. S. L. HATHI: There are different development schemes included in the Plan. It is a long list.

SHRI V. K. DHAGE: But what is the exact amount that is considered by