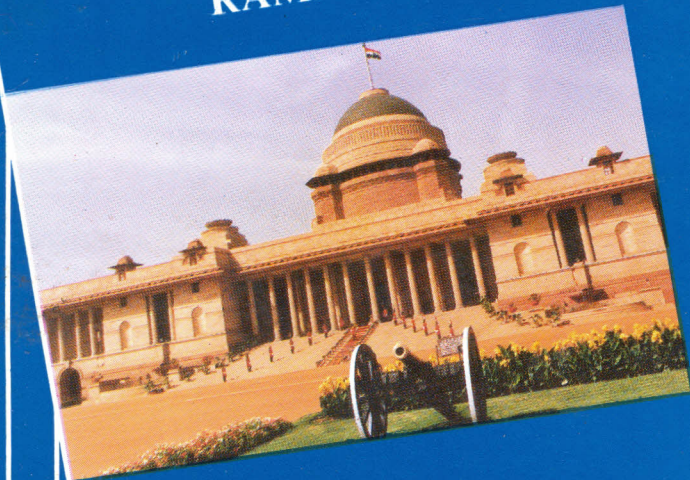


RAMASWAMY VENKATARAMAN



President
in
Parliament



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**President
in
Parliament**

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Foreword

Shri Ramaswamy Venkataraman has distinguished himself not only as the President of India but also as an impartial and respected presiding officer of the Rajya Sabha, as an able administrator, an eminent economist and a parliamentarian *par excellence*.

The remarkable foresight and composure with which he has guided the nation during the preceding five years—which could, by any standards, be regarded as the most tumultuous period of our recent history—establish him as a statesman in the true sense. Not being a mere ceremonial head, he has been the nation's friend, philosopher and guide at a time when such services were needed most. His mature sense of judgement, abiding impartiality and political even-handedness have made him equally respected by one and all.

On the occasion of his demitting the office of the President of India, we express our respectful regards to Shri Venkataraman who has carved out a permanent niche for himself in the hearts of the millions of our countrymen. We also wish him good health and long life. We hope that his wise counsel will always be forthcoming and the nation will continue to have the benefit of his rich and varied experiences in the years to come.

The present monograph—the very first in the “Distinguished Parliamentarians - Felicitations Series”—is a modest attempt to recapitulate and place on record the yeoman's services rendered to the nation and its people by Shri Venkataraman. I hope that this monograph will be well received by the readers.

New Delhi
July, 1992

SHIVRAJ V. PATIL
Speaker, Lok Sabha

Preface

We are happy to introduce to the readers a new Monograph Series—Distinguished Parliamentary Felicitation Series—being brought out with the object of recalling the contribution of our distinguished parliamentarians—who are amongst us whether inside the Parliament or outside—in enriching the parliamentary debates and thereby making the institution of Parliament a powerful instrument mirroring the urges and aspirations of our people and helping in the shaping of prosperous, united and strong India.

It is only appropriate that the first Monograph in the Series is on 'RV'—Shri Ramaswamy Venkataraman, President of India, who has had a long parliamentary career beginning from the Provisional Parliament in 1950, and reaching to the highest position of the Head of State. This is a token of our respect and affection for him and is our humble tribute to his outstanding services to the country and her people. The compass of this publication is limited to his contribution as a Parliamentarian in his capacity as a legislator, Minister in the State and Union Government, Vice-President and Chairman of Rajya Sabha and finally as the President in Parliament and not his entire public life which, needless to say, is wider comprehending different spheres—as a freedom fighter, lawyer, journalist, social worker, labour leader, etc. and which spans for more than five decades. The Monograph contains, besides a bio-profile of Shri Venkataraman's multi-faceted personality, a collection of his speeches delivered by him in different capacities as also on other important occasions of our parliamentary history. The Monograph also contains photographs taken on different occasions of his parliamentary functions and activities.

We are grateful to Honourable Speaker, Lok Sabha, Shri Shivraj V. Patil for giving us his approval to this new Series and also for writing a Foreword to this Monograph.

It is our sincere hope that the Monograph would be found useful by Members of Parliament and all those who are interested in contemporary history of our country.

New Delhi
July 11, 1992.

C.K. JAIN
Secretary-General, Lok Sabha

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RAMASWAMY VENKATARAMAN
The Eighth President of India

PART ONE

BIO-PROFILE



Swearing-in-Ceremony as President in the Central Hall, Parliament House (25 July, 1987)

Ramaswamy Venkataraman: A Profile

A true nationalist, a firm believer in secularism, democracy and Gandhian principle of non-violence, a reputed legal luminary, an eminent trade union leader, a renowned economist, a distinguished Parliamentarian and above all, a humanitarian to the core, Shri Ramaswamy Venkataraman—the eighth President of the Republic of India—has attained the pinnacle of glory as the head of the largest democracy in the world, neither by luck nor by chance, but by sheer force of his personality, dedication, devotion and commitment. He uniquely combines in him some outstanding traits—unassuming simplicity, transparent sincerity and honesty of purpose, which endears him to one and all.

Early Life

Shri Ramaswamy Venkataraman, popularly called 'RV' by his friends and admirers, was born on 4 December, 1910 in Rajamadam Village in the world famous ancient temple city of Thanjavur district in Tamil Nadu. Shri Venkataraman's father, late Shri K. Ramaswami Iyer, was a lawyer of repute in the district, known for its rich cultural heritage. Young Venkataraman thus grew up in a traditional but alive atmosphere. This had made a deep imprint on him and helped him develop into a pious, virtuous and dedicated individual. The love of his country made him join the Indian National Congress and take part in the many struggles it had launched for the liberation of the country from foreign yoke.

Shri Venkataraman had his initial education in Thanjavur itself. He did his Bachelor of Laws from the Law College in Madras and obtained a Masters Degree in Economics from the Madras University. A true patriot as he is, after completing his formal education, he decided not to get into Government service and thus be a slave of the British. Instead he chose to practise law and enrolled himself first in the High Court of Madras in 1935 and later in the Supreme Court. Even when he was at Madras, his dedication to the cause of social service remained undiminished and he continued to evince keen interest in ameliorating the lot of agricultural workers in his home district of Thanjavur.

In 1938, he was married to Janaki Devi, whose parents were then settled in Myanmar (Burma). As a true traditional and devoted, wife Janaki Venkataraman has always remained by the side of her husband and has performed her household duties with religious zeal. Soon, theirs became a happy and contented family blessed as they were with three daughters.

Role in the Freedom Movement

Like many of the leaders, who were then in the vanguard of the freedom struggle, Shri Venkataraman too came under the profound influence of Gandhiji, early in his life. The Mahatma and his distinct philosophy had a deep impact on Shri Venkataraman and his thoughts, words and actions provided him a beacon light. So fascinated was he by this colossus of a man and so irresistible was the call given by the Mahatma that he gave up his lucrative legal practice and plunged into the freedom struggle. He took active part in the 'Quit India Movement' of 1942 for which he was detained for two years by the British Government under the Defence of India Rules (DIR). After his release from prison in 1944, and moved by the poverty of the masses, the misery of the landless labour, and the plight of the industrial labour, he became a Trade Union Leader and took up their cause.

His keen interest in the legal matters continued nevertheless. It was in recognition of his legal acumen that he was deputed in 1946 by the Government of India to Malaya and Singapore for defending members of Subhash Chandra Bose's India Independence League who were charged by the British with collaborating with the Japanese. The Panel consisted of eminent lawyers like K. Bhashiyam of Madras, K.F. Nariman of Bombay and P.N. Saprú of Allahabad.

Shri Venkataraman has an extraordinary legal acumen. Once a group of youngsters were sentenced to death for killing a British Officer in a frenzy. Shri C. Rajagopalachari had tried to secure pardon for the condemned boys in view of their tender age, but failed. The date of hanging had been fixed, and all hopes had been given up. However, Shri Venkataraman discovered a legal way to get the hanging stayed. With the help of a Counsel in England, he got a petition filed in the Privy Council which resulted in the stay of the hanging. Rajaji, impressed as he was with Venkataraman's achievement paid him a rare compliment: "a very intelligent lawyer".

From 1947 to 1950, he was the Secretary of the Madras Provincial Bar Federation. His long experience of handling labour matters and his establishment of the *Labour Law Journal* (LLJ)—a prestigious publication—in 1949 turned him into an expert in the field of industrial law. The Labour Law Journal ultimately came to be known as the most valuable reference manual for trade unions and lawyers engaged in labour cases. In recognition of his deep knowledge in legal matters, the Government of India sent him as the leader of the Indian delegation to the Metal Trade Committee of the International Labour Organisation in Geneva, in 1952. Subsequently in 1958, he was appointed the leader of the Indian Delegation to the 42nd session of the International Labour Conference in Geneva. He was also a member of the prestigious United Nations Administrative Tribunal from 1955 to 1979, and remained its President for more than ten years from 1968 to 1979. In a rare gesture of recognition of invaluable services to the UN Administrative Tribunal, he was designated its honorary President for life.

Entry into Active Politics

It is from the grassroot level that Shri Venkataraman has risen to the dizzy heights of his career culminating in his occupation of the exalted office of the President of world's largest democracy. In his younger days, he came under the influence of Shri Satyamurthiji, a doyen in the field of Parliamentary politics. Another great politician and pragmatic socialist, who was mainly responsible for bringing Venkataraman into active politics was late Kumaraswamy Kamaraj. It was the late Kamaraj who had put Venkataraman incharge of the Labour Wing of the Tamil Nadu Congress Committee (TNCC). In a short spell of time, Venkataraman developed an effective rapport with the workers owing allegiance to the Congress and working in urban industries, plantations and estates, ports and docks and railways.

Shri Venkataraman believes in sincere work. In 1957, Shri Venkataraman was re-elected to the Second Lok Sabha and he was offered a place in the Union Council of Ministers. However, when the Chief Minister of Madras asked him to join his cabinet, Shri Venkataraman readily agreed to the wishes of Shri Kamaraj.

Knowing the abilities of Shri Venkataraman, K. Kamaraj entrusted him with various important portfolios like Industries, Labour, Cooperation, Power, Transport and Commercial Taxes from 1957 to 1967. During this period, he also served as the Leader of the House in the Madras Legislative Council. When he took charge as the Industry Minister, Tamil Nadu was largely an agricultural State with negligible industrial growth. But with his dexterity and skilful handling of affairs he soon brought the State high on the industrial map of India. He is, in fact, considered the 'father of industrialisation' in Tamil Nadu. He introduced many innovations, such as, setting up of industrial cooperatives for small tea growers, promotion of cooperative textile mills and encouraged, for the first time in the State, the establishment of large scale industries like paper, aluminium and cement. He also introduced the first long-distance buses in the State. When he left the Industry Ministry in 1967, Tamil Nadu had become the third most industrialised State of the country.

Being an active Congress worker since pre-independence days, RV occupied various party posts. Besides being the Secretary of the Tamil Nadu Congress Committee from 1952-54, he was also one of the Secretaries of the Reception Committee of the Avadi session of the Congress. He also served on the Working Committee of the TNCC from 1952-67 and established his reputation as an able party ideologue, an efficient leader, a trusted friend and a man dedicated to work.

As a Parliamentarian

RV's parliamentary career began in 1950 when he was first elected to the Provisional Parliament (1950-52) and during these two years he actively participated in various discussions and established himself as an eloquent parliamentarian. The then Speaker,

Shri G.V. Mavalankar, was so impressed with his performance that he nominated him as a delegate to the Commonwealth Parliamentary Conference in New Zealand in 1950. Later, he was elected to the First Lok Sabha (1952-57) and again to the Second Lok Sabha (1957-1962). He, however, resigned in 1957 to join K. Kamaraj's Cabinet in Tamil Nadu (then Madras). He became, once again, a Member of the Sixth Lok Sabha (1977-80) and the Seventh Lok Sabha (1980-84) whereafter, he was called upon to occupy the nation's second highest office—the Vice-Presidentship.

An able Parliamentarian and a forceful speaker, Ramaswamy Venkataraman evinced keen interest in a wide range of subjects. He always used to come fully prepared for parliamentary debates and discussions. His parliamentary skill and eloquence, coupled with a constructive approach to the problems facing the country earned him a prominent place in his Party. Even the members of Opposition admired him for his deep understanding and appreciation of the issues and problems that came up before the House. During his initial years in Parliament, his contribution, even as an ordinary member of Lok Sabha, was indeed remarkable. In the First Lok Sabha, he was one of the founders of a 'ginger group' which mobilised effective backing in the Party to Government's progressive socio-economic programmes and policies. His scholarly contribution during the debate on the Constitution amendment relating to 'Right to property' will always be remembered. He convinced Late Panditji that the change in article 31 should apply to all types of property to ensure equity as between the rural and urban sectors. Pandit Nehru agreed to amend the bill to this effect even after its introduction in Parliament. It was Venkataraman's effective eloquence that impressed Panditji and brought him closer to the nation's topmost leaders.

On general issues facing the country, Venkataraman was quite forthcoming. His parliamentary skills and acumen were well-recognised and appreciated in the initial years itself when he was given the honour to second the Motion of Thanks to the President Shri Rajendra Prasad for his first address to the Joint Sitting of Parliament. Speaking on the motion on 19 May, 1952 he *inter alia* said:

“...Unemployment is a scourge. It is indeed a very unhappy situation that an able-bodied man, a man who is ready, able and willing to work, should be denied work and unless we are able to combat the mass retrenchment and unemployment that are consequent upon fall in prices and the fall in production, the very thing which we welcome as a measure that is intended to benefit the lower classes will prove to be a measure of great harm to those classes...”

Realising fully the efficacy of the Press in our Parliamentary polity, he has always stood in favour of freedom of thought and expression. In his view, the role of the press was very vital in transforming the ideals of the constitution into a reality. Speaking on this issue in the same debate*, he said:

*L.S. Deb., 19 May, 1952.

I am very glad that Government intend to appoint a Press Commission which will go into the question of the organisation of the Press monopolies, if any, existing in it, the conditions of working journalists who sustain the entire organisation and all aspects of the Press, so that freedom of thought and expression which we have embodied in the Constitution will become a reality. Freedom of thought and expression cannot obtain, unless the Press is a strong one, and independent one and is not controlled by merchants, traders and speculators who may use the Press for their own purposes..."

There is yet another instance of his Parliamentary skill which stood highlighted when he spoke on the question of rationalisation in the textile mills. When the Late T.T. Krishnamachari and Gulzari Lal Nanda were locked in a bitter fight over the induction of automatic looms, Venkataraman brought forward a formula of "rationalisation without tears" by which automation would be introduced provided the surplus labour could be otherwise absorbed. It was an impressive parliamentary debate and his compromise formula was readily accepted by Panditji.

His approach to the subjects under discussions in the House, the laborious and painstaking homework which he used to undertake before coming to participate in the discussion, his deep penetrating thoughts, his confidence and straightforwardness contributed in shaping him as one of the most distinguished Parliamentarians.

Owing to his rich and outstanding Parliamentary performance in Lok Sabha, he was elected to various prestigious Parliamentary Standing Committees viz., Committee of Privileges, Committee on Estimates and Committee on Public Accounts.

He has also been a pioneer in suggesting the introduction of the Committee system to make elected governments more responsive to the needs and demands of the people. In his view, the Committees, like Public Accounts and the Estimates, where members deal with matters without any party affiliations and whose proceedings are not published, could help find 'genuine solutions' to some of the glaring problems confronting the nation.

Apart from his ability and eminence as a Parliamentarian, Venkataraman possesses an abundant fund of wit and humour with which he could silence his opponents in Parliament. Once, when the late Jyotirmoy Bosu, a stormy petrel, kept frequently interrupting him, Venkataraman quipped: 'Mr. Chairman, Mr. Jyotirmoy Bosu is a very experienced member of Parliament.... In fact, he is so much in the habit of differing that even when I say he is good, he will differ.' On yet another occasion he said: 'Jyotirmoy is like Winston Churchill. He would like to be the bridegroom in a marriage party and the dead body at a funeral' which perhaps silenced Bosu for the rest of the day.

During this period, besides effectively performing his role as an able and active Parliamentarian, he also held various positions in the Party organisation. He was the

Secretary of the Congress Party in Parliament (1954-55); member of All India Congress Committee (AICC) (1952-67); All India Congress Working Committee (AICWC) (1980-84) and the Congress Parliamentary Board (CPB) (1981-84).

In recognition of his parliamentary experience, expertise and oratorical skill, he was sent as a delegate to the United Nations General Assembly as part of the Indian delegation in the years 1953, 1955, 1956, 1958, 1959, 1960 and 1961, where too he made a distinct mark of his own.

As a Renowned Economist

A renowned economist, Venkataraman brought to Parliament his expertise in the areas of finance and planning. He served as a Member, Planning Commission from 1967 to 1971. The subjects entrusted to him were industry, labour, power, transport, communications and railways. Regarding the importance of planning with special reference to industrial development, he once observed:

During the last eighteen years of planning, the economy has been taken out of the traditional rut and a sense of dynamism infused in it. The rate of investment and national income have been substantially stepped up. Structural changes conducive to growth and development have been brought about.

He was a member of the Economic Affairs Committee of the Union Cabinet and also served as Governor of the International Bank of Reconstruction and Development (IBRD) and the Asian Development Bank (ADB).

Venkataraman's views on economic matters are well-known and are discernible from his Address to the Indian Chamber of Commerce in Calcutta, where he said:

"It is incumbent upon business leaders and managers to do some soul-searching and self-introspection in their work styles—styles of living and styles of problem solving. In our situation, the State must play an active part in the management of the nation's economy, it can do so best through the totality of planning. Planning does not necessarily mean controls, planning means having a vision of the future, having a well thought out approach for development of key sectors, a well articulated policy towards acquiring and developing technologies."

He called upon economists to formulate time bound targets for the elimination of poverty and completion of work on the design and content of anti-poverty programmes. This is quite evident from the speech he made while inaugurating the 68th All India Economic Conference in Ahmedabad on 25 December, 1975. He said:

“Even though economic progress was substantial since independence, we have not overcome the basic problem of mass poverty. Planning has been instrumental in putting the country’s economy on the path of sustained progress despite severe odds. The problem between efficient use of resources, self-reliance and poverty eradication was not simple.”

While speaking on the ‘Role of Planning in Industrial Development’, on 10 September, 1969, Venkataraman said:

“Soon after independence, we adopted planning as a means to accelerate economic development. To the newly independent countries, political freedom was only first and initial step in the arduous path towards the ultimate objective of improving the economic social status of their large mass of people, steeped in ignorance and poverty and of uniting and welding them into progressive and prosperous nations. Economic development thus became the prime concern of the Governments in the post-independence era in the most underdeveloped countries.”

According to him, the profitability of an enterprise does not depend on the sector to which it belongs but on good management and sound policies. He believes that with the expansion of resources and infrastructure in the country, it is no longer necessary to retain the shackles of controls which have built-in undue rigidities and delays.

Industrialisation, he opines, is *sine-qua-non* for rapid economic development of a nation. It occupies a central and pivotal position in every programme of planned economic development. Industrialisation and economic development have become so integrated with each other that the economic progress of a nation is often assessed in terms of the measure of its success in transforming its agricultural economy into a modern industrial one. Increased production and productivity are the hall-marks of national wealth and prosperity. Industrialisation thus provides the key to rising income, employment, wealth and prosperity.

A firm believer in international economic co-operation among the developing countries, he lays great(er) emphasis on the South-South dialogue, because if developing countries realise their potential increase the economic interaction with each other, they would be better able to minimise the economic dictates and high handedness sometimes resorted to by developed nations.

As an economist in politics, Venkataraman looks back with pride at the striking progress the country has made in the last four decades despite the population explosion. He describes the population explosion as:

“the single biggest factor against the success of our economic programmes, all the more, the population growth rate is even higher than the economic growth.”

As a Union Minister

In January 1980, Shri Venkataraman, in view of his vast experience in the Tamil Nadu Cabinet, was accorded the honour of serving the country as Minister of Finance. By dint of his administrative skills and the far-reaching economic reforms that he introduced, he proved himself as one of India's ablest Finance Ministers and guided the nation in the difficult years along the path of planned economy.

The economic policy that he adopted was sound and two-pronged. On the one hand, he believed in increasing the goods and services to absorb the excess liquidity and on the other, followed a fairly tight money policy, both in regard to credit for non-productive purposes and also to check non-planned expenditure. He was the first Finance Minister who introduced the scheme of Bearer Bonds which netted over Rs 1,000 crores.

A straight forward and pragmatic economist, RV believes that cash assistance and subsidies are inevitable for the development of exports. This is evident from his following observations made in the House on 18 August, 1981 while speaking on the Export-Import Bank of India Bill:

"We cannot do away with cash assistance and subsidies for our export because our balance of payment position is so difficult that unless by a concerted effort at improving the exports, we reach a sort of balance in our payment position, the country's progress will be retarded. Therefore, taking into account the overall needs of the country, it is very necessary to promote exports and that promotion will have to be done by giving a certain amount of subsidies and certain amount of assistance."

Venkataraman has always argued for the nation's self-reliance in all spheres. As Defence Minister, he emphasised the importance of scientific research in Defence. During his tenure as Defence Minister, he did everything possible to strengthen national defence, without funds being wasted. Not only did he introduce several projects for manufacture of rockets, missiles, battle-tanks and light combat aircraft, but also worked with extreme dedication and constant vigilance, towards achieving indigenous production.

He has had full faith in the patriotic sense of the Defence forces. Reinforcing his faith in our Defence forces while speaking in the Lok Sabha on Espionage Activities Bill on 20 December, 1983 he said:

"As against one per cent of possible blacksheeps in our Defence forces, 99 per cent are patriotic and have the sense of duty and they will not let down this country. The recent events have shown clearly that if ever such an opportunity occurs, then the person who is involved, will bring it to the notice of the higher authorities and then see that this is burst."

Not only as Minister of Finance and Defence, but in whatever capacity any responsibility was shouldered by him throughout this period, he carried it out with a distinction leaving an indelible imprint of his own.

As Vice-President

RV was unanimously elected as the Vice-President of the Indian Republic on 22 August 1984. It was a measure of his eminence that he was a consensus candidate for this august office. After taking oath as India's Vice-President, he pledged to work for communal harmony and national integration.

On 19 January 1985, when he arrived to preside over the sitting of Rajya Sabha as its *ex-officio* Chairman, he was accorded a warm welcome by all sections of the House. Late Shri Rajiv Gandhi, the then Prime Minister, led the Members in expressing the hope that RV would live upto the 'distinguished tradition' set by his illustrious predecessors like Dr. S. Radhakrishnan and with his dignity and sense of humour would continue to maintain the high standards already set. Responding to their sentiments, Shri Venkataraman said that he was aware of the tradition set by persons of the eminence of Dr. S. Radhakrishnan and Dr. Zakir Hussain and would endeavour to follow their footsteps. As the Chairman of Rajya Sabha, RV enjoyed the distinction of being equally respected both by the ruling party and the opposition. There were several occasions when situations in the House became tense and tumultuous but by his exemplary patience and extraordinary forbearance, he invariably succeeded in defusing the tension and the surcharged atmosphere. By his liberal approach, amiable disposition, largeness of heart and an abiding sense of impartiality, he won the appreciation of all Members notwithstanding the parties they belonged to. The manner in which he conducted the House at the time of debates on certain controversial issues such as the 'President-Prime Minister correspondence', the Fairfax issue etc. evoked friendliness from all quarters. By providing adequate opportunities to opposition Members to express their views fully and with his personal attributes of reasonableness and maturity, he proved to be an excellent moderator between the warring groups of Parliamentarians and established for himself a reputation of fair play and political even-handedness. As the presiding deity of the House, he delivered a number of rulings which will go down as landmarks in our parliamentary history both for their content and literary fervour.

Shri Venkataraman was always conscious of affording equal opportunity to each and every member of the House to express his or her views fully and without interruption. He defended, with utmost concern, the rights and privileges of the members both inside and outside the House. On 8 March 1984, when some members raised the question of interference with the legitimate duties of the honourable members, he intervened and observed:

?
see above ?

"You remember that sometime back there was a question raised about tapping of telephones and at that time I gave a ruling. I know that you are going to mention this. So, I again reiterate what I said then. I must, however, say that any *mala fide* action or interference with the legitimate duties of the Hon'ble Members of this House, if proved, will not have the protection of this ruling. I repeat with respect to the observations of the Hon'ble Speaker."

Again on 6 May 1987, when a Member of the House was shouted down and interrupted in going ahead with his observations which were not to the liking of others, the Chairman intervened to say:

"What is happening is the negation of democracy. Every member is entitled to express his opinion. You may agree, you may disagree, you cannot shout him down. Then there will be no Parliament."

As the President

Shri R. Venkataraman achieved the pinnacle of glory when he was elected, on 25 July 1987, as the Eighth Head of the Indian Republic. It was indeed a well deserved honour. It was also a colossal responsibility to defend, protect and preserve the Constitution of India. Addressing the members of Parliament soon after his elevation to the highest office of the land, Shri Venkataraman acknowledged, with transparent sincerity and utmost humility, the heavy duty cast on him and observed:

I am deeply conscious of the honour bestowed on me by the people of India. As I enter this office today, in all humility, I wish to assure the nation that I shall endeavour to deserve the trust and confidence reposed in me.... It will be my constant endeavour to play my due role in clearing mistrust, in strengthening the foundations of mutual understanding and confidence and in building bridges of respect between people and institutions. I appeal to all fellow citizens of this ancient land to march with firm unwavering steps towards the goal of a peaceful and prosperous India.

A firm and decisive man, Shri Venkataraman was called upon to occupy the high office at a time when the country needed besides a constitutional and ceremonial Head of State, also a statesman *par excellence*. His election as President was hailed by people from a cross sections of our polity and world leaders. The newspapers, in their editorials, eulogised the choice of Shri Venkataraman and qualities of his head and heart. Welcoming his election *The Hindustan Times* wrote on 17 July 1987:

"Venkataraman assumes office at a critical juncture in the history of the nation. His experience, sagacity and farsightedness will stand him in good stead in fulfilling his responsibilities as Head of State."

The *Patriot*, in its editorial, described Shri Venkataraman as 'a symbol of spirit and sanity. His distinguished public life', the paper commented, 'has been marked as much by a high standard of performance in several capacities in which he has served the country, as by an unswerving commitment to parliamentary democracy and its essential norms.'

In the history of the Indian Republic, no Head of the State has perhaps been faced with so many crisis situations, as Shri Venkataraman was called upon to handle during his tenure. With his vast reservoir of experience, coupled with his knowledge of politics and administration, he displayed his judgment, maturity and sagacity in handling sensitive situations arising out of a 'Hung Parliament'. Though he had limited workable options in hand particularly when the Janata Dal Government had fallen and when there was no single party with absolute majority in the Tenth Lok Sabha, Venkataraman proved beyond doubt that the President must have the capacity and wisdom to read between the lines of the Constitution. Displaying rare acumen and statecraft, he took bold initiatives in solving the problems he faced, disregarding the inherent risk of criticism in seeming to step outside the ostensibly restricted framework of his obligations and authorities.

His decision on unprecedented constitutional questions was widely acclaimed because of his disciplined adherence to the path charted out by the Constitution. On one of the occasions, when the Indian polity was in distress, he remarked:

The office of the President is like an emergency light. It comes on automatically when there is a crisis and goes off automatically when the crisis passes.

In his long and multifaceted career, Venkataraman has been successful in whatever position or responsibility he has been entrusted with. Be it the Industries portfolio in Tamil Nadu, the Defence and Finance portfolios at the Centre, Chairmanship of the Rajya Sabha, the Vice-Presidency and the Presidency of the country—Venkataraman has functioned with efficiency and equanimity. It has been his firm belief that ethical norms must be observed by all those who are in public life and it is perhaps because of this conviction that his image has remained splendid all through his political career.

As a Great Humanist

Venkataraman's greatness lies in his unassuming simplicity and intense love for his fellow countrymen. In his own words, "I am the humble servant of the people". He is also a patient listener, a good conversationalist and has a sense of humour that very few people possess. No one has ever seen him losing his composure even in the worst of situations. As a great secularist he firmly believes in India's composite culture and its unity in diversity. Religion for him is not merely dogmatic but a practical one aimed at serving the humanity. In his own words:

"Service of our weaker brethren is the service of God. It might do us all a great deal of good to confine religion to our shrines or our homes or, best of all, to our hearts. The temples, mosques, churches and other places of worship so released could shelter millions of houseless people—Hindus, Muslims, Christians and others alike. Even God might be pleased as He would be relieved as a part of His responsibility to mankind. True religion is humanity. And humanity is the God-head."

This amply demonstrates the great-levels of his thought.

He possesses a rare equanimity, like the *Sthithapragnya*, the *Bhagwat Gita* speaks of. Vicissitudes, personal or political, have left no work on his visage. Even the most complex problem does not baffle him. He gets into the pith and substance instantly. He reminds one of the mythological bird, *hans*, which is credited with sieving from a bowl of milk only its milk content, leaving behind the water. Inebriety of power or ego-centrism is alien to his nature. Having expressed his clear opinion, he always abides by the general will.

A great man at heart, Shri Venkataraman has always been concerned with the terrorist onslaughts that continue in the strife-torn states of India. Hundreds of innocent men, women and children are killed brutally and this pains the heart of every true Indian. He, like an upright citizen, believes that communalism, beyond any shadow of doubt is a canker eating into the vitals of the nation. Elaborating his views while speaking at the Defence College in New Delhi, Venkataraman touched upon terrorism that stalks the country today. He said:

Day after day, come reports of death; persons shot down only because they belong to a particular community. If terrorists think that they can compel a state to surrender to terrorism they are either living in a paradise of their own or are ignorant of history. State power is more potent than sporadic violence.

Shri Venkataraman, a great votary of peace and cooperation, is very optimistic about the future of the world but threats of a nuclear holocaust dampens even his spirits. Speaking on the 'Hiroshima Day' in New Delhi on 6 August, 1985, he said:

In my view, we should have to educate ourselves as much as others that the possession of nuclear arms does not ensure invulnerability of a nation. It is a colossal delusion to imagine that nuclear arms add to economic or moral strength that it affords security to a nation. It is my conviction that nuclear disarmament is imperative and should precede general disarmament. I feel that there can no longer be a limited use of nuclear weapons. Once it is unleashed, the entire world will be engulfed, irrespective of the user's intent.

Recipient of National and International Honours

Venkataraman has been honoured with several distinctive Awards for his dedicated service in various fields by various institutions. Amongst his innumerable achievements, some stand out because of their splendour. He was awarded the Doctor of Laws (*Honoris Causa*) by the University of Madras, University of Nagarjuna, University of Burdwan and University of Philippines. He is Honorary Fellow, Madras Medical College and Doctor of Social Sciences, University of Roorkee. The University of Philippines, honoured him with Doctor of Laws (*honoris causa*) at a special convocation.

He has been awarded '*Tamra Patra*' for his participation in the freedom struggle when he risked his life for the freedom of his nation. He has also received the Soviet prize for a travelogue of his mentor, Late Shri K. Kamaraj's visit to the socialist countries. Shri Venkataraman has also served the United Nations Organisation (UNO) in different capacities for many years. He was thus awarded the Souvenir by the Secretary-General U.N. for distinguished service as President of the UN Administrative Tribunal. Because of his religious thoughts and pious acts he was given the title of '*Sat Seva Ratna*' by his holiness Shankaracharya of Kancheepuram for services rendered in constructing the temple for Lord Subramaniam.

All through his life he has accomplished many commendable tasks and has received due recognition for them.

His saga thus aptly epitomises the qualities of a *Nishkama Karm-yogi*. The Bhagwat Gita says:

यद्यदाचरति श्रेष्ठस्तत्तदेवेतरो जनः।
स यत्प्रमाणं कुरुते लोकस्तदनुवर्तते॥

(HINDI)

(Whatever the Best doeth, that the lower kind of man puts into practice; the standard he creates, the people follow).

PART TWO

(A)

ADDRESSES TO MEMBERS OF BOTH HOUSES OF PARLIAMENT

Honourable Members,*

It is a privilege for me to address you for the first time as President. I welcome you to this session of Parliament. I particularly felicitate the new members, who for the first time, include a representative from the newly constituted constituency of Daman and Diu. I give my good wishes to the people of Goa, which has attained statehood.

A few weeks ago, we were deprived of the presence of a great soul. A link with the stirring days of the freedom struggle is no more. A close associate of Mahatma Gandhi, Khan Abdul Ghaffar Khan was a symbol of the spirit of non-violence and secularism. His life was a saga of unsurpassed courage and sacrifice. I also pay tribute to the other colleagues who have left us, including the former Prime Minister, Shri Charan Singh, and Shri M.G. Ramachandran, Chief Minister of Tamil Nadu, who through his farsightedness worked for and strengthened national unity.

Our vision of India is of a land whose unity and integrity are invulnerable to external threats or internal weaknesses;

- where the ideals of democracy, secularism and socialism enshrined in our Constitution, are fully realised;
- where social justice prevails, with equality of opportunity for every human being;
- where science and technology have helped to wipe out poverty and disease;
- where economic development does not exhaust the bounties of nature, but creates wealth in harmony with it;
- where industrialisation and modernization are fused with moral and spiritual values;
- where all religions and cultures flourish in an atmosphere of mutual respect and cooperation.

We want an India whose interaction with the nations of the world is dedicated to peace and international cooperation, and a new world order based on equality, freedom and justice.

In the last 40 years we have progressed along this path, illumined by Mahatma Gandhi and Jawaharlal Nehru. We shall adhere to it, come what may, with the determination and courage instilled in us by Indira Gandhi.

*The Address was delivered on 22 February, 1988, cc. 1-20.

The struggle for independence was the precursor to the struggle for self-reliant progress, the struggle for social emancipation, the struggle to recover for India her traditional, historic place in the vanguard of human civilization. Our achievements have been notable. More notable still has been the consistency of our endeavour, the sincerity of our effort, the dedication and hard work of our people. Our primary goal has been the rapid amelioration of poverty and its eradication. The key to the alleviation of poverty lies in a rapid and sustained expansion of employment opportunities in both rural and urban areas. Our strategy has been to combine direct intervention in favour of the poorer segments of society through asset-creation and employment-creation anti-poverty programmes, with faster and more diversified growth, underpinned by a massive programme of quality education. We seek to realize the full potential of our unmatched human resources while harmonizing the country's educational profile with the growth requirements and employment needs of our economy. We have moved purposefully towards the achievement of our aims. The pace of progress has markedly quickened in the last seven years. The Eighth Plan must provide for even faster growth, the maximisation of employment opportunities, and the vigorous reduction of regional disparities. We need both a higher rate of growth and a composition of growth which matches the basic needs of our people and the evolving requirements of our economy and society.

We have pursued growth within the framework of two crucial parameters: the freedom of our country and the freedom of our people. To this end, we have built strong institutions to guarantee the democratic rights of our citizens and to overcome the many challenges to our independence, integrity and nationhood. Efforts have been mounted, from outside and within, to subvert, suborn and undermine our democratic political system. Our ever-vigilant people have thwarted all such efforts.

The failure of the rains has tested the resilience of our economy and the strength of our purpose. Our farming community, and indeed the nation as a whole, has responded to this serious economic challenge in a most heroic manner. The people are cooperating magnificently with the Government. The nation's economic performance is a tribute to the soundness and strength of our development strategy.

With a determined and concerted national effort, the challenge of terrorism is being met in Punjab and elsewhere. Following President's Rule in Punjab, the law-enforcing agencies have harnessed the resurgent will of the people of Punjab and mounted a determined campaign against misguided anti-national elements. The foremost task is to crush terrorism and isolate the secessionists. The terrorists have lately stepped up their depredations. They have to contend with the high morale, regenerated professionalism and strict vigilance of our security forces. They also have to contend with the people's refusal to be browbeaten or cowed. There can and will be no compromise over the nation's integrity and unity. In the search for a non-violent political solution of the problem within the framework of the Constitution, Government stands ready for a dialogue with all those who eschew violence. The nation mourns the

loss of innocent lives. We salute those who have laid down their lives in the cause of national unity.

In Tripura, the extremists stepped up their campaign of terror. The escalated violence and mounting loss of innocent human lives left Government with no option but to declare Tripura as a disturbed area. We are determined to put down violence there.

We are unflinching in our determination to root out communalism, fundamentalism and other fissiparous tendencies. Committees of the National Integration Council have been active in devising measures for the promotion of communal harmony. The Centre and the States must make sustained efforts to implement the Fifteen Point Programme for the welfare of the minorities.

We are committed to the elimination of the consequences of centuries of ostracism, discrimination and oppression. We have reorganised the National Commission for Scheduled Castes and Scheduled Tribes, and strengthened the office of the Commissioner. The importance we attach to the welfare and development of these disadvantaged sections of our society is reflected in the Seventh Plan outlay of over Rs. 14000 crores in their favour. It is a matter of particular satisfaction that coverage of Scheduled Castes and Scheduled Tribes under the IRDP has reached 41 per cent, far exceeding the target of 30 per cent.

During the year elections were held in Jammu and Kashmir, Kerala, West Bengal, Haryana, Nagaland, Meghalaya and Tripura.

The provisions of Article 356 of the Constitution were invoked in Tamil Nadu in view of the situation that developed there in January. Elections in the State are proposed to be held at an early date.

The Commission on Centre-State relations which was set up under the Chairmanship of Justice R.S. Sarkaria has submitted its report. The views of Parliament, States and members of the public will be taken into account before arriving at decisions.

The National Policy on Education is our pledge to the coming generations and our gauge to the future. Quality education for all is the key to national development. A programme of action for the implementation of the Policy was presented to Parliament in 1986. Major steps were taken during the year in pursuance of the Policy. Our concern for primary education is paramount. Operation "Blackboard" was launched to improve the quality of instruction and the infrastructure in primary schools. Particular attention is being paid to the educationally backward States. The massive programme for training 5 lakh teachers annually has been continued. A national core curriculum is being developed to impart an awareness of our heritage and a sense of national cohesion. The number of Navodaya Vidyalayas has risen to 206. An analysis of admission tests to these schools for 1986 shows that 41 per cent of the selected children belong to families below the poverty line, 77 per cent come from rural areas, and the

percentage of children from Scheduled Castes and Scheduled Tribes is much higher than their percentage in the total population. The scheme for free secondary stage education for girls is now being implemented in all States. A comprehensive scheme has been drawn up for the vocationalisation of education. Government are working on a number of measures to enhance the quality of higher education and technical education.

The promotion of the small family norm is a high national priority. Last year we recorded 20 million acceptors of contraceptive coverage: the highest level ever achieved. The problems of family welfare and health are interlinked. They are, therefore, being tackled through an integrated set of measures. Immunisation programmes have accelerated over the last two years.

The emancipation of women from all forms of prejudice, discrimination and abuse, deprivation and oppression is a national duty and a national task. Their full and equal participation in the nation's life is a national imperative. Government have prepared a perspective plan up to the year 2000 to deal with the problems of women. Government have also reconstituted the National Committee on Women to review and advise on policies and programmes for women. A National Commission has been established to look into the problems of women in the unorganised sector. Its report is expected shortly.

Following the barbaric incident at Deorala, the Commission of Sati (Prevention) Act, 1987, was passed. Government are determined to root out this evil practice. These efforts should be backed by the widest possible mobilisation of public opinion.

A very significant feature of our changing society is the transformation taking place in the country's demographic profile. As a people, we are growing younger. Therefore, meeting the needs of our youth and fitting them for their role in the nation's life are matters of high priority. The Nehru Yuvak Kendras have been galvanised into a high level of activity. Intellectual and physical discipline, and a sense of enterprise and adventure, are being instilled in lakhs of our boys and girls through the NSS, the Bharat Scouts and Guides and the National Cadet Corps. The Sports Authority of India has done commendable work in affording opportunity to the athletic prowess of our youth.

Harmonious industrial relations were a significant feature of the year. We compliment both labour and managements on their constructive attitudes. We want to promote a participatory management culture in industry. Government intend to bring forward a comprehensive Bill on industrial relations and a Bill for major changes in the Employees' Provident Fund Act.

While segments of our workforce have organized themselves to secure and safeguard their rights, the overwhelming majority of our working people are unorganized and, therefore, exploited. Data about their conditions of work is inadequate and action to

ameliorate their lot unsatisfactory. We are deeply concerned about their welfare and progress. We are committed to the improvement of their conditions. We have, therefore, appointed the National Commission on Rural Labour. We have also framed a National Policy on Child Labour. Voluntary agencies are being associated in the identification and rehabilitation of bonded labour.

The Twenty Point Programme has infused new hope in the countryside. It accounts for 30 per cent of the total Plan outlay for the current year. IRDP, NREP and RLEGP are our major instruments in the attack on rural poverty. In the last seven years, IRDP has assisted 23.4 million families belonging to weaker sections and other backward groups below the poverty line. Women now constitute 16 per cent of the beneficiaries. During the period April 1987—January 1988, NREP and RLEGP generated 471 million mandays of employment.

Water for the first time has been recognised as a vital national asset. The new National Water Policy derives from the national consensus on this point. This paves the way for effective planned development and efficient utilization of our national water resources.

The Ganga Action Plan has caught the nation's imagination. It is in full swing in 25 towns and cities. The protection of the environment has emerged as a major national priority. Environmental standards have been notified for 24 priority industries. Parliament has already amended the law on air pollution. Stringent legislative action is planned to protect our forests and prevent the pollution of water.

Government undertook legislation in the winter session of Parliament to establish a National Housing Bank. One of its major task will be to finance housing for the weaker sections. In this session, Government will bring forward a National Housing Policy for providing dwellings for the unsheltered millions.

A major item of the Twenty Point Programme is the development of a more responsive administration, especially in its interface with the weaker sections. A series of workshops of District Collectors on the subject of responsive administration is being held. The machinery for the redressal of public grievances is being strengthened. Special programmes are being organised to train officials of the District Planning Cells.

Plans to provide speedy and inexpensive justice for the underprivileged made headway. A committee, with the Chief Justice of India as Patron-in-Chief, has been entrusted with the implementation of legal aid schemes.

A new impetus was given last year to the drive against smuggling, foreign exchange racketeering and drug trafficking. The Central Economic Intelligence Bureau is coming down hard on syndicates of smugglers and racketeers.

The menace of drugs is assuming worrying proportions. If we are not careful, the flower of our youth could be endangered, the physical and moral fibre of the nation

could be sapped. We are determined to fight this evil. The Narcotics Control Bureau made major seizures of drugs during the year. Programmes have been launched for the de-addiction and rehabilitation of the unfortunate victims of drug abuse.

We are consciously directing science and technology to the removal of poverty, particularly in rural India. This is the aim of our five technology missions. The tasks assigned to these five missions are: to provide potable water to all villages in the country; to immunise 20 million pregnant women and 18 million infants against vaccine-preventable diseases; to impart functional literacy to 30 million adults; to augment the production of oilseeds and edible oil; and to provide increased access to telecommunication services. These missions have formulated their operational plans for 1988-89 and 1989-90. The plans are being closely monitored and carefully evaluated.

Government have adopted the approach of integrated energy for rural areas. Natural and perennial sources of energy like solar, wind, biomass, mini-hydel sources and improved chulhas are being popularised.

Oil exploration and exploitation are being intensified. Refining capacity will be further augmented. A Centre for High Technology has been established to acquire, develop and adapt modern technologies in refineries. The first section of the HBJ pipeline was completed during the year.

Significant strides have been made in electronics. India has emerged as one of the few countries with its own technology for manufacturing electronic exchanges. Software exports are shaping up as a major new area of growth.

In nuclear science, we are among the few with a mastery of the complete nuclear fuel cycle for the production of nuclear power. A landmark in this area has been the designing of 500 MWE capacity reactors. The Nuclear Power Corporation has been established to enhance the nuclear power programme.

August 1987 was a landmark in our effort to develop capabilities in seabed mining. The Preparatory Commission of the International Seabed Authority registered India's claim for a mine site in the Indian Ocean for exploration and development. It is a matter of pride that India is the first country to be granted such a claim by the Authority.

The first Indian Remote Sensing Satellite, designed and developed by the Indian Space Research Organisation (ISRO), is being launched next month by a Soviet launcher. The second flight of the augmented Satellite Launch Vehicle with the SROSS-II satellite will be launched in April. This satellite will carry a joint ISRO-West German payload. In June, our communication satellite INSAT-IC will be launched on the French Ariane Launcher.

Our economy has demonstrated its resilience in the face of one of the worst climatic setbacks in memory, namely, the widespread drought in most parts of the country and the floods in the eastern region. We have stood up well to the challenge and warded off a crisis because the development strategy followed by Indira Gandhi, and the new initiatives of the past three years, have imparted an intrinsic strength to our economy. We will ensure the restoration of momentum in agricultural growth as soon as normalcy returns to climatic conditions.

About 45 million hectares of land spread over 269 districts in 15 States and 6 Union Territories was affected by the drought. In many areas, it was the second successive year of failure of rains; in some, the third or the fourth. A shortfall of 7 to 10 per cent in foodgrains production, as compared to the 1986-87 level, is apprehended. A comprehensive strategy was evolved to combat the impact of the drought. Central relief assistance was expeditiously provided to the States for employment, drinking water and the supply of fodder. The flow of essential commodities through the Public Distribution System was greatly expanded. A package of debt relief and additional credit assistance was made available to farmers. For those affected for three or more years, this included a moratorium on principal and interest payments. A strategy for maximising rabi production has been adopted.

We have always believed that the nation can be strong only if the farmer and farming are strengthened. Our quest for self-reliance in foodgrains has served us well. We built substantial buffer stocks. These have helped us tide over difficult situations. In recent years, rice productivity has increased in the Eastern States covered by the Special Rice Production Programme. Government are making determined efforts to ensure that foodgrains output reaches 175 million tonnes by the end of the Seventh Plan. Emphasis will be placed on increasing the productivity of dry land farming. A Task Force has been set up to work out the details of the strategy. A recent innovation is agricultural planning on the basis of agro-climatic zones.

The funds needed for drought relief greatly exceeded the amount originally budgeted. It became necessary to take fiscal counter-measures to check inflationary pressures. A temporary surcharge was introduced on Income Tax, Wealth Tax, Corporation Tax and Customs Duty. Strict economy was enforced in public expenditure. The Reserve Bank also took measures to mop up excess liquidity in the banking system and tighten selective controls. Inflationary pressures have been much less than in earlier droughts. In 1979-80 the Wholesale Price Index had risen by over 21 per cent. In contrast, the increase upto the third week of January 1988 has been only 9.8 per cent.

The performance of the industrial sector has been commendable. It reflects the success of Government policies in stimulating investment and production, and promoting technological upgradation. A special tribute is due to our industrial workers who responded well to the call for raising productivity. Since 1984-85, industry has grown at a rate between 8.5 to 9 per cent per annum. The momentum continued into 1987-88 with the general index of industrial production showing a growth of 10.2 per cent in

April—November 1987. For the year as a whole, it is likely to exceed 8 per cent as the effects of the drought become evident in the non-agricultural sectors. The small-scale sector has contributed significantly to the rapid growth of industry in this period. A National Equity Fund has been established to provide financial support to small-scale manufacturing units. The Board for Industrial and Financial Reconstruction, set up under the Sick Industrial Companies (Special Provisions) Act, 1987 became operational last May.

The infrastructure, which is almost exclusively in the public sector, has performed very well. This segment of the economy had shown healthy growth in 1986-87, with power generation expanding by 10.2 per cent, coal by 7.5 per cent and railway freight by 7.4 per cent. All these continued to show their strong performance in the current year. Power generation in April—December 1987 was 7.6 per cent higher than the previous year, despite a substantial decrease in hydel generation due to drought. Thermal power generation grew by 16.1 per cent. The Plant Load Factor in April—December 1987 has averaged 55 per cent, compared with 52.2 per cent during the same period in the previous year. The growth rate in coal in the first 9 months of 1987-88 was 10.2 per cent. Railway freight expanded by 5.4 per cent.

The public sector occupies the commanding heights of the national economy. It safeguards the economic independence of India. It must and will continue to play this pivotal role in our development strategy of building socialism. For this very reason, Government have stressed the need for improving its efficiency and financial viability. We are giving the public sector greater operational autonomy through Memoranda of Understanding.

The balance-of-payments position has been managed successfully despite a difficult external situation. Government's efforts at promoting exports have yielded results. Exports have shown a healthy growth of 24.7 per cent in value terms in the first nine months of the year, while the increase in imports has been kept at 13.5 per cent. The trade deficit over April—December 1987 was lower than the deficit in the same period last year. Government will keep the balance-of-payments position under close watch.

Central Sector Plan outlays have been ahead of Seventh Plan targets. While this is gratifying, we have to pay much closer attention to the achievement of physical targets. The Mid-Term Review of the Seventh Plan has been completed by the Planning Commission and will shortly be presented to the National Development Council and Parliament.

From the earliest times, the Indian mind has transcended "narrow domestic walls" and seen all of humanity as one large family. Ours is a millennial heritage of tolerance and compassion, of the self-confident assimilation and synthesis of all that is best, from wherever it comes. Our struggle for freedom was guided by the ancient principles of truth, of non-violence and of humanity as one. The basic tenets of our foreign policy derive from this integrated and deeply entrenched world-view. The philosophy and

practice of Non-alignment is modern India's outstanding contribution to contemporary international relations. It was a philosophy conceived and elaborated by those great men of vision, Mahatma Gandhi and Jawaharlal Nehru. First a minority view, deprecated and even derided, it has grown to embrace two-thirds of the international community, profoundly influencing thinking people everywhere, crucially contributing to the shaping of a new world order. Our foreign policy has safeguarded our sovereignty, promoted our national interests and made a vital contribution to the building of a just, equitable and democratic world order. We believe in the peaceful resolution of international disputes. We seek the enlargement of our friendship and cooperation with all countries. We are committed to the promotion of peaceful co-existence and nuclear disarmament.

While defence strategists remained mired in obsolete concepts of deterrence, in a world threatened with extinction by nuclear weapons, on the very morrow of Hiroshima, Mahatma Gandhi and Jawaharlal Nehru grasped the catastrophic implications of the advent of nuclear weapons. The elimination of these weapons became a principal plank of independent India's foreign policy. Throughout the last forty years, India has worked steadfastly for a non-violent world without nuclear weapons. The Six-Nation Initiative, in which Indira Gandhi played a leading part, contributed significantly to the resumption of the deadlocked disarmament negotiations. The Initiative has mobilised opinion world-wide in favour of nuclear disarmament. It has helped set the stage for the agreement between the United States and the Soviet Union signed in Washington last December on the elimination of land-based intermediate and short-range missiles. While welcoming this agreement as a historic first step towards nuclear disarmament, we have emphasised the need to ensure rapid progress towards further and substantial reductions in nuclear arsenals, and the induction of all nuclear-weapon powers into the process. The Stockholm Summit of the Six-Nation Initiative last month spelt out the steps which need to be taken in the wake of the INF Treaty with a view to ensuring the global elimination of all nuclear weapons within a specified period of time.

Our future is also threatened by the growing degradation of the environment. We must ensure environmentally sustainable development. We support international efforts to realise this objective. We hosted a meeting of the World Commission on Environment and Development. The Prime Minister addressed the United Nations during the special debate on the Commission's Report.

In July 1987, we concluded the historic Indo-Sri Lanka agreement which has been welcomed in Tamil Nadu and all other parts of India as the harbinger of peace in Sri Lanka and justice for the Tamil minority in that country. The agreement has been internationally acclaimed as an act of the highest statesmanship. The provisions of the agreement meet all the legitimate aspirations of the Sri Lanka Tamil minority while ensuring the unity and integrity of Sri Lanka. The agreement paves the way for durable peace and stability in that country. It meets important security concerns of ours and strengthens Non-alignment in our region. As provided for in the agreement, and in response to the urgent request of President Jayawardene, the Indian Peace

Keeping Force was sent to Sri Lanka. They have done an outstanding job in the most difficult circumstances. We pay tribute to our gallant soldiers. To those who have made the supreme sacrifice, we pledge that their sacrifice shall not be in vain. We are firmly resolved to secure the full implementation of all provisions of the agreement. We are giving further momentum to the processes envisaged under it. We are ensuring that the objective of achieving a durable solution to the ethnic problem in Sri Lanka is realized in full measure.

Regional cooperation in South Asia is an important dimension of our foreign policy and of growing significance in our region. Under our Chairmanship, regional cooperation was consolidated and several major initiatives were promoted. The third Summit at Kathmandu carried forward the process. We must realise the immense untapped potential for South Asian cooperation.

The peoples of India and Pakistan share much in common. We wish the people of Pakistan well. We want to promote trust and friendship through greater interaction between our peoples. We hope the Government of Pakistan will reciprocate our sentiments and help create the atmosphere for enduring peace and friendship. Unfortunately, our efforts in this direction have been hampered, and many of our initiatives thwarted. Pakistan continues its clandestine efforts to acquire nuclear weapons. They also continue to assist terrorist and secessionist elements in India. Is this the path of friendship and cooperation? My Government still believe that reason and good sense will prevail and the Pakistan Government will make a fresh assessment of its policy towards India.

We attach importance to building friendly relations with China. Outstanding issues have to be resolved in an amicable manner, consistent with our national interest. It is important to maintain peace and tranquillity along the border.

We support the continuing efforts of the Secretary General of the United Nations on Afghanistan. There are signs of positive movement, although hurdles are being put in the way of a settlement. We welcome the announcement made by General Secretary Gorbachev regarding the withdrawal of Soviet troops in accordance with the stipulated schedule. We hope the forthcoming proximity talks at Geneva will lead to a final settlement. We have been in touch with the parties concerned. We will work together with them to ensure the status of Afghanistan as a sovereign, independent and non-aligned country.

The travails of the Kampuchean people have caused us much distress. We have followed with sympathy and deep interest the efforts of the Kampucheans to rebuild their country, protect their independence and sovereignty, and safeguard their non-aligned status. We are helping in the peace process. We have contributed towards bringing together those who must jointly work out a solution to the Kampuchean question. We shall continue our efforts in cooperation with the parties concerned.

We have been deeply sympathetic to the cause of the Palestinian people since the days of our freedom movement. The partition of India and the partition of Palestine took place in the same year. We have stood by the Palestinian people through their trials and tribulations and the terrible suffering they have undergone. We deeply deplore the brutal repression of Palestinians by Israeli forces in the Occupied Territories. There can be no solution that ignores the inalienable rights of the Palestinian people. They must have a State of their own in their homeland. To find a lasting solution, an International Peace Conference should be immediately convened, with the participation of the Palestine Liberation Organisation and others concerned.

The Iran-Iraq war is a matter of great sorrow. It has led to an increasingly volatile situation in our neighbourhood and the proliferation of external military presences in the region. We shall continue our work with others in the arduous search for peace.

Apartheid is a blot on civilization, repugnant to our commitment to the unity of the human family. Since Mahatma Gandhi's early experiments with truth in South Africa, the elimination of racial discrimination has been an integral part of our freedom struggle and as yet an unfulfilled mission of our foreign policy. Apartheid survives because of the economic and military sustenance which Pretoria receives from a few rich and powerful countries. The only way of ending this abomination without too much bloodshed is through comprehensive mandatory sanctions under Chapter VII of the United Nations Charter. We have striven for this at the UN, Non-aligned and in Commonwealth forums. All Commonwealth countries, with one exception, agreed at the Vancouver Summit last October to intensify their sanctions against apartheid. The Africa Fund, which we conceived of as a practical measure of support, has received a gratifying response from countries all over the world.

The moves in Fiji to deprive people of their rights solely on a racial basis have caused deep resentment. Fiji's constitutional arrangements must ensure fair and just representation in Parliament for all communities.

We welcome the agreement signed in Guatemala by leaders of five Central American countries. We earnestly hope the agreement will lead to a just and lasting settlement ensuring the security, sovereignty and independence of all States of the region.

There has been substantial progress in our bilateral relations with the United States of America, particularly in the technological and economic fields. The Prime Minister had wide-ranging talks with the US President. We continue to impress upon the United States the seriousness of our concern about the supply of armaments to Pakistan notwithstanding that country's relentless pursuit of nuclear weapons.

India's relations with the Soviet Union have always been warm and friendly. The Delhi Declaration of November 1986 affirmed the common commitment of both countries to non-violence and peaceful co-existence. In the last three years, we have enlarged and enriched the content of our relationship. There has been an unprecedented increase in

high-level visits, an unparalleled expansion of trade, and new dimensions and new vistas added in areas such as science and technology, further expanding our already wideranging cooperation. The mutual goodwill of our peoples has found spectacular expression in the Festivals held in the two countries. During the year, the Prime Minister of India visited the Soviet Union and the Prime Minister of the Soviet Union visited India.

Honourable Members, with the united endeavour of the nation we can meet with confidence the challenges that confront us and accomplish the tasks that lie ahead. We shall be faithful to the ideals and goals of our Republic. We shall place the national good above any sectional interest. I wish you all success in your endeavours in the year before us.



Presidential Procession (21 February, 1989)

Honourable Members,*

I welcome you to this session of Parliament. I extend to you my best wishes for the successful completion of the budgetary and legislative business which you have before you.

We are celebrating this year the centenary of the birth of Jawaharlal Nehru. A great son of India, his was a role of crucial significance in our freedom struggle and in our formative years as an independent nation. He erected the pillars of our modern nationhood: democracy, secularism, socialism and nonalignment. His ideals are of enduring value. In celebrating his centenary, we rededicate ourselves to his ideals and to his grand vision of an India restored to its rightful place in the front rank of human civilization.

India's basic policy framework was fashioned by Jawaharlal Nehru. Nehru's vision of a democratic, secular and socialist society has continued to guide our social and economic strategy. To Indira Gandhi, we owe its creative development through a period of intense struggle against the vested interests. The planning process, the key element of that strategy, was infused with a new vitality by Indiraji with her renewed emphasis on social justice as an integral part of our pattern of growth. For both Nehru and Indiraji, the defence of India's sovereignty and territorial integrity and India's development as a modern nation were intimately linked with a foreign policy devoted to peace, disarmament and an equitable world order.

As we enter the final year of this Parliament, we can look back with satisfaction to four years of constructive endeavour. Then, we were just emerging from the terrible trauma of the assassination of Indiraji. Terrorists, insurgents and secessionists, on the other hand, and various disaffected elements, on the other, were attempting to throw into question the unity of the country, challenging its integrity and undermining its stability. But democracy asserted itself and returned a government with a massive mandate. Four years on, the nation is, in much greater measure, in harmony with itself. Discussion and negotiation have paved the way of settlements and accords. The whole of the north-east is now deeply involved in the nation's democratic mainstream. The message has reached all corners of the country that violence will be met firmly but grievance will be met justly, provided only that arms are foresworn and conformity to the Constitution ensured.

In these four years, economic growth has scaled unprecedented levels of achievement. And this despite a drought of the severest intensity. Government and the people

*The Address was delivered on 21 February, 1989, cc. 1-17.

together faced up to the calamity with fortitude and resolute determination. Whereas every comparable drought in the past had always spelt a major setback, for the first time in the economic history of the country despite the ravages of the drought, the economy actually recorded a positive growth rate of 3.6 per cent, higher even than the average growth rate till the eighties. Reflecting the deep resilience and self-reliance with which government policies have imbued the economy, we are now set on a long-term growth path that is upward of 5 per cent and targetted at 6 per cent or more in the Plan to come. Our frontal assault has been on poverty. We have striven to make a dent on unemployment. Our guiding principle has been justice and opportunity for the weaker, the deprived and the oppressed.

Abroad, there is greater appreciation of the policies followed by India. An increasing number of countries is recognizing that the path to sustained peace is the one indicated by Jawaharlal Nehru and lit up by Indira Gandhi through four decades of escalating nuclear confrontation and unrelenting power bloc rivalry. The first indication of the dawn of a new era was the adoption by the Soviet Union of the principle of non-violence through the Delhi Declaration. Later, negotiations between the USA and the USSR led to the dismantling of a whole category of nuclear weapons, marking the first-ever act of nuclear disarmament since the invention of these terrible weapons. The relaxation of tension is reflected in the scaling down of conflict in several areas of the world. These developments constitute a vindication of what Nehru and Nonalignment have stood for. They also constitute a challenge to us, as the inheritors of this great philosophy, to persist till the international community is persuaded to free the world of nuclear weapons and anchor the world order in non-violence. The task for us begins in our region. We have maintained peace on our borders, promoted peace in our region and created an ambience of cordiality and cooperation as has not existed with China for a generation.

All this has been possible only because of our unflinching adherence to the great principles on which the edifice of our nation is being built: democracy which reaches down to every village, secularism which respects all religions and protects the minorities, socialism which seeks the removal of poverty and the ending of unemployment, and nonalignment which guarantees our independence and self-reliance and makes our voice count in the world, an influence both beneficial and decisive.

It is Government's policy to resolve all disputes and differences peacefully. The local sentiments of the people will be respected, but there can be no compromise on the question of preserving the unity and integrity of the nation. The democratic path of dialogue and discussion, conciliation and consensus is open to all those who eschew violence and work within the Constitution. This was demonstrated in 1985 in Assam, in 1986 in Mizoram and in both Tripura and the Darjeeling Hills last year.

We are determined to eliminate terrorism. We shall persist and persevere till terrorism is rooted out in Punjab. The most powerful weapon in the fight against terrorism is the people themselves. In the face of threats and provocation, the people of Punjab have

stood firm against terrorist violence and maintained communal harmony and relations of amity among themselves. They are our greatest strength. It is on them that the Government relies in its endeavours to find a political solution to the problems of Punjab. Government is open to dialogue. Meanwhile, steps are being taken to prevent support and assistance reaching the terrorists from abroad.

There has been a resurgence of extremist activities in Andhra Pradesh and Bihar. The spurt of extremist violence has been more marked in Andhra Pradesh. Government are closely monitoring the situation.

For thousands of years, our civilization has survived vicissitudes of every kind only because it has been rooted in religious tolerance and the celebration of diversity. The major threat to contemporary India comes from the forces of narrow-minded chauvinism. Chauvinism takes many forms: religio fundamentalist, communalist and casteist, regional and linguistic. It is most dangerous when these forces come together. Fortunately, the people of India have never been narrow in outlook. With the support of the people, Government is determined to fight these forces.

The future of our country belongs to its youth. Already the bulk of our population is young. The country's population profile grows more youthful with every passing year. It is the aspirations of its youth which the country must meet, it is the participation of its youth which the country must seek. The voting age has been reduced to eighteen. We now call upon our youth to play their full part in the building of the nation.

Electoral reform has been extended to other areas. Commitment to the Constitution has been made the *sine qua non* for participation in the democratic process. The civic rights of the weaker sections have been better assured by making booth-capturing a cognizable offence. Those convicted of offences against women and the weaker sections have been disqualified from standing for election.

Government is determined to ensure separation of religion from politics. An Act to prevent the misuse of religious institutions was passed last year. Other steps will follow.

When I addressed you last year, our people were facing the challenge of an exceptionally severe drought. The Prime Minister took a personal initiative in extensively touring drought affected areas around the country. He established a Cabinet Committee on Drought to work up and monitor our response to the challenge. At the instance of the Central Government, and with its massive financial and advisory support, the infrastructure for development built up over the years was effectively utilised for drought relief, drought-proofing and the creation of permanent assets for the community. The Public Distribution System was strengthened and dynamised to meet the needs of the people. The people, at large, and the kisans in particular, ranged themselves behind the efforts of Government. We have emerged from this testing trial,

resolute and resilient, strong and self-reliant, an impressive example of effective management of a major natural calamity.

The experience of concerting measures to face the drought was utilised to equally concert measures to take full advantage of last year's good monsoon. A special foodgrains production programme was launched. In consequence, we have a record kharif output and there is every indication of a very good rabi crop. Outstanding performance has been recorded in cereals. Cotton and sugarcane reached record levels of output. Oilseeds touched a new high, reflecting the achievements of the Technology Mission on Oilseeds.

The year under review has been a year of exceptional economic performance. Having weathered the drought with remarkable resilience, the economy bounded back with renewed vigour. GDP growth will exceed 9 per cent. In the first four years of the Plan, growth will be above the target of 5 per cent. It augurs well for a decisive spurt in growth rates in the Eighth Plan. The nation can be confident that we will eradicate poverty and banish unemployment.

The kisan is the focus of Government's attention. Finance for the farmer has been a major priority. The target for direct lending to agriculture by commercial banks has been raised to 17 per cent of bank credit. NABARD's line of credit has been enhanced by 30 per cent from Rs 1,800 crore to Rs 2,550 crore. Rural and semi-urban branches of commercial banks have been entrusted and empowered to meet the credit needs of villages in their service areas. Village profiles and credit plans have been prepared for half a million villages. A new loan scheme has been launched for the marketing of agricultural produce which enables farmers to receive a loan upto Rs 10,000 against the hypothecation of his crop to the local cooperative.

A new Ministry of Food Processing Industries has been established to ensure better utilisation of farmers' output by inducting modern technology into the processing of food products thus augmenting the income of farmers and generally increasing incomes and employment in rural areas. A new seeds policy has been adopted to provide access to high quality seeds and plant material for vegetables, fruits, flowers, oil-seeds and pulses, without in any way compromising the quarantine conditions. For the coordinated development of inland and marine fishing, a National Fisheries Advisory Board has been established.

Beginning in 1985, Government have taken several policy initiatives to stimulate production and investment in industry, increase efficiency and productivity, promote greater competition and technological upgradation. In consequence, industrial growth has exceeded 8 per cent per annum over the last four years. Overall industrial growth for the first six months of the current year was 9.5 per cent. Growth in the manufacturing sector touched 10.6 per cent. The small scale sector registered a 13 per cent increase in production. Strong emphasis has been laid on rural industrialisation to remove regional imbalances and give greater employment opportunities. Industrial

relations have remained stable and Government have undertaken many measures to improve conditions in different industries.

Equally, Government policies have ensured impressive results in the infrastructure sector. For the three years ending 1987-88, the average annual growth rate has been 7.3 per cent in coal, 7.6 per cent in railway freight, 7.6 per cent in saleable steel, 7.9 per cent in port handling, 9.6 per cent in power, 10.3 per cent in cement and 12.5 per cent in fertilizer. The most encouraging part is that the performance has continued to improve from year to year. Compared with the first eight months of 1987-88, in the comparable period this year coal is up by 7.1 per cent, power by 7.6 per cent, port handling by 10.2 per cent, saleable steel by 11.5 per cent, cement by 12.2 per cent and fertilizer by 34.5 per cent. Telecommunications too have recorded significant advance in the indigenous development and manufacture of rural automatic exchanges and other telecommunication equipments. A Telecom Commission has been established for expediting the development of telecommunication services in the country.

The public sector has performed well. There has been impressive investment in the public sector in the last four years. Production and profitability are up. As envisaged by Jawaharlal Nehru, our public sector not only holds the commanding heights of the economy but is also becoming efficient and dynamic. A strong and vibrant public sector needs full operational autonomy. The results achieved this year reflect Government's desire to give public sector management greater authority and freedom to secure the best results.

After a slow start initially, export performance has improved considerably in the last two years. Exports grew by 25 per cent last year and by a further 25 per cent in the first nine months of the current year, representing growth of over 50 per cent over the two year period.

We have undertaken a significant expansion in our nuclear power programme. Ten new nuclear powered reactors, based on indigenous knowhow, will add nearly 4000 MW to the country's power generating capacity, in addition to a 2000 MW nuclear power facility being established on the basis of Soviet technology. The emergency preparedness and safety systems in nuclear installations have been significantly upgraded.

Science and technology are being pressed into the service of development. The Indian Remote Sensing Satellite is helping solve problems of rural development such as the location of ground water and flood warning. Many biotechnology products have been developed for application in health and agriculture. The technology of embryo transfer in cows, developed within the country, is being applied to upgrade the stock of milch cattle. Government is planning to involve CSIR laboratories in greater measure in programmes of the Khadi and Village Industries Commission.

Technology Missions have begun yielding results. One lakh and six thousand problem villages have been provided with sources of drinking water. With the involvement of over 500 voluntary organisations, a mass mobilisation campaign has been launched for extending adult literacy in many States. Government has launched a Sixth Technology Mission on Dairy Development to give a boost to rural incomes through improved animal productivity and increased milk production.

There are two points of pressure in the economy: prices and the balance of payments. Prices have risen but it needs to be recognised that the price rise is much less than had been experienced during previous droughts of comparable magnitude. All instruments of fiscal and monetary policy are being deployed for the effective management of the inflation rate. Prices of essential commodities are being closely monitored. The Public Distribution System is being strengthened.

We need to be very vigilant about the balance of payments. The spurt in exports has to be sustained and reinforced by larger volumes and higher foreign exchange earnings. Imports have to be carefully monitored with the emphasis on efficient import substitution wherever feasible.

Faster growth, especially faster agricultural growth, is the necessary precursor for the removal of poverty. But it is not in itself enough. Therefore, the frontal assault on poverty continues. Government are spending more than ever before on programmes of asset-creation and rural employment to serve the interests of the poor, the weak and the backward. The integrated rural development programme (IRDP) has reached over 25 million beneficiaries. Nearly half the beneficiaries belong to the Scheduled Castes and Scheduled Tribes. NREP targets for the terminal year of the Plan have been achieved in the fourth year itself. More than four lakh houses have been completed under the Indira Awas Yojana. The Million Wells scheme has been launched for the benefit of Scheduled Castes, Scheduled Tribes and freed bonded labour. TRIFED, a marketing organisation to ensure a fair price to tribals for their produce, has been started. A National Finance and Development Corporation for the Scheduled Castes and Scheduled Tribes has been established.

The National Housing Policy has been passed in Parliament. It accords priority in promoting access to shelter to the Scheduled Castes, Scheduled Tribes and freed bonded labour. They, as also the rural landless, artisans, economically weaker sections and low-income groups are to be assisted in securing affordable shelter. So also are single women, widows and households headed by women. In urban areas, the most seriously affected are the pavement dwellers. A scheme has been launched in metropolitan cities to provide pavement dwellers with dwelling units. A National Housing Bank has been established. Constraints on house building, such as inadequate land and capital, are being progressively removed. The report of the National Commission on Urbanisation is being examined.

The implementation of the National Policy on Education made significant progress during the year. Under Operation Blackboard, almost 40 per cent of the blocks in the country have already been covered. High priority is being given to the universalisation of elementary education. An effective beginning has also been made in the vocationalisation of secondary education. 256 Navodaya Vidyalayas have so far been established. 40 per cent of the children studying in these Vidyalayas are from families below the poverty line. Almost 80 per cent of the students come from rural areas.

Within each of the disadvantaged sections of Indian society, women constitute the most disadvantaged segment. A National Perspective Plan has been prepared to accord to women their rightful place in the life of the nation and to help them overcome the burdens imposed on them by family and society. The Plan seeks to outline a long-term policy for the upliftment of the Indian women. It aims at strengthening their economic independence and raising their social status. It attempts to assist them in participating to the full in the development of the country.

The development process has much more than an economic dimension. At our present stage of development, the process confronts three major challenges: the preservation of the environment, the conservation of our culture, and the involvement of our people.

To ensure better environmental protection and to better maintain the ecological balance, the National Forest Policy has been substantially revised. The Forest Conservation Act has been strengthened. The law on water pollution has been made more stringent. The Ganga Action Plan has made significant progress. For the cleaning of the Ganga, Government have sanctioned 262 schemes costing Rs 256 crores. Forty-five of the schemes have already been completed. The rest are being implemented expeditiously. An institutional framework has been envisaged to regulate installations producing hazardous chemicals and to deal with disaster.

In a period of rapid economic and social change, our moral and spiritual values come under strain. We are confronted with the insidious danger of crude acquisitiveness in disregard of compassion, tolerance and the common weal as the underpinnings of our value system. Culture is among the most effective of vehicles for the conservation of our quintessential values, for national integration, for the celebration of our diversity, for preserving our unity in diversity, for keeping ourselves open to wholesome cultural influences from outside, and of evolution through synthesis. It is these characteristics which through millennia have ensured the continuity of our civilization. It is therefore crucial that we preserve and develop our mosaic of cultures—classical, folk and tribal. It is even more important that we disseminate to the people at large an awareness and familiarity with our glorious heritage. It is these objectives and priorities which inform Government's cultural policy.

There is pressing need for genuine participation in the planning process of the people at the grassroots. That is the only way in which local needs and local priorities will receive the emphasis they require. We must entrench the third tier of our democracy to

ensure representative institutions at the village, tehsil and district levels to effectively and efficiently undertake the planning, implementation and monitoring of development programmes. Therefore, a major priority for Government this year will be the revamping of Panchayati Raj institutions and the recasting of their powers and functions. Government intend to bring forward a major legislative programme to devolve power to the people.

We are now preparing the Eighth Plan. Government will endeavour to build the Plan upward from the district level or even lower to State Planning Commissions and Yojana Bhavan. We have targetted a growth rate of 6 per cent per annum in the Plan. Employment generation is receiving special emphasis. We attach the highest priority to providing productive work and employment to the youth of our country. It is only thus that the twin problems of poverty and growth can be successfully tackled. This is the key to the involvement of our youth in the great task of building the nation.

As we survey the international scene today, there are reasons for optimism, though not for complacency. An important step toward nuclear disarmament has been taken with the INF Treaty. Better understanding between the major military powers is also reflected in a reduction of tension in several parts of the world, even solutions to seemingly intractable problems. Confrontation is increasingly giving way to dialogue. It is a matter of satisfaction that these constructive trends have their philosophical underpinning in the principles of Nonalignment, Panchsheel and Delhi Declaration of 1986. There is, however, the need to ensure that in the process of finding solutions, we contribute to the building of a better and more democratic world and that the interests of the countries concerned are not bypassed. At this historic juncture in international affairs, it is incumbent on the Nonaligned Movement to play a decisive role in taking the processes of disarmament and peaceful coexistence to their logical conclusion. The objective, as set out in the Action Plan which the Prime Minister presented to the United Nations in June 1988, must be the elimination of all nuclear weapons and the reduction of conventional arms and forces to minimum defensive levels along with the need to root the world order in non-violence.

Within our region, the process of cooperation through SAARC has begun achieving tangible results. People to people contacts have begun to expand, opening the way towards making regional cooperation into a people's movement. Agreements on food security and the suppression of terrorism are in place. 1989 has been declared the SAARC year against Drug Abuse. A useful start has been made in exchanging operational information on trafficking in drugs transiting through countries of the region, as also in exchanging ideas on drug counselling. Work has begun on a comprehensive study on preserving the environment and dealing with natural disasters. The decision to draw up a regional perspective plan on basic needs will help focus on common problems of the region.

With the Prime Minister's recent visit to China, we have embarked on a new and positive phase in our relations with that country. The cordial and constructive

discussions held with Chinese leaders have opened the way for a stable, peaceful and mutually beneficial relationship between the two countries. This is a development of great significance for regional and world peace as India and China, together, represent a third of humanity. There is to be a joint Group on economic relations, trade and science and technology. A Joint Working Group is being set up to consider measures for resolving the boundary question in a fair, reasonable and mutually acceptable manner. Both sides have reiterated their commitment to the Five Principles of Peaceful Co-existence in their bilateral relations and as the basis for building a new international order.

We have welcomed the emergence of a democratically elected Government in Pakistan. We look forward to working with the new Government in reducing tension and expanding cooperation. During his visit to Islamabad, the Prime Minister had extensive discussions with Prime Minister Benazir Bhutto. Three agreements were signed, which should help to build mutual confidence and trust and promote greater interaction among our peoples. We have agreed to continue this constructive dialogue.

There has been significant progress in implementing the provisions of the Indo-Sri Lanka Accord, thus meeting the legitimate aspirations of the Tamils within the framework of Sri Lanka's unity and territorial integrity. Elections were held to the North-Eastern Provincial Council and a popularly elected Provincial Government is now in place. Legislation has been enacted to make Tamil an official language and to resolve the pending problem of stateless Tamils of Indian origin. Presidential and Parliamentary elections have been conducted successfully. With the improvement in the situation we have been able to withdraw some of our troops. We salute the dedication and bravery of our armed forces in discharging their duties.

Our friendly neighbour Maldives was faced with an armed threat to its freedom and democratic order. We responded promptly to Maldives' request for assistance to counter this threat.

For his bold and imaginative initiatives, which have contributed significantly to the improvement in the international climate, Soviet President Mikhail Gorbachev was awarded the Indira Gandhi Prize for Peace, Disarmament and Development. Relations between India and the Soviet Union have reached new levels of closeness, range and importance. The significance we attach to our friendship with the Soviet Union is highlighted by the extensive exchange of visits between the leaders of the two countries. The wide-ranging discussions which the Prime Minister had with President Gorbachev have further strengthened our understanding, provided an impetus for intensifying exchanges and given a new direction to our future cooperation. Our programme for cooperation in science and technology is particularly promising. My own visit to the Soviet Union for the closing ceremony of the Festival of India provided an opportunity to have very useful discussions with Soviet leaders. The Festivals have enriched the friendship, goodwill and understanding among our peoples.

Our relations with the United States have improved considerably with an expansion in technical exchanges and economic cooperation. The U.S.A. is now our largest trading partner and an important source of high technology. There is a better awareness of the need to build a constructive relationship and understand each other's point of view.

The withdrawal of Soviet troops from Afghanistan has been completed. The need of the hour is a peaceful political settlement so that further bloodshed can be averted in that country and conditions created for the safe return of the refugees. The Geneva accords must be fully honoured by all the parties concerned for ensuring the independence, integrity and nonaligned status of Afghanistan.

India was among the first countries to accord full recognition to the independent Palestine State. Chairman Yasser Arafat visited Delhi for consultations. We have welcomed the commencement of a dialogue between the United States and the PLO. It is our hope that it will soon be possible to convene an International Peace Conference on West Asia, under UN auspices, with the participation of all concerned.

There are prospects of progress on the question of Kampuchea. We have been in touch with all parties concerned. The Prime Minister had extensive discussions with General Secretary Nguyen Van Linh of Vietnam. We are ready to assist in efforts to find a political solution which ensures the sovereignty, territorial integrity, independence and nonaligned status of Kampuchea.

We have welcomed the accords on Namibia. However, Pretoria must be forestalled in any attempt to subvert Namibia's transition to independence by preventing free and fair elections. International pressure must be maintained on Pretoria to end apartheid. In Fiji too, moves to institutionalise racial discrimination must be resisted.

During the year, I visited the USSR, Mongolia, the Netherlands, Finland, Czechoslovakia, Cyprus, Bhutan and Pakistan. The Vice-President visited Mauritius, Trinidad and Tobago, Guyana and Surinam. The Prime Minister paid visits to Japan, Vietnam, Syria, the Federal Republic of Germany, Hungary, Jordan, Yugoslavia, Spain, Turkey, China and Pakistan. These visits have promoted mutual understanding and cooperation. We also received many foreign dignitaries including the Premier of the Democratic People's Republic of Korea, the Prime Minister of Singapore, the Crown Prince of Jordan, the President of Afghanistan, the President of Mozambique, the President of Bangladesh, the King of Nepal, the President of Kenya, the Chairman of the PLO, the President of Angola, the Prime Minister of the Netherlands, the Governor General of Mauritius, the Prime Minister of the People's Republic of Kampuchea, the President of SWAPO, President Gorbachev, the President of the Maldives, the Prime Minister of Malta, the General Secretary of the Communist Party of Vietnam, the President of France, and the Prime Minister of Australia.

Ahead of us lie exacting challenges and exciting opportunities. You are the repositories of the people's will. If you vests the responsibility of realising the people's dream. We

are launched upon one of the greatest essays in social transformation ever undertaken in the history of humankind. The task is so great, and sometimes so daunting, that we are often overwhelmed by how much more needs to be done. We sometimes tend to belittle how much has already been achieved. A balanced perspective is needed. There has been more growth, more social justice in the last 40 years than in several preceding centuries. Our people are being liberated from the shackles of poverty. The pace needs to be accelerated. Our youth are being offered vistas of expanding opportunity. These vistas need to be broadened even more rapidly. Centuries of social oppression and discrimination are being ended. The process needs to be pushed forward even quicker. We will succeed, and succeed soon, because we build on firm principles, principles bequeathed to us by our millennial civilisation, principles steeled in the furnace of the freedom struggle, principles tried and tested in four decades of nation building. So long as we remain true to these principles, true to our priorities and true to our goals, the new India will emerge from this transition and fulfil its destiny.



Presidential Procession (20 December, 1989)

Honourable Members,*

It gives me great pleasure to address both Houses of Parliament at this first session after the Ninth General Election to the House of the People. I extend my felicitations to the members of the new Lok Sabha.

The General Election, just concluded, has demonstrated the maturity of the Indian electorate. The people have given a clear verdict in favour of change.

The Government took charge just a fortnight ago and has commenced in right earnest the task of working out the details of various policy initiatives and thrusts which it intends to adopt. In this Address I am confining myself to the broad issues that the Government proposes to tackle.

My Government pledges itself to fulfil the mandate given to it by the people. The Government will work to restore the dignity of the nation and of the individual. The Government proposes to adopt an alternative model of governance and development based on socialist ideals of economic equality and social justice, federalism and decentralisation, institutional accountability and human rights. Government will take steps to establish an Inter-State Council and to accord constitutional status to the Planning Commission.

My Government is committed to a process of national reconciliation and the evolution of consensus to solve the many problems facing the nation.

The Punjab problem has defied solution so far. Over the past few years, we have witnessed widespread violence. There will be no compromise with separatism and no yielding to extremists, but there is admittedly a compelling need for a national endeavour to resolve the problem. The Government will hold wide ranging discussions with leaders of cross-sections of the people to evolve a national consensus. A beginning has already been made in the All Party Meeting held on 17th December, 1989. Action on the report of the Ranganath Misra Commission of Enquiry will be expeditiously completed.

The situation in Jammu and Kashmir is extremely delicate and fraught with serious implications. There will be no compromise on the country's unity, sovereignty and integrity. The people of Jammu and Kashmir, who have been second to none in the nation's freedom struggle, will be enabled to play their rightful role in the process of

*The Address was delivered on 20 December, 1989, cc. 2-11.

national growth and development. The problems of the people of the state will be gone into in depth with a view to finding speedy and durable solutions.

The North East region requires our immediate attention. We are committed to the speedy economic development of region and for the settlement of the issues which concern the tribal peoples in the region, including Assam, through dialogue and discussion.

In recent months, the country has witnessed riots and violence arising from sectarian issues. A secular India is the very basis of our emotional unity and national integrity. Violence has no place in the land of Mahatma Gandhi, the apostle of non-violence. The need of the hour is the generation of an atmosphere of amity and goodwill in order to avoid any communal divide. Government seeks the support of the people in its unrelenting efforts to promote national unity and integrity. The National Integration Council is being re-constituted and will function as a forum for effective initiatives and interaction on issues of national concern.

A healthy and vibrant democracy hinges crucially on the sanctity and strength of democratic institutions. The Government is fully committed to the restoration of the dignity and vitality of institutions which have been weakened in recent years. Power flows from the people. It is imperative that the people themselves should have the final say in governing themselves. My Government will promote on the basis of national consensus a genuine devolution of powers, functions and resources to Panchayati Raj institutions enabling the fullest participation of the people in the developmental process. It will secure, with the cooperation of the states, adequate representation in these bodies for Scheduled Castes, Scheduled Tribes, Backward Classes and women. Indeed the whole process will be one of strengthening the federal structure of the polity at the Centre, the State, the District and the Panchayat levels.

A clean public life is the bedrock of democracy. Over the past few years, there has been a growing erosion of norms and values in public life. The law will take its own course in respect of matters of corruption in high places. The Government will introduce legislation during this session for setting up a Lok Pal, whose jurisdiction will include the Prime Minister also.

My Government firmly believes that a participative democracy requires an enlightened and informed electorate. It also believes that an open Government functioning in full public view, will minimise the possibility of wrong doing. The Official Secrets Act will be suitably amended so that people have increased access to information. Doordarshan and AIR will be given autonomy to ensure free flow of information. A bill to this effect will be introduced in this session. The 59th Amendment to the Constitution which seriously jeopardised the citizen's right to life will be repealed. The Postal Bill which sought to interfere with the citizen's right to privacy will be withdrawn. Similarly, the amendments to the Commissions of Inquiry Act which sought to permit withholding of vital information from the people and Parliament will be removed from the Statute

book. My Government will, by amending the Constitution, ensure the citizen's right to information.

The Scheduled Castes and Scheduled Tribes continue to be victims of social and economic injustice. Government's primary aim will be to ensure economic and social justice to them so that they can lead their lives with dignity and honour. The reservation for Scheduled Castes and Scheduled Tribes in the legislatures will be extended by a further period of 10 years.

Government will take appropriate steps to implement the recommendations of the Mandal Commission.

The problems of ex-servicemen will receive full consideration particularly in regard to their demand for one-rank-one-pension and their post-retirement employment.

The Government will spare no efforts to guarantee that minorities live without fear and as equal partners in the country's progress.

The Constitution provides equal status to men and women. However, women continue to suffer from discrimination and indignity. My Government will take all steps to provide equal opportunities for women.

The youth have a special role to play in the progress of the country. Their vast energies have to be tapped and channelled for the task of nation building. They are the harbingers of change and it is they who have to lay the foundations of a new and just social order. Government will take steps to facilitate the harnessing of youth power for unleashing social forces to transform society. The educational system will be reformed so that it responds to the needs and aspirations of the new generation.

It will be the endeavour of this Government to ensure integration of the scientific and technological capabilities with our other efforts for national development. Science and Technology will be used for increasing agricultural production, developing technologies that would lead to employment generation, for the proper utilisation of natural resources, and for generally benefiting the population at the grassroots level.

Government will give priority to the expansion of productive employment opportunities in the economy. It will strive to ensure appropriately to all citizens the right to work, to enable them to participate in the nation building process.

There are disquieting trends on the economic front. Unbridled government expenditure and consequent increase in money supply and proliferation of black money have stoked the fires of inflation. The fiscal imbalance has shown up in the form of a huge budgetary deficit. The balance of payments is under severe strain.

The Government attaches the highest priority to curbing inflationary pressures. In recent months, prices of many essential commodities have risen sharply. This has further impoverished the poor and the under-privileged. Government intends to tackle the problem of inflation in all possible ways.

Deficit financing has reached staggering levels. Steps will be taken to reduce wasteful government expenditure. Effective control over Government spending and deficit is an essential pre-requisite for restoring external and internal stability to our economy.

A number of medium-term factors have placed a strain on the balance of payments. Much more needs to be done by way of import management and export growth. The Government will formulate an Action Plan which will aim at correcting the imbalance in our external payments position.

The rise in prices of essential commodities has affected the common man adversely. The public distribution system will be strengthened and closely monitored. Production of articles of common consumption will be encouraged. These steps will ensure that such commodities are within the reach of the vulnerable sections of the society.

Poverty and unemployment continue to confront the nation. Economic disparities have increased in the past few years. All sections of the people have not shared equally the fruits of growth. Government is committed to redress this imbalance and redirect the benefits of development to the poorer sections of society. The Minimum Needs Programme, aimed at the poor, will be strengthened and in particular, Government will undertake a time-bound programme to provide all villages with potable drinking water.

The vast majority of our population live in the villages. There has been a flight of resources—both human and otherwise, from our rural areas. This trend—has to be stopped. A substantial portion of Government's investment outlay has to be channelled to rural areas. Government's policies will be designed for the poor and the toiling masses. The Government will take steps to see that the terms of trade for the agriculture sector are improved and our farmers receive remunerative prices for their produce. Government will take appropriate steps to provide debt relief for marginal farmers, landless agricultural labourers, artisans and weavers on loans below Rs. 10,000. My Government will revise the existing laws to bring about equitable distribution of land and other natural resources like water and make the tiller of the land its owner. All land reform laws will be included in the Ninth Schedule of the Constitution.

My Government will promote industrial development in such a way as to maximise employment. An important role will be assigned—and all support given—to small-scale industries, to agro processing industries and industries based on the craft of rural artisans as also village industries of particular benefit to women and rural households. The Public Sector will be streamlined so as to augment the surpluses generated so that they can be ploughed back for future expansion or utilisation for developmental activities. Labour participation in management will be made effective to promote an environment of productivity and industrial peace.

In order to prevent the degradation of the environment and consequent erosion of our natural resource base, Government will make preservation of environment a priority area of State Policy. Programmes for regeneration of biomass will receive fullest emphasis.

My Government's foreign policy is deeply rooted in the ideals and principles which inspired the freedom struggle. This is reflected in its firm adherence to non-alignment and our struggle against imperialism, colonialism, neo-colonialism, racial discrimination and all forms of domination and exploitation. The rapidly changing international environment presents both challenges and opportunities for India, underlining the need for further strengthening the national consensus.

My Government attaches importance to revitalising and strengthening ties with our neighbours in South Asia, and to imparting fresh dynamism to the process of regional cooperation within the framework of SAARC. The Government will spare no effort to resolve outstanding bilateral issues with our neighbouring countries, consistent with our national interests. The Government will further endeavour to usher in an era of stability, confidence and cooperative endeavour in our region. In the pursuit of this objective talks have already been initiated with the Government of Sri Lanka.

The process of further understanding and cooperation between India and China will be continued by my Government. It is hoped that the boundary question can be resolved in a fair, reasonable manner in consonance with our national interests.

My Government will further strengthen the traditional friendship with the Soviet Union; build upon the new trends of a constructive and cooperative relationship with the United States; and strengthen economic cooperation with Japan and the European Community.

My Government recognises the inalienable rights of the Palestinian people to achieve a homeland of their own in a peaceful West Asia. The Government's support and solidarity to this end will always be there. It will also be my Government's endeavour to maintain pressure on the Pretoria regime to commence early negotiations for the dismantlement of Apartheid. The emergence of a united democratic and non-racial South Africa is our objective.

Honourable Members, the present session is a short one. Yet it is historic in its importance and is summoned immediately following the constitution of the Ninth Lok Sabha in order to place before Parliament the new agenda of work.

I wish you all success in your endeavours.

Honourable Members,*

It gives me great pleasure to welcome you to this first Session of Parliament in 1990. I extend to you my best wishes for the successful completion of the budgetary and legislative business ahead.

The elections recently held to the Legislative Assemblies in nine States and one Union Territory have, by and large, reaffirmed the verdict of the people in the last Lok Sabha elections in favour of change.

My Government assumed office only a hundred days ago. In this short span it has already taken a number of positive initiatives in several spheres to fulfil the pledges it had made. My Government has responded to the sacred trust reposed in it by our people.

The situation in Jammu and Kashmir, which had deteriorated for the last few years, continues to be serious. Government has noted with particular concern that external forces have tried to encourage terrorism, to internationalise the issue, and to organise intrusions across the border. My Government has acted firmly against these forces. J&K is an integral part of India and my Government will not brook any interference from others in our internal affairs. The State Government is taking all possible measures to check and curb terrorism and secessionism and to restore normalcy. My Government will take positive steps to remove all legitimate grievances and to accelerate development activity in the State.

Government attaches high priority to restoring normalcy in Punjab and generating a feeling of confidence among the people of that State. Steps have been taken to involve all sections of the people and find a solution to the problem in a spirit of reconciliation and consensus. The State administration will be firm and fair and there will be no compromise with terrorism and secessionism. The Government has fulfilled the promise of repealing the 59th Constitution Amendment which contained special provisions for promulgating emergency applicable only to the State. My Government seeks the cooperation of all to create conditions conducive to the restoration of the democratic process in the State.

We are proud of the secular basis of our nationhood. Government is taking measures to strengthen secularism. The National Integration Council has been reconstituted and will meet soon.

*The Address was delivered on 12 March, 1990, cc. 1-15.

The communal situation has improved visibly since the Government assumed office. My Government has taken a fresh initiative with a view to resolving the Ram Janam Bhoomi-Babri Masjid dispute amicably. The solution of such an emotive issue should be arrived at through dialogue and consensus. A three member Committee has been set up by the Government to find an acceptable solution.

Government has initiated several measures to provide for relief and rehabilitation of those affected by communal violence, including the victims of the 1984 riots in Delhi and the 1989 riots in Bhagalpur. Special Courts have been set up in Delhi and Meerut to try cases connected with communal riots. The Bihar Government has been asked to set up Special Courts to try cases connected with the riots in Bhagalpur. No effort will be spared to guarantee full protection to the minorities and to maintain communal harmony. Government is effectively monitoring the implementation of the 15 Point Programme for the welfare of minorities. A panel has been set up to suggest steps for the implementation of the Gujral Committee recommendations on the promotion of Urdu.

To strengthen the national fabric it is of utmost importance that the Centre and the States work together in a spirit of cooperation, goodwill and harmony. To ensure smooth Centre-State relations Government has decided to set up an Inter-State Council. The first meeting of the Council will be held soon.

Government has decided to set up a National Security Council with a view to evolving long term policies appropriate to the regional and international environment.

My Government would like to assure our people regarding high state of our defence preparedness and the morale of the armed forces. We are fully prepared to meet any external threat.

The problems of ex-servicemen will receive full consideration. Government is examining the modalities for implementing Government's commitment to the proposal of "one-rank-one-pension" for ex-servicemen.

The dignity of the nation and the individual rest in no small measure, upon strong and vibrant democratic institutions. These in turn are closely linked with certain sound and lasting values in our public life. My Government will fight those trends which have, in recent years, sapped our democratic institutions of their vitality and strength. Government is taking steps to ensure that our election system is rid of the debilitating effect of money and muscle power. A Committee on Electoral Reforms has been constituted comprising representatives of political parties and eminent persons. A bill has been introduced in the Parliament for the creation of the institution of the "Lok Pal". Even the highest political offices in the country, including that of the Prime Minister, will be placed under the purview of the "Lok Pal". The Government will introduce suitable legislation to set up a high level Judicial Commission for the appointment of High Court and Supreme Court judges and for the transfer of High

Court Judges. I have also asked the Parliament to reconsider the Post Office (Amendment) Bill. The Bill had created wide-spread concern that it would seriously interfere with the citizens' right to privacy.

A free media imparts strength and vitality to the democratic process. My Government has already initiated steps to grant autonomy to the electronic media. The "Prasar Bharati Bill" was introduced in the last session of Parliament. Government is committed to ensure freedom of the Press. Concrete steps will be taken to guarantee the people's right to information and legislation will be introduced to amend the Official Secrets Act.

The year 1989-90 has been a difficult year for the economy. The growth of production slowed down in both agriculture and industry compared with growth in the previous year. The deceleration in the industrial sector was especially sharp with production growing by only 4.25 in the first six months. The slow down in growth has been accompanied by an intensification of macro-economic imbalances which have built up in the past few years.

The budgetary situation deteriorated significantly in the course of 1989-90. When the new Government took office, the budget deficit had reached Rs 13,790 crores. Prices came under pressure in 1989 despite the fact that it was the second year of good harvests. The balance of payments, which had already come under strain in 1988-89, continued to show a large financing gap in 1989-90. The external debt position deteriorated further.

Since assuming office, my Government has given the highest priority to improving the management of the economy. The procurement of rice has touched a new high at 9.32 million tonnes. Foodgrain stocks in the central pool have been augmented and now stand at 11.67 million tonnes compared to 8.34 million tonnes at this time last year. Special efforts are being made to augment supplies of essential commodities through the public distribution system and to improve the functioning of the system. Prices of essential commodities such as rice, sugar and tea which had risen sharply earlier have shown a downward trend in the three months since the new Government assumed office. However, the Government is fully aware that the overall price situation continues to be difficult. There will be no complacency on this front and control of inflation will continue to be our first priority in economic management.

The Balance of Payments problem demands urgent attention. This problem is also basically a reflection of the fiscal crisis facing the country and resolution of the problem requires the restoration of the fiscal balance. There is significant scope for efficient import substitution and reducing the growth in consumption of bulk commodities where our dependence on imports is increasing. However, the only lasting solution to our external payments difficulties is to greatly strengthen the export effort. There are distinctly positive trends in the current year with export growing very much faster than imports. A concerted national effort has to be mounted to intensify our export

drive. Rapid growth of exports, especially exports involving high domestic value addition would receive a high priority in the strategy for economic management. Efficient import substitution combined with rapid growth in exports will ensure that the economy remains on the path of self-reliant growth. A new three-year Import-Export Policy is being introduced in April. The policy aims at simplifying cumbersome procedures which lead to unnecessary delays and breed corruption. The policy will contain special incentives designed to boost exports.

The Planning Commission has been reconstituted and has begun to work on the Approach to the Eighth Five-Year Plan. The approach will be finalised shortly and submitted to the National Development Council for approval. The thrust of the Eighth Plan will be to ensure rapid growth with a special focus on the critical objectives of employment generation, alleviation of poverty and redressal of the imbalance between rural and urban areas. A key feature of the Eighth Plan will be the introduction of structural and institutional changes to ensure decentralisation of planning and plan implementation.

Our farmers are the backbone of our economy. Their well-being and prosperity are the strength and prosperity of India. Sustained growth in rural incomes is a necessary condition for successful industrialisation. Government will pay special attention to the needs of the agricultural and rural sectors, including its requirements for economic and social infrastructure. Our aim will be to achieve substantial increases in the yield of major crops, especially in un-irrigated rain-fed and dry land areas. Government is firmly committed to assuring remunerative prices to farmers backed by adequate market support arrangements. To this end, the Government will introduce changes in the formula for computing costs of production in order to ensure full accounting of all costs. This new system will be reflected in the support prices to be announced for the next Kharif season. Government would also associate representatives of the farming community in the formulation of agricultural policies. With this in view, a Standing Committee on Agriculture including representatives of the farming community has been set up. Government is committed to a genuine Panchayati Raj system or enable the rural population to participate fully in planning and development. Specific proposals in this regard, as well as proposals for civic bodies will be put before the Inter-State Council.

Water resource development is vital for our agricultural strategy and my Government will give high priority to this sector. Government is also committed to find solutions for inter-State water disputes through dialogue and negotiations with the concerned States.

The prosperity of the agricultural sector is inseparable from the well-being of agricultural and other rural labour. This vast segment is still unorganised and exploited. My Government is committed to working out arrangements for giving them fair wages and a larger share of the fruits of rural development so as to provide them a better quality of life. As an earnest of our commitment to the weaker sections some

more Land Reform Laws are being placed in the Ninth Schedule of the Constitution to protect them from any challenge by vested interests. Government also propose to introduce a scheme of debt relief for small farmers, landless agricultural labourers, artisans and weavers on loans upto Rs 10,000. A detailed scheme in this regard will be announced in this Session.

Efforts to accelerate agricultural growth must be accompanied by measures to encourage rapid growth of industry. My Government's industrial policies will be designed to serve the objectives of growth, expansion of productive employment, and balanced regional development. Healthy growth of the industrial sector requires a sustained growth in productivity and technological modernisation. Our industry must be made more competitive internationally to provide the basis for sustained growth in export performance. My Government will take steps to ensure the spread of industry to the rural and backward areas of the country. Development of small scale and agro & rural industries will receive special attention to facilitate harnessing of local resources and skills and the creation of gainful employment. Towards this end, a new Department called the Department of Small Scale Industries and Agro and Rural Industries has been set up.

My Government accords great importance to the public sector. The productivity of this sector and its ability to generate adequate investible resources is vital to our economic growth. Government are committed to ensuring functional autonomy of the public sector and creating conditions conducive to its efficient functioning within a framework of wider public accountability. My Government will present a White Paper on the public sector later this year.

Science and Technology have an important role in our efforts to attain self-reliance and raise the standards of living of our people, particularly of the weaker sections. Science and Technology inputs will be used for generating and sustaining employment and increasing productivity in rural areas. We are proud of our scientists. Their achievements in the frontier areas of Science and Technology, such as atomic energy, space research, advanced materials and biotechnology, have been substantial and scientific effort in these areas will get all encouragement from the Government. Our scientists have played a valuable role in strengthening our development and they deserve our fullest support. The remarkable achievements in the indigenous missile development programme are the result of their dedicated and laudable efforts and are landmarks in our technological development.

The labour force plays a role of crucial importance in the production of assets and yet their interests are not always adequately protected. Workers' participation in management can overcome this problem and also make for better productivity. To ensure this, suitable legislation is under examination.

Government will strive to ensure for all citizens the right to work to enable them to earn a livelihood and to become participants in the task of nation building. Government

will introduce a Constitution Amendment Bill to enshrine the right to work as a Fundamental Right in the Constitution.

Protection of environment is essential for sustainable development. While conserving natural resources like forests, the basic needs of the people, especially the weaker sections, will be taken care of. Particular attention will be paid to the interests of the tribals.

The Bhopal gas tragedy is still vivid in our memory. There has been an unconscionable delay in providing relief and succour to the victims. My Government has already announced the decision to provide interim relief to those victims resident in the 36 affected municipal wards, in Bhopal. The quantum of interim relief to be provided is Rs 360 crores. Various social action groups have filed petitions in the Supreme Court on the issue of an adequate compensation for the Bhopal gas victims. My Government has supported their petitions before the Supreme Court and will pursue the case for adequate compensation in the Court. Government will also introduce legislation making it compulsory for factories and installations using hazardous chemicals to have a minimum compensatory insurance cover. This would ensure that innocent victims of accidents occurring in these plants are provided immediate relief.

The Scheduled Castes and Tribes are one fourth of our population. There can be no real progress for us as a nation, unless we enable them to live with dignity. My Government is committed to strong affirmative action to redress the economic and social injustices which the Scheduled Castes and Tribes continue to suffer. A beginning has been made and several concrete measures have already been taken. The Constitution has been amended to extend, for another 10 years, reservation for Scheduled Castes and Scheduled Tribes in the Lok Sabha and the State Vidhan Sabhas. Legislation for preventing atrocities against them, which was passed in 1989 but was not operationalised has been brought into force with effect from 30th January, 1990. A decision has been taken to fulfil the long standing and legitimate aspiration of the Scheduled Caste converts to Buddhism by extending to them the facilities available to the Scheduled Castes. A Bill to give effect to this decision will be introduced during this Session of Parliament. The other Backward Classes constitute another area of special concern to us and a Cabinet Committee has been set up to consider implementation of the Mandal Commission recommendations.

As a measure of our concern for a section of our society facing the most severe form of discrimination, it has been decided to accelerate the programme of finding alternative avenues of employment for scavengers.

The welfare of the handicapped is engaging special attention of my Government and it is proposed to give new depth to programmes for the rehabilitation of the handicapped.

Women are among the most underprivileged sections of Indian society. They continue to face discrimination, despite the constitutional guarantee of equality. Our policies and

programmes will have, as their basis, the recognition of women's dignity and equality in law and every day life. Government is considering legislation to set up a National Commission on Women.

Youth have an important role in the transformation of society. My Government is sensitive to the concerns and aspirations of our youth. We look to our youth to build a new India based on equality and social justice. Society, on its part, owes a special responsibility to the youth. The best possible opportunities should therefore be open to them. We shall re-orient youth policies to make them especially responsive to the need and aspirations of the rural youth. The Government has raised the upper age limit for the Civil Services Examination from 26 to 28 years, to help, in particular, youth from rural areas.

Education is essential for the full development of the people. However, we are still very far from our goal of universal literacy. My Government has taken steps for a review of education policy to make it relevant to the needs of our people, and to provide equal opportunities to all.

A sound health care system is an important individual and social requirement. To achieve the goal of Health for All by 2000 A.D. greater emphasis will be laid on preventive and promotive aspects of primary health care. Effective control of population is also essential if we are to consolidate our economic gains and achievements and improve the quality of life of our people. Concrete steps are necessary to reflect the high priority which should be given to this area. There is need for a national consensus on this.

Our foreign policy is rooted in our commitment to non-alignment and our aspirations for a peaceful world, free of domination, exploitation and war. We welcome the profound changes that are taking place in the international scene and the transition from conflict and confrontation to cooperation and consensus. We will continue to contribute to cooperative global endeavours to promote disarmament, strengthen peace, eliminate racial discrimination, provide environmental protection and build a more equitable world economic order.

Consistent with the high priority attached by my Government to revitalising relations with our neighbours, we have initiated an intensive dialogue for finding mutually acceptable solutions to outstanding problems, strengthening our friendship and enlarging the areas of our cooperation. These efforts are already showing results.

The two visits to India by the King of Bhutan and the signing of the new Agreement on Trade and Commerce reflects the further consolidation of our traditionally close ties with Bhutan.

Our cordial relations with Bangladesh have been strengthened by the recent visit to that country by the Minister of External Affairs.

Our close friendly relationship with the Maldives was enhanced by the holding of the first meeting of the Indo-Maldives Joint Commission in Male. The President of Maldives will pay a State visit to India later this month.

My Government has taken early initiatives for a comprehensive solution of all outstanding problems with Nepal. Recent talks at the Foreign Ministerial and official level have led to greater understanding of mutual interests and concerns. Our close and age-old relationship with the people of Nepal will be further strengthened.

The bulk of the Indian Peace Keeping Force in Sri Lanka has returned home and we hope to complete the phased de-induction by the end of this month. Our Armed Forces have done a highly commendable job under difficult circumstances. On behalf of the Nation, I would like to pay a tribute to the valour, dedication and discipline of our Armed Forces and their sacrifices. India stands for the unity and integrity of Sri Lanka. We expect the Government of Sri Lanka to fully honour all their obligations under the Indo-Sri Lankan Agreement and ensure the safety, security and democratic aspirations of its Tamil speaking population. My Government believes that this would be in the interest of peace in Sri Lanka, harmony among all sections of the Sri Lankan people, and stability in the region.

Our relations with Pakistan have, unfortunately, come under strain as a result of its continued efforts to encourage and aid terrorism and secessionist activity in Jammu & Kashmir and Punjab. My Government has made it very clear that we will not tolerate such interference in our internal affairs. We have impressed on the Government of Pakistan the need to abide by the letter and spirit of the Shimla Agreement, which has helped to maintain peace and provide an enduring framework for our relations. We hope such saner counsels will prevail in Pakistan as would preserve peace and enable us to normalise relations with that country.

We believe that ties between countries in South Asia must be maintained in tune with global trends towards dialogue, openness and cooperation. SAARC provides a valuable institutional framework for promoting such regional cooperation. We hope to expand the activities of SAARC to encompass cooperation in key economic areas, for the benefit of all the people of our region.

We value our traditional relationship with Afghanistan and are taking steps to strengthen it further. We hope that there will be an early stoppage of bloodshed in Afghanistan, with strict implementation of the Geneva accords and a political solution, arrived at by the Afghans themselves that would preserve Afghanistan's status as a sovereign, independent and non-aligned country.

We have continued to strengthen our ever growing time-honoured friendship and multi-faceted cooperation with the Soviet Union. Our relationship is firmly anchored in the Indo-Soviet Treaty of Peace, Friendship and Cooperation. Our close understanding with the Soviet Union is manifested in a shared vision of a nuclear weapons free and non-violent world.

Our relations with the United States of America continue to grow and diversify. The United States is our major trading partner and an important source of high technology. Our growing bilateral cooperation in various spheres reflect greater maturity in the mutual appreciation of the longer term interests and objectives shared by our two democracies.

The pace of diplomatic exchanges between India and China is being accelerated, contributing to the development of mutually beneficial cooperation on the basis of Panchsheel. The Foreign Minister of China will be visiting India soon to carry forward the dialogue. We will continue our efforts to find a fair, reasonable and mutually acceptable settlement of the boundary question, consistent with our national interests.

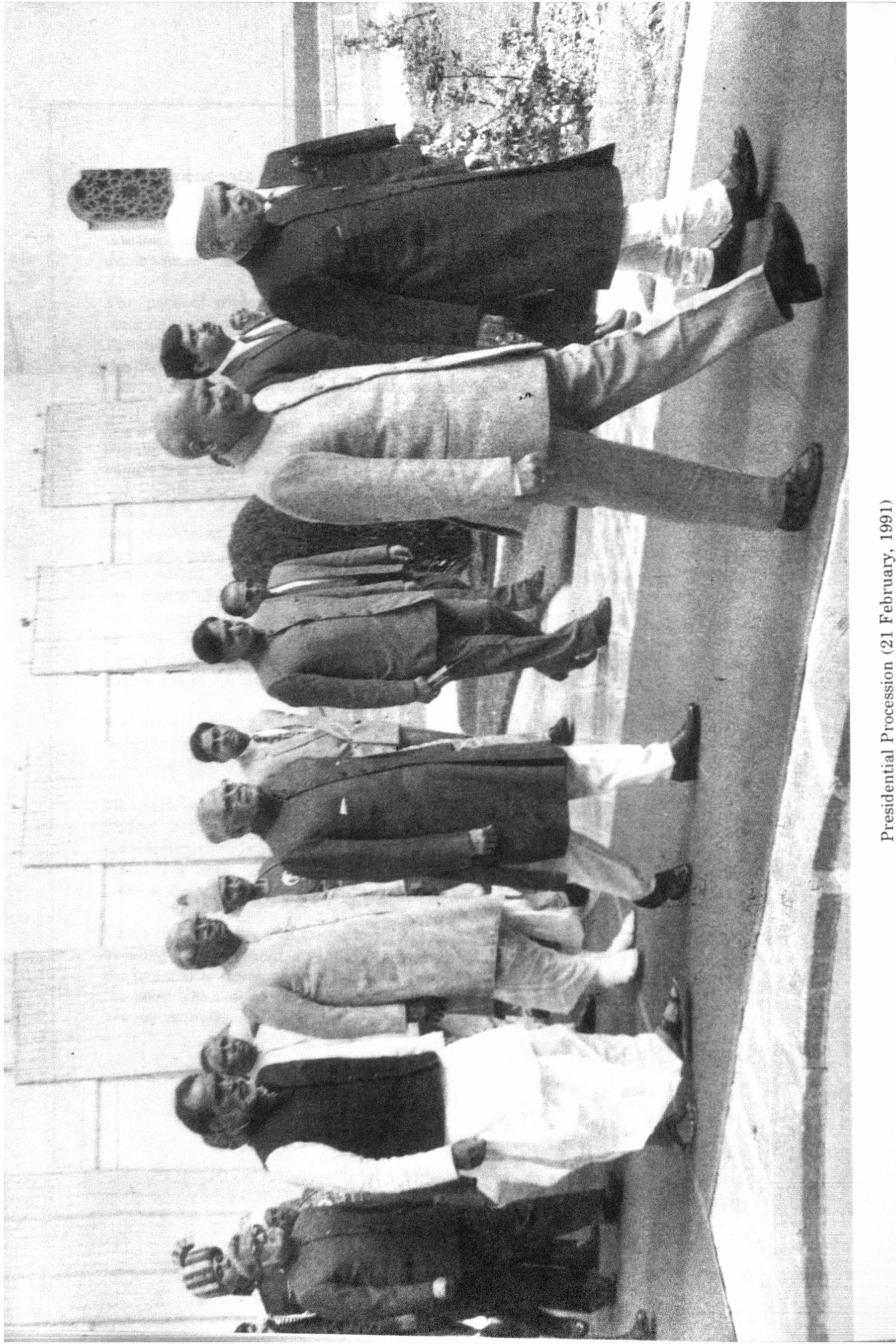
We hope to see an early end to the conflict in Cambodia. A comprehensive solution should be based on full respect for Cambodia's sovereignty and integrity and should ensure the non-return of the genocidal policies of the recent past.

It is a matter of deep satisfaction that the last bastion of colonialism in Africa is at long last crumbling, with Namibia poised for independence. The Prime Minister will represent our people in the Independence Day ceremonies in Namibia next week. In South Africa, too, signs of change are discernible. We share the worldwide rejoicing in the release of Nelson Mandela, the symbol of the struggle against apartheid, and we look forward to his visit to India. A National Committee for felicitating Mr. Mandela has been formed under the chairmanship of the Prime Minister. My Government firmly believes that sustained international pressure must continue to be maintained on the South African regime to bring about the early dismantling of apartheid.

We pledge our continued support to the valiant people of Palestine in their just struggle for a homeland of their own in a peaceful West Asia. We look forward to President Yasser Arafat's visit to India later this month.

Members will be called upon in this session to consider various measures. The Railway Budget and the General Budget will be brought before you. You will also be considering the Finance Bill 1990-91, the Prasar Bharati (Broadcasting Corporation of India) Bill 1989, the Lok Pal Bill 1989, the Wild Life Protection (Amendment) Bill 1990, and various other legislative measures.

There is a fresh hope in the atmosphere. My Government is working purposefully for building a strong India, an India based on the dignity of the individual, an India where the benefits of development flow to all, particularly the weaker sections, the poorest of the poor. The task is not easy. The challenges are tremendous. But we shall overcome. We are determined to see that our people shall have a brighter tomorrow.



Presidential Procession (21 February, 1991)

Honourable Members,*

It is my privilege to welcome you to this new Session of Parliament. I wish you the very best for the successful completion of the budgetary and legislative business before you.

You are meeting at a time of great stress and challenge. The unity and integrity of the country are under severe threat. Communal and fissiparous elements pose a menace to the nation. The economic situation is a difficult one. Inflation and an adverse balance of payments position, aggravated by the Gulf crisis, are matters of grave concern. The post World War II structure of international relations has undergone a profound transformation and the new evolving pattern will pose fresh challenges for us. The situation with which we are faced demands, more than ever before, that the people of India come together as one to lift the country out of its present crisis and set it on the road to prosperity and progress. We must set aside internal differences, and petty squabbles, all that is narrow, selfish and divisive and rise as one people in the interest of our nation. In these difficult times we must reaffirm our commitment to the basic principles—democracy, secularism and socialism—the very pillars of our nationhood.

The overall law and order situation in the country deteriorated last year. Violence in Jammu and Kashmir and Punjab has continued. There was a sharp rise in the activities of the ULFA in Assam. The communal scene deteriorated during the second half of the year and caste violence also increased. Andhra Pradesh and Bihar remained affected by extremist violence.

The situation in Punjab is being constantly reviewed. The Government shares the grief and sorrow of all those who have been victims of the senseless violence unleashed by terrorists. Government is determined to put down terrorism and secessionism with a firm hand. Security measures have been tightened with a view to curbing terrorism and restoring peaceful conditions. Intensive combing operations are being undertaken. Steps have been taken to check infiltration and smuggling of arms and ammunition from across the border. Government is of the opinion that the Punjab problem needs a political solution and has therefore taken a number of initiatives. Apart from holding discussions with political parties, Government proposes to hold discussions with even the militants for the purpose of drawing them into the mainstream of peaceful, democratic activities.

In Jammu and Kashmir, secessionists and certain fundamentalist elements, aided and abetted from across the border, have been carrying out terrorist and subversive activities for quite some time. Government feels that if extraneous assistance to the

*The Address was delivered on 21 February, 1991, cc. 2-19.

extremists is eliminated a great deal of subversive activities in Jammu and Kashmir will abate. Government hopes that the dialogues with our neighbouring country will bring about a change in the situation and lead to a restoration of normal life in the State.

During the year there was an increase in the secessionist activities in Assam. A situation was created in which elections to the State Assembly could not be held in a free and fair manner and the Government of the State could not be carried on in accordance with the provisions of the Constitution. President's Rule was, therefore, imposed and the State Assembly was suspended. To deal with the secessionists, the State of Assam was declared a "disturbed area" and ULFA declared an unlawful association. Army and Central para military forces have been deployed with visible success. Elections will be held as soon as conditions become conducive to their being conducted in a free and fair manner.

Government wish to reiterate its firm resolve to find an acceptable solution to the problems in Punjab, Kashmir and Assam within the framework of the Constitution of India.

With the worsening situation in the north-eastern province of Sri Lanka, there has been large scale influx of refugees, mainly into the State of Tamil Nadu. Besides the refugees, many militant LTTE cadres have been attempting to use places in Tamil Nadu as a base for their activities. Despite the concern expressed by the Central Government the situation in Tamil Nadu continued to deteriorate and it was generally perceived that the LTTE could carry on their activities with impunity. In one unfortunate incident the LTTE cadres were able to not only kill 15 persons of a rival Tamil Group but also make good their escape. Policing in sensitive coastal areas left much to be desired and offers of assistance from the Centre were not availed of by the State Government. Reports of several unlawful activities on the part of the LTTE and the failure of the State Government to discharge its primary duty of maintaining Public order had left the Government with no other alternative but to impose the President's Rule in the State of Tamil Nadu. Government, however, is keen to restore a popular government in the State as early as possible.

Communal harmony in the country has been vitiated mainly due to the Ram Janambhoomi—Babri Masjid controversy. The Government has taken a fresh initiative to resolve the issue through discussions with religious leaders and others so that a mutually acceptable solution can be evolved. It is the firm resolve of the Government to ensure absolute equality of treatment to the people belonging to all religions without discrimination and to promote communal harmony in the whole country.

In my Address to you in March last year, I had mentioned about Government's intention to set up an Inter-State Council to serve as a forum for better coordination between States and for securing consensus on issues of national importance. I am glad that the Council has been set up and it has held its first meeting in October 1990.

The economic situation in the country causes grave concern. The budgetary deficits, the oil crisis, the deteriorating balance of payments and the spiral of inflation have caused untold hardships to the people, more particularly the vulnerable sections of the society. Government has launched a multipronged strategy for combating these ills which includes—*inter alia*—drastic curtailment of public expenditure and money supply, improved management of supply and demand of essential commodities in the short run and increased production in the long run. Fiscal imbalances continuously indulged in the past have left a legacy of inflation behind. These cannot be corrected overnight or by a single stroke of action. Hard options and stern correctives need to be applied to retrieve the situation. Government had announced a package of measures in December 1990 to mobilise additional revenues and curb expenditure during 1991. There is an urgent need for a national effort to tackle the daunting situation. It is proposed to set up a National Reconstruction Fund to supplement budgetary resources for development work and reconstruction of damaged public property.

The balance of payments has come under further strain and there is likelihood of an additional burden of over Rs. 6000 crores being imposed on account of Gulf crisis. It is a matter of satisfaction that our advance planning to deal with any contingency arising out of the Gulf crisis has stood us in good stead. We have taken timely action to ensure that our stocks of petroleum products remain at a satisfactory level. Measures being taken to relieve the strain on the balance of payments in the short term include export promotion, import restraints and securing larger foreign capital inflows.

The foreign trade situation this year is not a happy one. Exports grew at only 12.9% in dollar terms in the period April-November, 1990, over the corresponding period last year, while imports grew by 20.4%. However, there were some positive trends and exports of a few products registered impressive growth. The export performance of engineering goods, cotton fabrics and ready-made garments, leather and leather manufacturers and marine products has been encouraging. The Government will accord high priority to export efforts. Larger industrial houses in particular will be required to improve their contribution to exports. Continuous attention will be paid to upgradation of technology and improvement of quality to ensure competitiveness of Indian Industry. Efforts will be made to restructure the industrial sector whenever necessary to improve overall efficiency. The export strategy for 1991-92 prepared by the Government incorporates these considerations.

It is against this background of a difficult economic situation that we are engaged in formulating the Eighth Five Year Plan. The situation, though grim, need not cause despondency. Our economy and polity have the resilience to cope with the current difficulties. Our greatest asset is our manpower which we can utilise to advantage. Our performance in the agricultural sector also imparts strength to our economy. Most parts of the country experienced a good south-west monsoon. The prospects of rabi crops also appear bright. The foodgrain production in the current year may be around 175.5 million tonnes. Our reserves of foodstock are at a satisfactory level.

The Plan document will be finalised by March 1991. Its main thrust will be on removal of mass poverty, expansion of opportunities of productive employment and meeting the basic needs of our people. Given the resource constraints, we are required to evolve a much tighter scheme of priorities. Essential infrastructure, particularly energy, completion of ongoing projects, irrigation, food security at the household level, safe drinking water, primary health care, primary education and the welfare and development of dalits and tribals, women and children would receive priority in the Eighth Plan. The other key features of the Eighth Plan will be protection of the environment and prevention of degradation of land and water resources; maximum use of science and technology to improve agricultural productivity and rural economy; more systematic attention towards agricultural research; strengthening the agricultural credit system; special focus on maximising returns from investments already made through better productivity and efficient management; and appropriate decentralisation of development administration. Government accord very high priority to agricultural development. The Agricultural Policy Resolution is expected to be placed before Parliament in this session itself.

Sound water management is vital for increasing agricultural productivity. Efforts will be made to augment water resources with special attention to minor irrigation and to better utilise the available supplies through scientific methods like sprinkle irrigation, etc.

During the year 1990-91, a number of steps have been taken to diversify and give a new direction to the Integrated Rural Development Programme (IRDP). These include the extension of group approach for larger coverage of women under the IRDP to all districts and earmarking of 3% target for the physically handicapped persons. The target of coverage of Scheduled Caste and Scheduled Tribe families and of women has been increased. Under the Programme of Training of Rural Youth for Self Employment (TRYSEM) it has been decided to double the numbers of trainees during 1991-92. The Jawahar Rozgar Yojana has been continued.

The Government will take necessary measures to accelerate the pace of industrial development. To provide further impetus to industrial growth, particularly in backward areas, Government has decided to implement the new Growth Centres Scheme throughout the country during the 8th Plan. Government will also lay emphasis on rural industrialisation, particularly through development of Khadi and Village Industries. Every endeavour will be made to promote the development of the small scale sector which has been playing an important role in employment generation and in the country's export efforts. A statement on Industrial Policy will be placed before Parliament in this Session.

Government is aware of the tremendous growth potential of the electronics industry, particularly in the area of exports, and will take measures to ensure that this potential is realised. It will be the endeavour of the Government to develop the textile sector and Food Processing Industries.

The Government will pay close attention to the infrastructure sector. Coal resources will be developed and power generation stepped up. In the area of mineral development the productive process will be modernised. Self sufficiency in steel will be the aim through modernisation and expansion of capacity. Government attaches utmost importance to stepping up indigenous production of crude oil. Even while encouraging oil conservation measures, Government is conscious of the need to protect industrial and agricultural production. Special priority will be accorded to the requirements of the agricultural sector. Efforts to promote the use of non-conventional and renewable energy sources will continue. In the area of communication, Government will take necessary steps to provide for the rapid expansion of telecommunication services.

The public sector continues to play a pivotal role in the economic development of the nation. There is, however, considerable scope for improving the performance of the public sector enterprises. The current strategy of improving efficiency through the system of Memorandum of Understanding will be further extended to cover more undertakings.

Our scientists have played a crucial role in the country's development efforts. The successful launching of INSAT-ID in June, 1990 has been a very significant achievement. The development of INSAT-2 satellite and the design development of the second generation IRS series of satellites is progressing satisfactorily. In biotechnology, one of the most important emerging fields of science and technology, rapid advances are being made in upstream areas like immunology, protein engineering and human genetics. It will be the aim of our science policy to use scientific development for tangible benefits to the people.

The pattern of development which we should aim at must be a sustainable one. Development which destroys the environment destroys the very basis of life and is self-defeating. Major initiatives are on the anvil to protect the environment. A ten-year National Forestry Action Plan has been prepared with emphasis on people's participation. A conservation strategy is being formulated to form an integrated framework for development planning. The policy on prevention and abatement of pollution will promote technological inputs and preventive measures for waste minimisation. Environment friendly products will be identified to encourage manufacture and use of products less harmful to the environment. The concept of civil liability will be codified to help provide relief to those who suffer from environmental damage.

An important task before the Government is to provide effective relief to the victims of the gas tragedy at Bhopal. No effort will be spared to secure fair compensation for the unfortunate victims and their families.

Our Armed Forces have done us proud. Their valour, professional skill and devotion to duty have stood India in good stead. The nation acknowledges with gratitude the sacrifices which they have made for the motherland. The morale of our Armed Forces is high and they are ready to meet any external threat successfully. The Government

continues to attach high priority to welfare schemes, both for serving and retired personnel. We can also look back with a sense of pride to the notable landmarks achieved by our scientists and technologists towards self reliance in meeting the critical requirements of our Armed Forces. Spectacular progress has been made in the Integrated Guided Missile Development Programme. Having successfully flight tested Surface-to-Surface Missile 'Prithvi' and Re-entry Technology Demonstrator Project 'Agni' last year, we have been successful, this year, in flight testing the Medium Range Surface-to-Air Missile 'Akash' and the third generation Anti-tank Missile 'Nag'.

Our efforts at preserving the unity and integrity of the country, and our efforts at economic development, can be successful in the long run only with the wholehearted involvement of the people. Our democratic polity provides the framework for people's participation in the nation building process. Government is committed to strengthening democratic institutions and in creating conditions which will make democracy more vibrant and real.

Our labour force, both in the industrial and agricultural sectors, is perhaps the most important segment of our population. Upon their sweat and toil rest the fortunes of this country. Amidst all the social turmoil, industrial relations in the country have been marked by stability. This is reflective of the maturity that our industrial system has acquired over the years. All efforts will be made to ensure that the rights of workers are protected and that they get their due share. Special attention will be paid to the enforcement of labour laws for special categories of unorganised labour.

The task of strengthening democracy can never be complete without the full involvement of the nation's youth. We must provide our youth every opportunity for their development and progress. We must create for them conditions in which they can use their skills for their own advancement, the advancement of society, and the advancement of the country. Government will pay special attention to the generation of productive employment opportunities for youth in both urban and rural areas. It will be the endeavour of Government to involve youth more closely in efforts at fostering national integration and strengthening the unity of the country. A meeting of the National Youth Council was held recently. Its deliberations will be taken into account in formulating a national policy for youth.

It is a matter of concern that women continue to be discriminated against and are subject to many indignities. Government will take decisive action to protect women and secure for them their rights. The socio-economic rights of women and the rights of children in terms of access to nutrition, health, education and security would receive urgent consideration of the Government. Steps have also been taken to improve the condition of female child, in the context of the celebration of 1990 as the SAARC Year of the Girl Child.

The nation cherishes the memory of Dr. B.R. Ambedkar. His portrait was unveiled in the Central Hall of Parliament on 12th April, 1990. On 14th April, 1990, the nation's

highest honour, the Bharat Ratna, was conferred on Dr. Ambedkar. Government is fully alive to the urges and aspirations of the weaker sections and backward classes and is committed to protect and promote their interests and help provide them with productive employment. Efforts will be made to make the Scheduled Castes Special Component Plan and the Tribal Sub Plan more effective with a view to promoting economic well being, educational advancement and removal of social disabilities of Scheduled Castes and Scheduled Tribes. Disadvantaged and vulnerable groups among the Scheduled Tribes, such as primary tribes and groups, shifting cultivators and bonded labourers would continue to receive special attention of the Government. The development of predominantly tribal areas is a matter of special concern to the Government. It will be the endeavour of the Government to ensure that the pace of development of these areas is accelerated and that regional imbalances are rectified.

The Public Distribution System has played a useful role, particularly in times of scarcity. Its effectiveness requires to be enhanced further. Government are convinced that the Public Distribution System must become a major component of our strategy for growth and social justice. The Government's thrust will be to target the Public Distribution System in a meaningful way to serve the needs of the poor especially in rural areas. Government is vigilant in protecting the interests of the consumer and all steps will be taken to check blackmarketing and hoarding.

It will be the endeavour of the Government to expand the coverage of health care and improve its quality. Greater emphasis will be laid on the promotion of indigenous systems of medicine and the out-reach of primary health care services to the poor sections of society. Improvement in health services for children and mothers will be an important component of programmes in the health sector. Greater emphasis will be given to reducing the growth rate of population so that the benefits of our development efforts are not diluted by ever increasing numbers.

The bedrock of democracy is education and literacy. Mass illiteracy and low standards of education are major impediments to the successful implementation of programmes geared towards uplift of the weaker sections and the creation of a more just social order. The removal of illiteracy will be a major thrust area. Government will launch a new programme to eradicate illiteracy and will seek the cooperation of universities, schools and voluntary agencies in this endeavour. The Government will accord the highest priority to primary education and vocationalisation of secondary education.

Government accords great importance to creating facilities to help people secure adequate housing. A National Housing Policy is being formulated. It is proposed to step up allotment of house sites to rural landless families by conferring homestead rights on them. Construction assistance will also be stepped up under the Minimum Needs Programme. The programme of construction of night shelters in urban areas will be expanded.

The international situation has witnessed rapid changes; the cold war has waned and is replaced by greater understanding and cooperation and between nations which were arrayed in opposite camps. This poses new challenges and offers opportunities for our foreign policy. Our approach continues to be firmly rooted to the principles of Non-alignment and to peace, disarmament and a more just and equitable world order. As a member of the UN Security Council since January 1991, we will continue to strive for the achievement of these objectives and uphold the purposes and principles of the UN Charter.

The Government attaches the highest priority to improving relations with our neighbours and strengthening the process of regional cooperation, consistent with global trends. The South Asian region is one of the world's poorest. Peace and stability in our region are indispensable for development and for achieving a fair standard of life for our people.

A renewed impetus has been given to the process of regional cooperation at the 5th SAARC Summit in Male held after a gap of almost two years. At our initiative, the Summit agreed to consider some fresh approaches and extend cooperation to some new areas. We are confident, that given the political will, SAARC can move towards cooperation in core economic areas of direct benefit to our peoples.

We look forward to working closely with the democratically elected Government of Bangladesh for resolving outstanding issues through dialogue and further strengthening our bilateral cooperation.

Our close relations with Bhutan and Maldives have been maintained and strengthened through high level dialogue.

We have welcomed the adoption of multi-party democracy in Nepal. Our traditionally close bilateral relationship with Nepal has been restored. The significance we attach to our relations with that country is underlined by the fact that our Prime Minister's first bilateral visit was to Nepal. We look forward to expanding our cooperation with Nepal in several areas including harnessing the waters of our common rivers and protection and management of the environment.

Notwithstanding Pakistan's support to terrorist and secessionist activities in Punjab and Jammu and Kashmir, we have continued our endeavour to reduce tension with Pakistan and have agreed to resume discussions over a wide range of bilateral issues. We have impressed on the Government of Pakistan the need to abide fully by the Simla Agreement. We hope that the Government of Pakistan will be guided by the longer term interests of the two countries and both our peoples.

Hostilities in the North-East Province of Sri Lanka have led to a heavy influx of Sri Lankan refugees into India. We have conveyed our concern and stressed the need for a peaceful political settlement which meets the legitimate aspirations of the Sri Lankan Tamils within the framework of Sri Lanka's unity and integrity.

Our traditional friendship with Afghanistan was further strengthened with the visit of President Najibullah to New Delhi in August, 1990. We hope that bloodshed and violence in Afghanistan will cease. The need of the hour is a political solution, arrived at by the Afghans themselves, that would ensure Afghanistan's status as a sovereign, independent and Nonaligned country.

We have continued the process of seeking a better understanding with China. Our bilateral cooperation has grown and we have also begun to consult each other more closely on international issues. Negotiations in the Joint Working Group are continuing with a view to resolving the boundary question in a fair, reasonable and mutually acceptable manner. We believe that closer cooperation between India and China will be in the interest of peace and stability in Asia and the world.

We have a special relationship with the Soviet Union and our bilateral cooperation extends over a wide range. We wish the Soviet Government and people well in their efforts to bring about political, economic and social transformation. The Soviet Union has stood by India in times of need, and we will reciprocate their warmth and friendship with understanding and cooperation at all times.

There has been a steady improvement in our relations with the United States of America. There is now a better understanding of each other's concerns and interests. The United States is our largest trading partner and an important source of high technology. We look forward to developing our cooperation further in areas of mutual interest.

Japan has emerged as one of our major economic partners. As an Asian country, we admire the progress that she has made and look forward to further expansion of bilateral cooperation. A closer partnership between India and Japan would be a positive factor for peace and progress.

We have welcomed the unification of Germany which is an event of great historic significance. We look forward to the forthcoming visit of the President of Germany to India and to the expansion of our close and cordial relations with the unified Germany. Our friendly relations and cooperation with our European nations have been maintained and strengthened.

We are deeply concerned at the outbreak of hostilities in the Gulf inspite of all efforts, including our own, to avert this tragic turn of events. The conflict is fraught with grave consequences for international peace and security and for the world economy. The economies of the developing nations in particular will be seriously affected. We hope that hostilities will cease. We are continuing our efforts, in consultation with the Chairman and Members of the Nonaligned Movement for an immediate ceasefire and simultaneous announcement by Iraq of the withdrawal of its forces from Kuwait, in accordance with United Nations Security Council Resolutions. At our initiative a meeting of a group of Nonaligned Foreign Ministers was held in Belgrade. We have

also been in touch with the Members of the Security Council and other nations to evolve a consensus for cessation of hostilities and a peaceful resolution of the problem.

We extend full support for the just struggle of the Palestinian people for their inalienable right to a homeland of their own. There can be no lasting peace and stability in West Asia without a just resolution of the Palestinian question. This problem has been allowed to prolong far too long and must be addressed with full seriousness and urgency. We will continue to press for the urgent convening of an international conference, with the participation of all concerned, to find a peaceful and durable solution.

We support the efforts to find a peaceful solution to the tragic conflict in Cambodia and are ready to assist in this process. Such a settlement must ensure the sovereignty, territorial integrity, independence and non-aligned status of Cambodia.

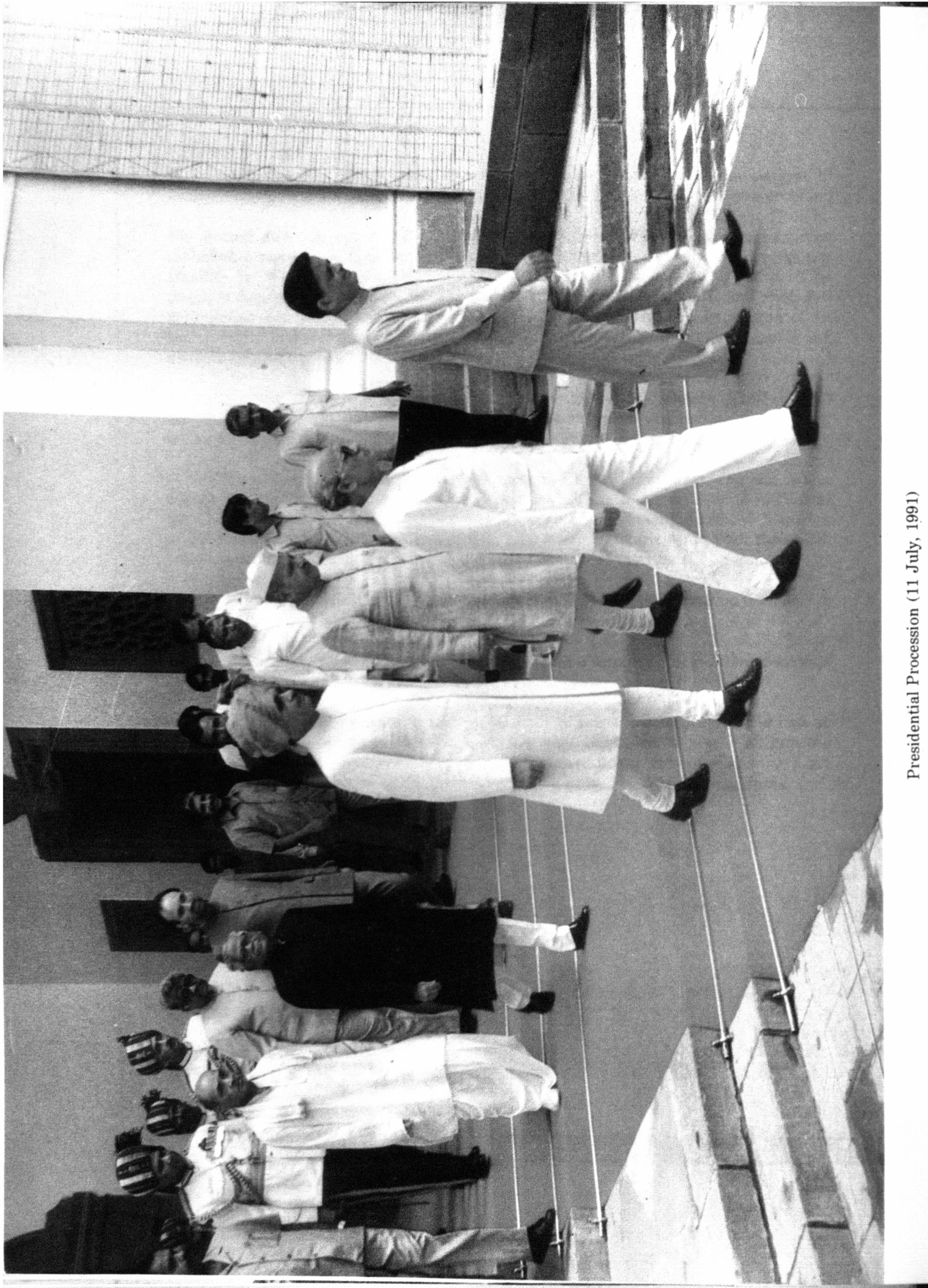
In Southern Africa, there are stirrings of profound change. Namibia, the last Africa colony, attained independence on March 21, 1990. In South Africa, several initiatives have been taken which could pave the way for negotiations to end apartheid. The visit of Dr. Nelson Mandela, to India in October 1990 was an historic event with the entire nation welcoming him as a symbol of the struggle against apartheid.

We are strongly opposed to the efforts to institutionalise discrimination on the basis of race in Fiji as elsewhere.

Hon'ble Members, you will be called upon to consider a number of legislative measures and financial business during this Session.

I now bid you to your arduous tasks. In this hour of crisis the people of India look to your sagacity and wisdom. We have in the past displayed a sense of purpose tremendous resilience and a capacity to rally together in the face of challenge. I am sure that these qualities will help us build a strong united and prosperous India.

I wish you success in your endeavours.



Presidential Procession (11 July, 1991)

Honourable Members,*

It gives me great pleasure to welcome you to this joint session of Parliament. I felicitate the Members of the new Lok Sabha.

21 May, 1991 was a nightmare. The heinous assassination of Rajiv Gandhi plunged the country into gloom. His assassination was an inhuman act of the worst kind. He had provided leadership at a moment of grave crisis in the history of our nation. In his death the country has lost a promising leader. Rajiv Gandhi's vision of the future, the optimism which he exuded, his great patriotism, his commitment to the poor, his striving for world peace will continue to inspire the people of India as well as peace loving people the world over.

The previous government constituted a Commission of Inquiry consisting of Mr. Justice J. S. Verma, a sitting Judge of the Supreme Court of India, to inquire into the assassination of Shri Rajiv Gandhi. Government is of the opinion that the terms of reference of the Commission should be enlarged and made comprehensive.

The people of India have faced this crisis with fortitude and maturity. Forces which tried to subvert democracy and destabilise the country stand frustrated. The recently concluded General Election has once again demonstrated the strength and vitality of the democratic process in India.

The assassination of Rajiv Gandhi has brought into sharp focus the need to arrest the growing cult of violence in the country. The law and order situation in the country has been a cause of great concern for sometime now. Violence has continued in Punjab and Jammu and Kashmir. The situation in Assam, Nagaland and Manipur has continued to cause concern. Extremist activity in some states has also put the law and order machinery under severe pressure.

Violence and terrorism in Punjab continue unabated. It is, however, heartening that the people of Punjab have maintained communal harmony in spite of the nefarious tactics of the terrorists who constitute a small fraction of the population. Assisted by the Army in the border areas, security forces have been relentlessly fighting to contain the senseless killings, extortions and kidnappings by the terrorists. To check infiltration from across the border, the work on border fencing and flood lighting in Punjab was expedited and has been completed as planned. Elections to the Legislative Assembly and the Parliamentary Constituencies in Punjab were to be held on 22nd June, 1991. However, the large scale killing of candidates and the atmosphere of fear and terror

*The Address was delivered on 11 July, 1991, cc. 2-20.

created by militants rendered it impossible to ensure a free and fair poll. Polling has, therefore, been postponed to 25th September, 1991. Government will continue to deal firmly with terrorism and secessionism. Government is committed to restore normalcy and to start the democratic process in Punjab at the earliest. However, militants and secessionists will not be allowed to misuse the elections for their ends. Government stands by the Rajiv-Longowal Accord. Negotiations are always possible with those who eschew violence and accept the framework of our Constitution. Government is prepared to take whatever new initiatives are required and will continue to strive for a comprehensive settlement of all outstanding issues in order to have a permanent and peaceful solution in Punjab.

The law and order and security situation in Jammu and Kashmir deteriorated fast during the past year and a half. Secessionists and certain fundamentalist elements, aided and abetted from across the border, are carrying out terrorist and subversive activities. The security forces are taking necessary and effective measures to combat secessionism and terrorism. Lately, encouraging signals have been received in the form of surrender of many militants. The relationship between Government and the people needs to be strengthened. People's committees will be constituted at different levels to ensure their participation. At the same time, stern action will be taken against secessionist forces. Special attention will be paid to providing employment for the unemployed youth of Jammu and Kashmir.

Elections were held in Assam and people have given a fitting reply to the forces of secession. The people of Assam deserve to be congratulated on the peaceful manner in which elections were conducted. Government will ensure that secessionist elements in Assam are brought back into the mainstream. Genuine grievances of the people will be redressed. Steps will be taken for the rapid economic development of Assam.

It is a matter of serious concern that the forces of communalism have been able to vitiate the atmosphere in the country leading to the out-break of serious riots in the last two years. Government are determined to combat such forces and uphold the values of secularism. Government will not allow the rights and interests of religious, linguistic and ethnic minorities to be compromised. A composite Rapid Action Force will be formed and appropriately equipped and trained to deal with riots and will be made available to the State Governments at very short notice. More Special Courts will be set up as necessary to try offences relating to communal riots. Procedures will be strengthened to enable speedy and adequate compensation to be paid to victims of communal riots. Places of worship must be treated with due respect. We cannot allow communal elements to defile their sanctity by using such places as instruments to generate controversy and discord. Government will make every effort to find a negotiated settlement to the Ram Janma Bhoomi—Babri Masjid issue with due regard to the sentiments of both communities involved. In case of all other places of worship, a Bill will be introduced to maintain the status quo as on 15th August, 1947, in order to foreclose any new controversy. The special cell established in 1988 to gather intelligence in communally sensitive districts will be strengthened with a view to

preventing riots. The next-of-kin of those whose lives are lost in communal riots will be rehabilitated by providing suitable employment to them.

We are proud of our armed forces. They have risen to the occasion whenever called upon to defend the territorial integrity of our country, assist the civil authorities in the maintenance of law and order and in organising relief and rescue measures. Government will continue to pursue various welfare schemes for the defence services, both for serving and retired personnel. Government will give priority to the upgradation of and self-reliance in defence technologies.

Government recognises that the country is in the midst of an economic crisis of unprecedented magnitude. It has been living beyond its means and adopting soft options. We have been overtaken by events. We must act now. No sacrifice is too great to safeguard our economic independence and the country must prepare itself to take hard and unpleasant economic decisions.

Government is committed to the macro-economic stabilisation and structural reforms which will unleash the nation's latent energy to bring about accelerated development. The Reserve Bank of India has brought about an adjustment in the exchange rate in order to strengthen competitiveness of our exports, to reduce expenditure on inessential imports, to reduce the incentive for capital flight and stabilise the capital account. We intend to take concerted measures in the areas of trade policy and industrial policy reform further to enhance the competitiveness of our exports. We are committed to ensure that the poor and the underprivileged do not have to bear a disproportionate burden of the adjustment process.

Of particular concern is the rise in prices of essential commodities which hurts the weaker sections the most. Government attaches the highest priority to reducing inflation and will adopt necessary measures towards this end. The interest of the weaker sections of society will be kept uppermost in mind, while framing strategies for this purpose. Measures to restrain growth in money supply; economies in Government expenditure; encouragement to small savings; better supply and demand management of sensitive commodities; and provision of incentives for higher production in the medium term will receive priority.

Fiscal imbalances continue to be a major concern for the Government. Despite attempts at controlling expenditure and raising additional revenues, the revised estimate of budget deficit for 1990-91 is Rs. 10,772 crores against the budget estimate of Rs. 7,206 crores. Government is committed to observing strict fiscal discipline. The generation of black money will be checked. Government expenditure will be controlled. While making necessary adjustments, Government would ensure that the burden does not fall on the poor.

The balance of payments position, already under severe strain, was further exacerbated by the Gulf crisis, the direct adverse impact of which is estimated at \$2.7 billion (over

Rs. 4,900 crores). Of this, the additional cost of oil imports alone accounted for \$ 2 billion while the rest was, among others, owing to the loss of exports, evacuation of Indian nationals and reduced inflow of capital. The balance of payments situation has become more critical as the flow of funds from international capital markets did not materialise as anticipated, though several countries did offer help. Significant bilateral assistance has come particularly from Japan as also from Germany, U.K., the Netherlands and Denmark. The management of balance of payments is one of the most crucial tasks before us and Government will not hesitate to take the hard decisions necessary in this behalf.

Exports have a vital role in solving the balance of payments problem. During 1990-91, our exports were affected adversely, resulting in a slowdown in the rate of growth. Government has recently announced major structural reforms in trade policy. It is hoped that export trade will get out of the circle of low growth, high cost and stifling controls and once again get on to a high trajectory of growth. Government's ultimate goal is to eliminate all licensing control on the import of capital goods and raw materials except for a small negative list.

The Uruguay Round of multilateral negotiations is underway in Geneva. While attaching importance to strengthening the multilateral trading system, Government will endeavour to see that the outcome of the negotiations would be a favourable trading environment for developing countries.

Efforts will be made to step up industrial growth. In 1990-91, the average industrial growth was 8.4% compared to 8.5% during the 7th Plan period. Government is determined to work towards making India internationally competitive. For this purpose, fullest use will be made of modern science and technology. The opportunities provided by increasing internationalisation of the industry and trade will be fully utilised. The development of the small scale sector and khadi and village industries will receive the Government's close attention. Government will work for extensive deregulation and reduction of bureaucratic intervention. To this end, a comprehensive review of policies and procedures has been initiated. In order to raise the competitiveness and quality of Indian industry to global levels, technology imports will be liberalised and facilitated in areas where Indian technology does not measure up to international standards. Changes in procedures are being worked out so that the investment climate is made more conducive for participation by foreign companies and non-resident Indians. Efficiency will be promoted in services required by industrial and other users from financial institutions and banks.

Reforms in the functioning of the public sector are being formulated to improve its performance. The management of the public sector will be strengthened through selection of the best talent available. Public Sector managers will be allowed greater autonomy without diluting accountability. A policy is being evolved for disinvestment, including workers' participation in equity and for vacating areas of activity where public sector involvement is not essential and where private and joint sectors have developed capabilities.

To provide a boost to the electronics industry and to promote software exports, a number of measures are being initiated. These would include setting up of technology parks and attracting international leaders in semi-conductors technology to set up facilities in India. High priority will be accorded to expanding the production of crude oil and refining capacity. Government will take special measures to tackle sickness in the textile industry and improve the price competitiveness of Indian textile exports. Immediate attention will be given to problems faced by the food processing industry, which has a critical relevance for the better utilisation and greater value addition of agriculture produce.

The development of infrastructure will receive Government's close attention. Power generation will be stepped up. Steps will be taken to make the steel industry more competitive. Modernisation of rail transport and augmentation of capacity will receive attention. Telecom services will receive very high priority. It will be the endeavour of the Government to upgrade telecom and postal services and to ensure that the telephone reaches every village before the end of the decade.

Science and technology must be brought to the centre stage in economic planning. It is to the credit of our scientists that we have been able to establish internationally acclaimed competence in several areas. During the current year, two major space events have been scheduled—the launch of the Indian Remote Sensing Satellite and the launch of the Indian National Satellite. These represent our commitment to provide services in areas like communications, telecasting, broadcasting and meteorology and relevant data in the areas of ground water availability, forestry, agriculture, and mineral resources. Significant progress has also been made in the development of various Satellite Launch Vehicles. Our efforts at using atomic energy for our development needs have yielded encouraging results. Members will be happy to learn that in the next few months Narora-2 power reactor and Kakrapar-1 power station will go critical. Government will take all possible steps to accelerate the pace of progress in science and technology.

The total production of foodgrains in 1990-91 is expected to be 177.2 million tonnes. This will be the third successive year of increased foodgrains production and this has happened for the first time since independence. This is due to the untiring efforts of our farmers and more effective adoption of scientific farm management practices. We will ensure that our farmers get a fair and remunerative price for their produce. Conditions will be created for further increase in agricultural yields. Agricultural research will receive the Government's close attention. Extension services will be strengthened and modern technology will be made available to our farmers in a usable manner. Technology for increasing productivity in rainfed agriculture would be further developed and efforts would be made to ensure that a package of supportive measures to increase the income levels of small and marginal farmers in these areas reaches them. The development of water resources will receive high priority. Government will make every effort to maximise indigenous production of fertilizers and ensure its timely availability to the farmers. At least 90% self sufficiency in nitrogenous

fertilizers will be ensured by commissioning the gas based plants at Babrala, Shahjahanpur, Gadepan and Kakinada and doubling the capacities of the plants at Vijaipur, Aonla and Jagdishpur during the 8th Five Year Plan. Animal husbandry will be further developed with emphasis on genetic improvement, animal health and cost effective feed. Particular attention will be paid to remote areas.

Given the difficult economic situation facing the country, the formulation of the 8th Five Year Plan assumes added importance. The Planning Commission began formulating the Plan in 1988. However, due to frequent changes in Government, the Plan document could not be finalised. Government will take necessary steps for the early finalisation of the 8th Plan.

India has had a deep commitment to environmental conservation drawn from its ethos. India shares the emerging global concerns in the context of the environmental changes induced by economic and technological activities. We shall take the required initiatives to ensure that our commitment to sustainable development crystallises. Wasteland and water resource development have enormous potential for employment and productivity. A new policy on abatement of pollution is under preparation which aims at promoting environmentally sound and clean technologies to minimise waste and control pollution. A National Forestry Action Programme is being prepared with the involvement of all State Governments. The role of citizen groups will be encouraged.

The youth of India represent a large, creative and vibrant resource segment of our society. Investment in their development is an investment in the future of the country. Government will formulate policies for actively involving youth in efforts to nurture the spirit of national integration and pride in our country. Linkage between education, development of youth, sports and physical education will be strengthened. The rapid expansion of opportunities for productive employment will be a major objective of our planning and economic policy.

Women and children, particularly those belonging to poor households, are the two most vulnerable groups of our population that need special attention. The Integrated Child Development Services (ICDS), the largest child development programme in the world, has completed fifteen years of successful implementation. Government is committed to expand this programme during the 8th Plan to cover all the backward and drought and flood-prone areas as well as areas where there are large concentrations of Scheduled Castes and Scheduled Tribes. Government is committed to the implementation of Indira Mahila Yojana. This integrated programme for the development of women and children was inspired by Shri Rajiv Gandhi and announced in November 1989. The programme aims at developing a new sense of awareness among women, particularly in rural areas, and empower them, so that they become active participants in the process of social transformation and regeneration. The development of the child will be an integral part of this programme. We will take measures to enforce all the legislation for women already on the statute book. As a first step, we will appoint a Commissioner for Women's Rights with powers for taking action required for the effective enforcement of their rights.

Government is committed to the socio-economic and educational development of Scheduled Castes and Scheduled Tribes. The composition of the National Commission for Scheduled Castes and Scheduled Tribes which has been given constitutional status will be finalised shortly. The National Commission will be given all the support it requires to discharge its duties in regard to the implementation of the safeguards and other measures designed for the protection of the Scheduled Castes and Scheduled Tribes, and their socio-economic development through the planning process. The National Scheduled Castes and Scheduled Tribes Finance and Development Corporation will be strengthened. Government is committed to special measures in favour of socially and educationally backward classes. In implementing these, preference will be given to the poorer sections among them. Where poorer candidates are not available, the benefit will go to other members of the backward classes. The Government will also ensure that the benefits of reservation are provided to other economically backward sections who are not covered by the existing schemes. A Backward Classes Development Corporation will be set up.

Steps will be initiated for the effective implementation of the 15-Point Programme for the welfare of minorities which seeks to ensure that the minorities are protected and that they are not discriminated against in the matter of employment in public services and benefits from development schemes. All possible assistance will be extended for the educational development of the minorities. The Minorities Commission will be accorded statutory status.

Improving the quality of life of the rural poor will receive the Government's closest attention. Efforts will be made to ease the pressure on land by providing alternative avenues of employment. To this end appropriate economic linkages will be established and non-farm employment stepped up. Small, medium and large-scale agro-based and food processing industries will also be established. The Integrated Rural Development Programme (IRDP) continues to be a major instrument for creation of self-employment opportunities and will be strengthened. The Jawahar Rozgar Yojana will be continued to generate more employment in rural areas. A special crash programme to be named after Rajiv Gandhi, will be drawn up to provide drinking water to rural areas within five years. Improvements will be made in the primary health care infrastructure in rural areas.

The strength of our economy rests, in a very large measure, upon the toil of our working class, including those in the unorganised sector. It will be the endeavour of the Government to protect and promote the interests of the working class. Efforts will be made to foster healthy industrial relations by carrying out reforms in the machinery for settlement of labour disputes.

Health is an essential element in the development process and a crucial input for improving the quality of life. While there has been steady expansion in health care facilities, a great deal still requires to be done. All possible measures will be taken to reduce mortality and morbidity rates which are still high, particularly among children.

With a view to further strengthening the health care system, a National Institute of Biologicals is being established to ensure safety of vaccines, kits and reagents. To draw upon the strengths of various systems of medicine, Government are taking measures to promote and develop indigenous systems. Assistance is also being provided to further encourage the study of homoeopathy.

Today is the World Population Day. This is an occasion to focus attention on a global problem, which is of particular relevance to India. We are at a critical stage of development. A rapidly expanding population is exerting relentless pressure on our scarce resources. Greater emphasis will be placed on limiting population through propagation of the small family norm. A multi-pronged approach will be adopted to this end. Integrated health, nutrition, education and motivational services for the people in general and women in particular will be improved and strengthened. Maternal and child health measures will receive special care.

India's greatest resource is its people. The full potential of our human resource has yet to be effectively utilised. High priority will, therefore, be accorded to education. The National Policy on Education formulated in 1986 on the basis of a national consensus contains the framework for our advancement towards a secular, modern, self-reliant and just social order. The uncertainty created in the last one and a half years about the Policy has caused much harm. We shall now revive the spirit required to implement the Policy with renewed vigour. We must move with confidence and determination, towards the goal of universal literacy and provision of good quality primary education for all children, especially those belonging to the disadvantaged sections. Government believes that equal opportunity in education is crucial to social harmony and progress. This emphasis of the New Education Policy will remain Government's main plank. Particular attention will be paid to the education of women and girls. We shall simultaneously improve the quality of education and bridge the chasm that now exists between the world of work and the world of learning.

The highest priority of the Government will be to provide for adequate availability of essential commodities at reasonable prices. As an important part of this effort, the Public Distribution System will be streamlined and more sharply targeted to reach the poorest of the poor, especially those in the rural areas. It will be an integral part of our strategy to fight rural poverty and give the rural poor a better quality of life. This effort would include measures like ensuring timely and adequate deliveries of foodgrains used in wage employment and supplementary nutrition programmes. The Essential Commodities Act will be strictly enforced to fight anti-social activities like hoarding, profiteering and blackmarketing of essential commodities. The provisions of the Consumer Protection Act will be used more effectively to provide simple, inexpensive and quick redressal of consumer grievances against sub-standard goods, services and unfair trade practices. An effective machinery will be set up to monitor the entire gamut of these efforts.

Government attach great importance to making administration more efficient and responsive to the needs of the people. Particular attention will be paid to those areas of

administration where it interfaces closely and directly with the people. The grievances redressal machinery will also come in for close scrutiny with a view to enhancing its effectiveness. Government will complete the drive for filling the backlog of vacancies meant for Scheduled Castes and Scheduled Tribes in various Ministries and Departments of the Government of India in a time-bound manner.

In foreign policy, we accord the highest priority to strengthening our relations with our neighbours in South Asia on a bilateral basis as well as through the South Asian Association for Regional Cooperation.

We welcome the establishment of a democratically elected government in Bangladesh and look forward to working with them in resolving outstanding issues through dialogue and further strengthening our cooperation. We are deeply grieved over the unprecedented devastation caused by the cyclone which recently struck Bangladesh and are contributing to relief operations in a spirit of friendship and good neighbourliness.

Our relations with Maldives continue to progress on the basis of mutual trust and cooperation. Maldives too, has been the victim of severe cyclones. India has been participating actively in relief efforts.

Our close relations and cooperation with Bhutan will be further consolidated and strengthened.

The emergence of multi-party democracy in Nepal will further strengthen our uniquely close ties. Over the past year, high level exchanges of visits have reinforced our political understanding and imparted a shared determination to intensify cooperation in areas of mutual benefit.

Government will continue the endeavour to reduce tensions with Pakistan. Agreements have been reached on several confidence building measures, including on providing advance notification of military exercises and prevention of air-space violation by military aircraft. We believe that all differences with Pakistan should be resolved bilaterally and peacefully on the basis of the Simla Agreement. However, Pakistan's support to terrorism in Punjab and Jammu & Kashmir is a matter of serious concern and stands in the way of a genuine and sustained improvement in our relationship.

We are concerned at the continuing violence in Sri Lanka which has caused unending human suffering and led to nearly two lakh Sri Lankan nationals taking refuge on our soil. It is important that efforts for a lasting and durable solution to the ethnic issue are intensified and conditions created for the return of these refugees at the earliest. The India-Sri Lanka Agreement continues to provide a viable framework for this objective.

We have continued to strengthen our traditional ties of friendship and cooperation with our close neighbour, Afghanistan. We are concerned that resumed military

activity would cause a set-back to the peace process. We hope that peace and normalcy will be restored soon through a political settlement. India will continue to work for a strong, stable, independent and non-aligned Afghanistan.

Since the visit of Shri Rajiv Gandhi to China in 1988, there has been a marked improvement in India-China relations and we will seek to strengthen this process. The two countries have reached agreement on re-opening their Consulates in Bombay and Shanghai respectively and also to resume border trade. The scale of scientific and technical exchanges as well as cultural exchanges has been steadily expanded. The outstanding question of the boundary between the two countries should be settled in a fair and reasonable manner. Better understanding and cooperation between India and China will have a positive impact on peace and stability in our region and the world.

The Soviet Union is a major partner with whom we have friendly relations and wide-ranging, mutually beneficial cooperation. We wish the people of the Soviet Union success in their efforts to bring about a transformation in their country. We are confident that our bilateral relations with that great country will continue to develop in an atmosphere of traditional warmth and understanding.

We look forward to the further development of our relations with the United States of America. We believe that building a mutually beneficial and mature relationship is a goal shared by both countries. Indo-US cooperation in the commercial, scientific, technical and cultural fields has been steadily intensified.

We will continue to monitor closely the post-war developments in the Gulf region, a region with which we have deep-rooted, historic links. We hope that the new security arrangements that are being put in place would be based upon the initiative of the countries of the region and worked out under the overall aegis of the UN.

There can be no durable or stable peace in West Asia without a comprehensive settlement of the Palestinian problem. India has consistently supported the just struggle of the Palestinian people and has recognised Palestine as an independent state. We remain committed to supporting a settlement based on the Palestinian right to self-determination, the vacation of all Arab territories occupied since 1967 and security of all the States in the region.

We have traditionally had good relations with all the countries of Europe. The European community is our major trading partner and a key source of investment and technology. We also recognise its growing potential as a political and economic entity. We will remain in close touch with the Community.

Our friendly relations with Germany have been strengthened with the visit of the President of Germany to India. Later this year in September, the Festival of India in Germany will be inaugurated in celebration of the cultural and intellectual interchange that has been a hallmark of Indo-German relations in the past decades.

The countries of Eastern Europe have witnessed momentous changes in recent years. India welcomes the success of the democratic movements in these countries and looks forward to strengthening our traditional bonds of friendly relations with them.

We desire the strengthening of our relations with Japan, which is already one of our major economic partners. We have engaged in a constructive dialogue with Japan on the entire range of matters of mutual concern. We appreciate the support they have extended to us.

Government will continue to maintain close and friendly contacts with all the countries of South East Asia. We will continue to participate in the process of finding a political solution to the Cambodian conflict, consistent with the sovereignty, territorial integrity, independence and the non-aligned status of Cambodia.

We remain totally opposed to the continuing efforts to institutionalise racial discrimination in Fiji.

We welcome the measures taken by the South African Government to remove the statutory pillars of apartheid. We fully support the demand of the African National Congress to implement further measures, which will lead to the irreversible elimination of apartheid in South Africa.

In the short period of our current membership of the United Nations Security Council, since January this year, we have endeavoured to project not only our own national policies and aspirations but also serve the cause of maintaining international peace and security, in consonance with our faith in multilateralism.

Our foreign policy will take into account the far reaching changes taking place in the international situation while adhering firmly to the principles of Nonalignment. We will continue to work for peace and disarmament and for global cooperation to reduce poverty and improve living standards in the developing nations.

Honourable Members, the main task before you will be the adoption of the Budget for 1991-92 and several measures of grave national importance. I am sure that your deliberations will be marked by maturity and wisdom and guided by patriotic and selfless devotion to the cause of the nation.

The crisis with which we are confronted today makes this session of Parliament a particularly important one. You must give the lead and set the tone which will instil confidence in our people and enthuse them in the task of nation building. You have before you the historic task of building a strong and prosperous India, a humane India, an India where there is social harmony and communal amity, an India from which poverty has been eradicated, an India based on equality and social justice.

I wish you all success.



Presidential Procession (24 February, 1992)

Hon'ble Members.*

*

I welcome you to this first session of Parliament in 1992 and wish you the very best for the successful completion of the budgetary and legislative business ahead. I extend a special welcome to the new members from Punjab.

The Government had given an assurance that elections would be held in Punjab in February, 1992. Despite many serious problems, this assurance has been fulfilled. Members are aware that the State of Punjab has been facing terrorist violence for the past decade and many innocent lives have been lost. The brave people of Punjab deserve to be congratulated for the courage they have displayed in re-affirming their faith in the democratic process and in the abiding values of secularism and nationhood. The Government is committed to finding a just and amicable solution to all the outstanding issues in Punjab. The Rajiv-Longowal Accord was a step in this direction. The presence of elected representatives will strengthen a meaningful dialogue and the participation in the process of all sections in the State.

The involvement of forces across the border in aiding, arming and providing logistic support to the terrorists in Kashmir is now well known. Pakistan has continued its massive propaganda and disinformation campaign to defame India and to divert world attention from its covert and overt support to terrorism. Terrorist action has taken a heavy toll of innocent lives. For over two years the normal life of the people in the State has been dislocated. A section of the population has been forced to flee the State and take shelter outside. No doubt all efforts are being made to take care of the needs of those who have migrated, but the solution to the problem lies in their return to their own homes where they can be resettled safely.

Government has launched a massive operation against the terrorists with the help of the Army. All out efforts have been made to stop border infiltration. The recent efforts by terrorists to make massive intrusions across the Line of Control created a serious threat to peace in that area. Action, though belated, on the ground by Pakistan and diplomatic moves by the Government succeeded in meeting this grave threat. Some groups of terrorists have surrendered along with their arms. Discussions have been held in different fora to activate a meaningful interaction with the people. The Government is, at the same time, continuing its efforts at increasing the pace of

*The address was delivered on 24 February, 1992.

economic development in the State and expanding employment opportunities. An Advisory Council has also been set up at the State level. Government would be willing to consider any dialogue within the frame work of the Constitution to restore normalcy.

In the eastern part of the country, the Army had to be deployed in Assam from September, 1991 to restore peace and normalcy. The security forces have apprehended a number of ULFA activists and seized their weapons. Some activists have also surrendered voluntarily. ULFA has released all hostages and has unilaterally declared the suspension of its agitation. ULFA has shown willingness to hold negotiations with the Government to find an amicable solution to the problems of Assam within the framework of the Constitution. The army operations in Assam have been suspended, pending a dialogue with the ULFA.

A close watch is being kept on the situation arising out of the Ram Janma Bhoomi-Babri Masjid dispute. Government has enacted legislation to maintain the *status quo* of the other places of worship as they existed on 15th August, 1947. Action has been completed to set up a Foundation for Communal Harmony to take care of children of families affected by communal violence. One of the commitments of the Government was to establish a composite Rapid Action Force to quell communal riots. All necessary decisions in this regard have been taken. The Force has been raised.

It would be recalled that in the last session, Parliament has met a long standing demand of the people by enacting legislation to give the Union Territory of Delhi a Legislative Assembly and a Council of Ministers. Government has initiated steps for delimiting constituencies with a view to holding early elections.

In my last address, I had spoken of the need to take hard decisions to overcome the grim economic situation confronting the country. The Government has moved swiftly to deal with the crisis. The balance of payments problem has been successfully handled. Our reserves of foreign exchange today stand at over Rs. 10,000 crores. We have redeemed the gold we had pledged, and arrested the outflow of capital. International confidence is being restored. At the same time, the Government has initiated steps to restructure the economy for greater productivity and growth. Changes have been made in industrial, fiscal and trade policies. This process of change will continue and will have to be extended to other important sectors of the economy.

The new industrial policy aims at consolidating the gains of the past decade, and imparting a fresh impetus to Indian industry for enhancing its efficiency and productivity. The policy has already shown significant results. In the period after the policy changes were announced the number of investment proposals have doubled compared to the same period last year. Approvals for foreign investment and technical collaboration also show a similar trend. Along with changes in the industrial policy, a policy package for support to small scale industry has been announced. The small scale and tiny sector will continue to play an important role in providing employment and

contributing to industrial output. With the changes that have been brought about in the industrial policy, the State Governments have a major role to play in promoting industrial development. The Central Government will continue to interact with them to ensure that the benefits of the liberalised policy reach all corners of the country.

We place great emphasis on exports. Despite an unavoidable import compression of about 20%, exports to General Currency Area countries have shown a modest growth of 6% in dollar terms. External obstacles on exports to Rupee Payment Area have, however, affected overall export growth. Efforts are being made to restore trade with the Republics of the former Soviet Union, and framework agreements are being entered into with all of them.

The Government is fully conscious of the need to protect the interest of all those workers who may be affected by restructuring as contemplated by the new policies. A programme of re-training and re-deployment will be taken up, for which necessary funds will be provided. The strength of India lies in its working class. A standing Tripartite Committee has been constituted to examine the impact of the New Industrial Policy on Labour and made recommendations from time to time on labour related problems. The National Commission on Rural Labour submitted its report last July and made a number of recommendations for improving the position of rural workers through creation of employment opportunities, provision of social security, strengthening existing laws and enactment of new legislation. Government is studying these recommendations.

The rise in prices is a matter of grave concern. Inflation is being caused, to a large extent, by the fiscal deficit. Once the fiscal deficit is reduced and brought under control inflation can be expected to come down to reasonable levels. Other possible administrative steps like dehoarding measures and increase in release of foodgrains have been taken. The inflation rate has come down from over 16% in August, 1991 to about 12% at present. The Government will continue to monitor prices and take steps to reduce these further.

The economic policy changes initiated recently will form the basis for the Eight Plan which envisages a growth rate of 5.6%. This growth target is to be achieved by a proposed total outlay of Rs. 400,000 crores. The foremost objective of the Plan will be to generate increased employment. Other priorities of the Plan are eradication of illiteracy, universalisation of elementary education and providing drinking water and primary health facilities. The emphasis will be on people's involvement and in reaching out to the poorest and the most needy sections of our people. The Eighth Plan will also focus on strengthening infrastructure. The Policy approach for the Eighth Plan has already been endorsed by the States at the recent meeting of the National Development Council and Government is confident that the economy will soon be on a sustainable and stable course of development.

Growth rates have been encouraging in several critical infrastructure areas like electricity, coal, steel and cement. Government is committed to further strengthening infrastructure. Every effort will be made to step up power supply and make it more stable. The development of atomic energy and non-conventional energy communication system for the country's development cannot be over stated. These will be strengthened. Every effort will be made to increase the capacity and transport capability of the railway network. A new shipping policy is being initiated. A major restructuring of Indian Airlines and Air India is envisaged which will include modernisation of the fleet and support facilities. The network of telecommunication services, particularly in the rural areas will be substantially extended.

The progress made by the country in the field of science and technology is a matter of pride. To cite only a few, the indigenous fabrication of the second generation INSAT-2 series of satellites is proceeding according to schedule. INSAT-2A is expected to be launched next month. With the planned launching of Satellite Launch Vehicles, in the next one year, India will join the ranks of those few countries which have their own launch capability. The limitless potential of bio-technology which is of direct relevance to areas as diverse as agriculture, pisciculture and health will be exploited to the full. The exciting possibilities of electronics will be followed up so that it brings tangible benefits to our people. The development of the new contraceptive pill is yet another example of the benefits to be reaped through scientific advance. Even while reaching out to frontier areas, scientific and technological research must, in the final analysis, be closely linked to improving the quality of life of our masses.

While doing everything possible to accelerate the pace of progress, there must be environmental accountability all round--on the part of Government, industry and people. A scheme of financial incentives and disincentives would supplement the normal regulatory measures to achieve this purpose. It is proposed to take up during the Eighth Five Year Plan, a scheme of associating tribals and rural poor in afforestation of degraded forests on a usufruct-sharing basis. The Wastelands Development Programme launched in 1985 will be strengthened and it is proposed to take up the integrated development of micro-watersheds in 50 districts in the country. With the experience gained in the cleaning of the river Ganga, the Government proposes to take up the cleaning of the major tributaries of this river and the grossly polluted stretches of other major rivers under the National River Action Plan. India looks forward to the forthcoming United Nations Conference on Environment and Development and will work towards ensuring that the Conference, safeguards the interests of the developing countries.

One of the world's worst industrial tragedies took place in Bhopal on 2nd December, 1984. The aftermath of this event has scarred the lives of thousands of people. The Government of India had taken upon itself the responsibility to secure compensation for those affected and provide them relief. The legal processes have been completed by the directive of the Supreme Court on 3rd October, 1991. Government will ensure maximum relief to the victims.

The tourism sector has emerged as one of the largest foreign exchange earners providing employment to many. Government has launched a major initiative to accelerate growth of tourism in cooperation with the State Governments, travel, trade and hotel industry. This has already started yielding results and the tourist arrivals have picked up, recording the highest level of international tourist arrivals in December 1991. The Government's tourism Action Plan includes tourist facilitation at international airports, liberalised charter policy, creation of special tourism areas for integrated development and intensive marketing of select destinations along with a major thrust to the promotion of domestic and low budget tourism. Our people must be provided with adequate facilities so that they get to see and know their own country better. With this in view Government will focus on youth tourism.

The foundation of our future security and progress lies to a great extent in agricultural growth. The dramatic progress we have made in agriculture, including in food crops, horticulture, fisheries, animal breeds and poultry, has a lot to do with progress in our research laboratories, but more than all else, it is the story of the life of the Indian farmer, his grit and determination. 1990-91 was the third agricultural year in succession when a new record in foodgrains production was achieved. During 1991-92 the South-West monsoon was erratic in its temporal and spatial behaviour, and some fall in production is likely. While our researchers are now producing technologies to off-set the vagaries of weather, more intensive efforts have to be organised in the long term for improvement of land and productivity in rainfed areas since 70% of India's agriculture is based on rainfed farming. The Government has already taken up a massive programme for improving the productive potential of rainfed land through improved crop practices, effective pest control, prevention of soil erosion and better in situ moisture conservation. During the Eighth Plan, horticulture, animal husbandry, livestock development and agro-processing will be given high priority. Cooperative and research efforts will be intensified in the sheep, poultry and piggery sectors. Processing and marketing facilities in these and other areas will be strengthened, in order to create the right conditions for an increase in rural incomes. Research emphasis will be on increasing productivity of oilseeds, pulses and cereals, and diversification of agriculture for income and job generation, specially in the rural areas.

Recently issues associated with the sharing and allocation of waters between States have been generating passions and tensions. It will have to be ensured that water, one of nature's precious gifts, is shared in an equitable manner in the larger national interest. Water is a flowing entity, variable in quantity from year to year and season to season. It should be managed in a harmonious manner in a spirit of Understanding and cooperation between the areas served by it. Rivers should be a binding force for the people of different regions rather than a matter of discord. Every effort should be made to resolve through dialogue all disputes relating to the use of waters of any inter-State river. Should this not be possible Government will ensure expeditious settlement of the disputes through the adjudication machinery set up by law for the purpose.

Effective measures are being taken to generate greater employment opportunities for the most disadvantaged sections through the Integrated Rural Development Programme and the Jawahar Rozgar Yojana. Special efforts will be made to expand employment opportunities for Scheduled Castes, Scheduled Tribes and women. No effort would be spared to provide safe drinking water to our people, on which depends the state of their health. All identified 'no source problem villages' will be provided with a drinking water source by the end of 1992-93. In recognition of Shri Rajiv Gandhi's commitment to provide safe drinking water to the remotest of remote villages, Government have renamed the Technology Mission on Drinking Water for Rural Areas as the Rajiv Gandhi National Drinking Water Mission. Rural housing will receive special attention by improving the quality of implementation of the Indira Aawas Yojana. Government is committed to the strengthening of the Panchayati Raj institutions so that effective political power rests with the people themselves. To this end, a Constitution Amendment Bill has been introduced in the Lok Sabha in September, 1991.

Poverty is no less acute in the urban areas. Employment generation and poverty alleviation schemes in the urban sector will be continued. A new National Housing Policy is on the anvil. The main objective of the new policy will be to create an enabling environment for housing activity and to assist people, in particular the vulnerable sections, to secure for themselves affordable shelters through access to developed land, building materials, finances and technology. Government is committed to the eradication of the dehumanising practice of manual scavenging through low cost sanitation schemes through a time bound programme. Schemes for conversion of dry latrines into low cost sanitation units have been already approved for over 740 towns in the country. Rehabilitation of those engaged in the practice of scavenging is also being undertaken. Government has decided to bring a legislation under Article 252 of the Consitution making the practice of engaging manual scavengers an offence. A Constitution Amendment Bill has been introduced in the Lok Sabha with a view to strengthening urban local bodies so that they are able to provide better facilities and services to the people.

The Government is acutely conscious of the problems of the Scheduled Castes and Scheduled Tribes. In respect of repeated incidents of atrocities against Scheduled Castes and Scheduled Tribes, a special conference of Chief Ministers was held in October 1991 in order to focus on the need for the State Governments to pay special attention to deal with this problem. The State Governments have also been advised to identify tension-prone areas and to take special administrative measures to deal with them. In the context of job opportunities for Scheduled Castes and Scheduled Tribes Government has been taking measures to increase their representation in Government departments, public sector undertakings and banks. With this objective in view the third special recruitment drive is under way at present. In accordance with the commitment given in my Address last year, a National Backward Classes Finance and Development Corporation has been set up with an authorised paid up capital of Rs. 200 crores to promote the economic development of the socially and educationally backward classes.

In my last Address I had mentioned that steps would be initiated for the effective implementation of the 15-Point Programme for the welfare of minorities which seeks to ensure that minorities are protected and that they are not discriminated against in the matter of employment in public services and benefits from development schemes. To realise this objective the 15-Point Programme is now being recast to make it more effective.

The Government has decided to confer statutory status on the Rehabilitation Council of India. The Council sets the standards for manpower training for rehabilitation of the disabled. Government has also decided to introduce legislation for setting up a National Trust for the welfare of persons suffering from mental retardation and cerebral palsy.

Government will give very high priority to the needs of children and women, the most vulnerable of groups in our society. Government will expand the ICDS programme during the 8th Plan so as to cover the entire country. The girl child will receive particular attention with focus on her nutrition, health and educational needs. Government is aware that mere legislative, administrative and judicial protection of women is not enough. The ultimate answer to the question of women's equality lies in their empowerment through organising them to defend their social and economic rights and in the creation of better income and self-employment opportunities. Government therefore would implement the Indira Mahila Yojana. Towards this end, Government has constituted the National Commission for Women.

Government attaches the highest priority to ensuring that no uncertainty whatsoever exists in the people getting their basic daily necessities. To this end, Government will make all out efforts to strengthen the Public Distribution System. The corner stone of the Government's policy here would be vigilance and supervision over distribution at the village level involving local initiatives and entrustment of these responsibilities to women in particular, in order to fight leakages and malpractices. While efforts to improve the functioning of the Public Distribution System all over the country would receive attention, priority would be given to implement the revamped Public Distribution System in about 1700 blocks spread over the remotest and most backward areas of the country, such as those covered by the Integrated Tribal Development Projects, the Drought Prone Areas Programme, the Desert Development Programme, the Designated Hill Areas and Urban Slums. To ensure door step delivery of essential commodities to fair price shops, infrastructure and credit facilities would be improved and strengthened. Commodity coverage in the Public Distribution System would be broadened. Measures in this direction have already been initiated in close cooperation with the State Governments. The Essential Commodities Act, 1955 is being strictly enforced against hoarders and blackmarketeers to enhance and sustain availability of essential commodities and this drive will continue. The Government looks upon the Public Distribution System as the centre of a new social development focus to be imparted to its various anti-poverty programmes. Appropriate linkages will be forged with other programmes like the Jawahar Rozgar Yojana and the ICDS. All out efforts are being made to protect and promote the rights and interests of the consumers. At present 28

State Commissions and 360 district forums are functioning in the country under the Consumer Protection Act, 1986. The Chief Ministers have been requested to set up the remaining State Commissions and district forums and to ensure that they function effectively. 82% of the 33, 851 complaints filed before the district forums have been decided in favour of the consumers. Government has recently received the Report of the High Power Working Group constituted to suggest amendments to the Consumer Protection Act, 1986. The Report is presently under examination. The recommendations of the Working Group on the amendments required to make the Consumer Protection Act, 1986 more effective would be discussed in the Central Consumer Protection Council shortly.

Government is implementing 14 National Health Programmes including the Malaria Eradication Programme, Leprosy Eradication Programme, Control of Blindness and Aids Control Programme. Kala Azar is being reported year after year and in recent times it has assumed epidemic proportions in Bihar. This needs to be tackled on a war footing. There is also the emerging problem of AIDS. Government has already prepared a programme to deal with this menace, taking into account, among others, the crucial factor of blood safety. There has been a dramatic reduction in the prevalence rates of leprosy and improvement in the discharge of patients. A comprehensive programme is proposed to be taken up to permanently upgrade ophthalmic facilities at the District and Community Health Centre levels. There has generally been a declining trend in the incidence of vaccine preventable diseases. Poliomyelitis cases have significantly declined. Declining trends in the case of whooping cough and diphtheria are also significant.

The rate at which our population is growing will put tremendous pressure on our resources. The Government has taken steps in recent months to evolve an integrated and holistic approach to achieve a marked decline in the birth rate. Towards this end an Action Plan has been drawn up which seeks to improve the quality and outreach of services. It is now proven that birth rates have remained high in areas with low female literacy, low age of girls at marriage and high infant and maternal mortality. It is in these areas that special efforts will be concentrated under the Action Plan. Particular attention will be given to 90 districts in the country which have a crude birth rate of over 39 per thousand. The Action Plan was scrutinized and endorsed by the National Development Council and at a meeting of State Health and Family Welfare Ministers. The National Development Council has also set up a Sub-Committee of Chief Ministers on Population Control to act as the focal point for all the measures under this Action Plan. The problem of population is not a concern confined merely to the Central and State Governments. Elected representatives, voluntary organisations, other leaders of public opinion—indeed each one of us, cutting across all sections of society, will have to participate in these efforts. A national consensus on this is the need of the hour and Parliament has to take the lead in this matter.

A National Policy on Education was adopted by Parliament in 1986 and its implementation commenced soon thereafter. Several developments in the sphere of

education, and the Report of the NPE Review Committee, made it necessary to examine the need for modifications in the Education Policy. The process of examination is soon to conclude and I am confident that the uncertainty in respect of the Policy will now be set at rest reiterating the main thrusts of the 1986 Policy. The National Literacy Mission, which was launched by the late Shri Rajiv Gandhi in May 1988, has made significant strides. I share with you a sense of pride in the fact that all the districts of Kerala and Pondicherry, as well as several in other States, have succeeded in eradicating illiteracy. Total Literacy Campaigns are at present being implemented in nearly 70 districts in the country. The campaigns in these districts will cover nearly 30 million illiterates in various age groups and would cost Rs. 210 crores. The campaigns are being implemented with active cooperation and support of voluntary agents. We, however, still have a long way to go and need to commit ourselves to the great and challenging task of freeing all parts of the country of illiteracy, particularly in the 15-35 age group, by the end of the VIII Plan. We have simultaneously to work towards universalisation of primary education—comprising universal access, universal participation and universal achievement of minimum levels of learning. The formal system of primary education has been strengthened by a Centrally Sponsored Scheme of Operation Blackboard which is designed to provide necessary infrastructure. 3.8 lakh schools out of a total of 5.7 lakhs in the country have already been covered. More than 70,000 additional teachers have been appointed. Assistance from the Central Government to the tune of Rs. 620 crores has already been provided. In addition, to provide learning opportunities to those children who are not in a position to avail of formal school facilities, 2.45 lakhs centres of Non-Formal Education are being conducted by State Governments. Another 27 thousand are being conducted by 410 voluntary agencies. Central assistance to the tune of Rs. 208 crores has been provided towards these efforts. We also need to effectively delink degrees from jobs and to give to the entire educational system a work and vocational orientation. A decision has already been taken to set up a Central Institute of Vocational Education under the National Council of Educational Research and Training. The Institute will actively promote the vocationalisation of education. The need to persist with attention to improvement of technical education is obvious. It is essential to create conditions for much greater vigour in teaching and research and to enlarge the number of institutions pursuing standards of excellence.

Events on the world scene have continued to unfold at an amazing pace since I last addressed Parliament in July last year. The intervening period has been an extremely active one in India's foreign policy.

The Government's foreign policy priorities are to maintain the unity and territorial integrity of India, to ensure our geo-political security by creating a durable environment of stability and peace in our region and to build up a framework conducive for the economic well-being of our people by encouraging a healthy external economic environment. Within this overall framework of priorities, we are of course not only conscious of our geographical location, but are aware that our destiny lies in Asia, more specifically in South Asia. The very fact that the First Asian Relations Conference was

convened by India as early as 1947 bears witness to the fact that this has been the central pillar of independent India's foreign policy from the very beginning. India's policies are geared to be a part of resurgent Asia as it is our hope that the 21st century would be an Asian century.

Strengthening relations with our neighbours on a bilateral basis as well as through the South Asian Association for Regional Cooperation is of the highest priority. The recent SAARC Summit held in Colombo last December should hopefully impart economic content to growing cooperation amongst the South Asian countries within the SAARC framework.

The recent visit of the Prime Minister of Nepal has ushered in a qualitatively new era of relations between the two countries resulting in opening very important areas of cooperation which will fortify the unique closeness of our ties, strengthened by the emergence of multi-party democracy in Nepal.

The recent visit of the Chinese Premier has been an important milestone in the further development of our relations. We have enhanced our mutual understanding through exchange of views on bilateral, regional and international issues at the highest level.

We are keen that the traditional friendly relations with Bangladesh are further expanded in the changed context with the advent of democracy in Bangladesh becoming an additional bond between the two countries.

We are committed to the strengthening and consolidation of bilateral relations with Sri Lanka in keeping with the traditional and historical ties between the two countries. The voluntary return of Sri Lankan refugees back to their homeland, based on assurances received from Sri Lanka Government, commenced on 20 January, 1992 and is continuing.

Our close relations with Maldives are being further consolidated with a number of exchange of visits at high level between the two countries during 1991.

Periodic high level exchanges have helped maintain and strengthen close understanding and cooperation in our excellent relations with Bhutan.

Pakistan's negative approach towards India and its support to terrorism in Punjab and Jammu and Kashmir continue to be the main impediments to normalisation of relations. The dangers inherent in its actions in violation of the Simla Agreement and universally accepted norms of inter-State conduct have been repeatedly pointed out to Pakistan. We have nevertheless continued with our efforts to carry the confidence building process and bilateral dialogue forward. Unfortunately, in the recent past, the Government of Pakistan and the Pakistan National Assembly have chosen to associate themselves with statements and actions that have vitiated the atmosphere. We hope that the Government of Pakistan will join us in serious endeavours to establish tension-free and good neighbourly relations between the two countries.

On 26th December, 1991, we announced our decision to accord formal recognition to the Russian Federation and to all the other Republics of the erstwhile Soviet Union. Russia has assumed the 'role of a successor State and has taken over the seat of the erstwhile Soviet Union in the United Nations Security Council. We have sought to maintain our traditionally close relations not only with Russia but with the other republics as well. In addition to our Embassy in Moscow, we plan to open Embassies in Ukraine, Kazakhstan and Belarus and upgrade our Consulate General in Tashkent in Uzbekistan. A high level delegation recently visited Russia and Ukraine to establish a new framework of political relations with these independent republics and to review arrangements for maintaining our long standing trade and economic links with them. Several leaders from the Central Asian republics have visited and are expected to visit India during the next few months. During these visits, we shall seek to conclude appropriate agreements to promote our political, economic, commercial and cultural ties with these countries with whom we share historic bonds of friendship.

The values of democracy, individual liberty and respect for human rights which we share with the United States of America provide a strong basis for close cooperation between the two largest democracies of the world. Our expanding consultations in both bilateral and multilateral fora encompass a wide range of issues including peace, security and threats emanating from terrorism and drug-trafficking. The United States is our largest trading partner and a major source of technology. It has been supportive of our efforts to overcome our temporary economic difficulties and launch a far-reaching programme of economic reform. We look forward to a long-term and mutually rewarding economic partnership with the United States. The Prime Minister had a very useful meeting with President George Bush in New York during the recent UN Security Council meeting. There was a strong mutual interest expressed in further consolidating and expanding our bilateral and Multidimensional ties.

We attach special importance to our relations with countries of West Asia and North Africa. We have over the years extended consistent and unequivocal support to the Arab cause particularly to the Palestinian struggle for their just and inalienable rights. India has welcomed the reactivation of the West Asian peace process and the ongoing dialogue between Arab States and Israel to find a just and equitable settlement to the Arab-Israeli dispute.

Given the changed political realities in the region. India has decided to establish diplomatic relations with Israel. We look forward to establishing a comprehensive and multifaceted relationship with Israel.

India enjoys an enormous fund of mutual goodwill with African countries because of our consistent and effective support to the anti-colonial struggle in South Africa. We are proud that the liberation struggle in South Africa against apartheid has led to tangible reforms since 1990.

We have played a catalytic role in efforts to resolve the Cambodian conflict. India was among the countries specially mentioned in the Paris International Conference on Cambodia for facilitating the peace process.

We have demonstrated our support against attempts to institutionalise racial discrimination in Fiji by taking up the matter at the UN General Assembly from 1987 onwards and by opposing the re-entry of Fiji into the Commonwealth.

Japan's position as an economic super power in the present world draws us closer to enlarge our bilateral cooperation on a wide range of matters of mutual concern which we believe is an important factor for peace and progress.

We have enjoyed age old cultural and bilateral ties with the countries of South East Asia. This is a region which has made rapid progress in a very short time. The economic initiatives taken by the Government will create fresh opportunities for strengthening our economic interaction with this region. The Government attaches high priority to strengthening our relations with ASEAN and its member countries. We look forward to initiating our sectoral dialogue with ASEAN soon.

Europe's emergence following the Maastricht Summit meeting last December as a stronger political and economic entity in the modern world is of great significance. The European Community is our major trading partner and an important source of investment and we are keen to expand and strengthen further our cooperation.

Our Prime Minister's first visit abroad was to Germany where he discussed with German leaders a wide range of subjects of mutual concern and cooperation between the two countries. We have also had a useful dialogue with other major European countries like the United Kingdom, France and Portugal.

With the sweeping changes brought about by recent events at the end of the Cold War and issues connected therewith, the new configuration is bound to assume a new North-South complexion, in the framework of a non-confrontationist context and methodology. The developing countries of the world will need to gear themselves for this new odyssey of development, aimed at the attainment of equitable prosperity all over the world. World peace and comprehensive disarmament would make an important contribution to this ultimate vision of a happy and fulfilled humankind. India will work towards the realisation of this vision.

At the multilateral level, our participation has similarly been within our overall framework of priorities. The Nonaligned Movement is readjusting in a dynamic manner to the breathtaking pace of global developments. We have re-affirmed our faith in its continued relevance. The independence of national decision-making that is enshrined in its philosophy is today more relevant than ever before. In other multilateral fora such as the G-15 and the Commonwealth Summit, the Prime Minister not only articulated our views on important issues but re-emphasised the

need to restore the centrality and criticality of development issues on the multilateral agenda. The Uruguay Round of negotiations has reached a crucial stage. We shall continue to defend our vital interests and seek improvements as we work towards the establishment of a fair and balanced multilateral trading system.

Environmental issues are fast moving to the forefront of international concern and attention. We are actively participating in multilateral cooperative efforts and supporting the forging of a global partnership which seeks to integrate the developmental needs of the developing countries in solutions to environmental problems.

We believe that given the global reach of nuclear weapons we need to follow a global approach with regard to nuclear disarmament issues. Partial or piecemeal measures such as Limited Nuclear Weapons Free Zone, therefore, seem to be of little utility and could even detract us from our ultimate goal.

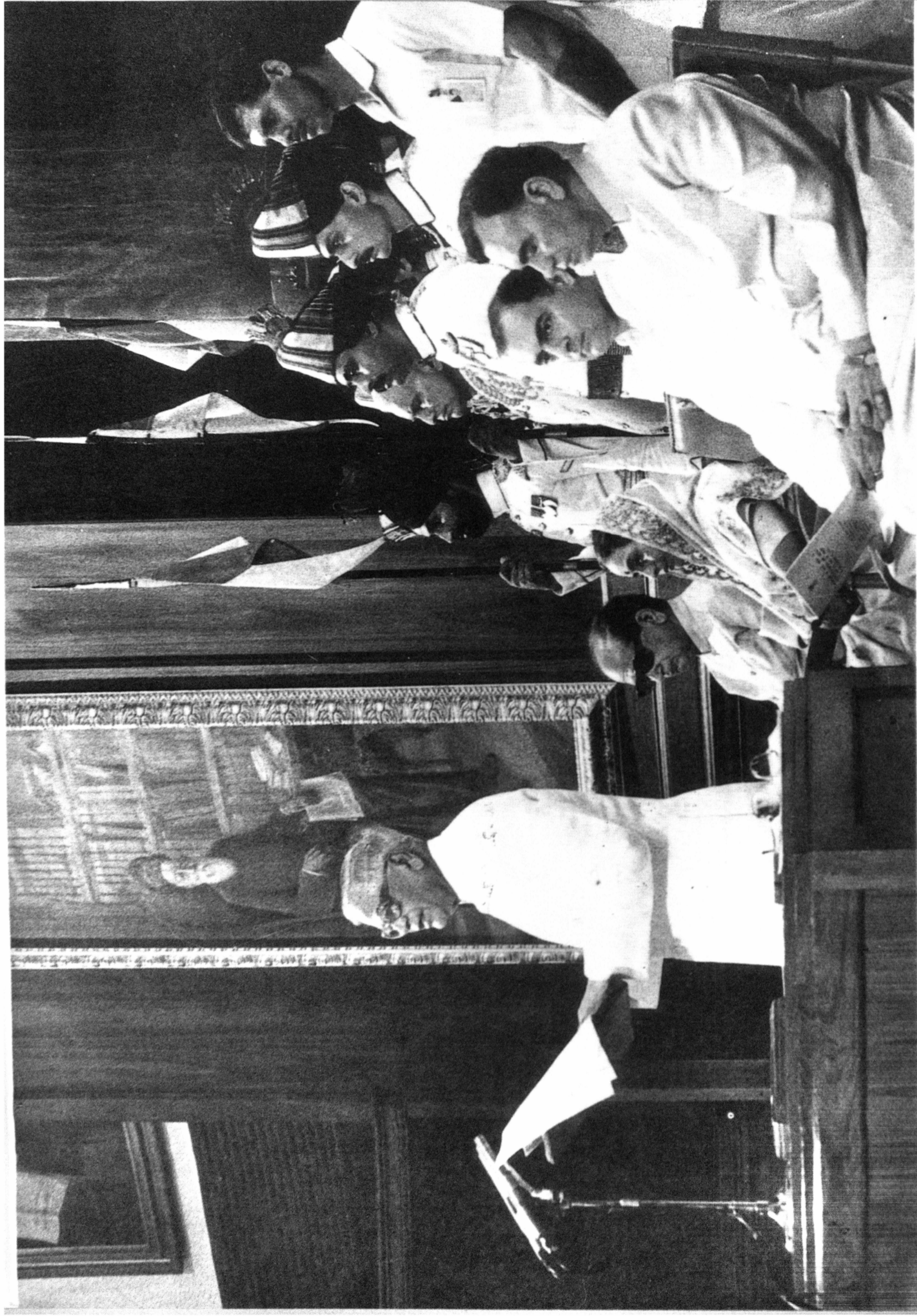
The Summit level meeting of the UN Security Council on 31 January 1992 served to highlight the new and effective role that the UN has assumed in the wake of the momentous changes in the international situation. Our Prime Minister set forth at the meeting our position on some vital issues such as a new international consensus on a global non-proliferation regime, harmonisation of the defence of national integrity with respect for human rights and a just and fair world economic order. The meeting provided an opportunity for world leaders to exchange ideas on the future of the United Nations and to pledge their support to the new Secretary General.

India is on the threshold of taking rapid and purposeful strides into the future. Conditions are being created so that there is an acceleration in the pace of development, our people can enjoy a better quality of life and India can hold her own in a rapidly changing world. The present is full of challenges as well as opportunities. Let us convert the challenges into opportunities. Let us not shy away from treading new paths. Let us be bold and innovative in our approach. The hardships of the present are only the harbingers of a brighter future. But even as we move into the future, let us be disciplined and resolute in our approach. Let us shun acrimony for dialogue, violence for amity lest we be deflected into the by-lanes of history.

Honourable Members will be called upon to consider in this session important legislative business and other matters of great national importance. Your deliberations will, I am sure, be informed by reflection and wisdom. I now commend you to your tasks and wish you all success.

(B)

ADDRESSES ON THE OCCASION OF
OTHER PARLIAMENTARY FUNCTIONS



President R. Venkataraman addressing the Members of Parliament on 40th Anniversary of the Independence of India
(13 August, 1987)

I

40th Anniversary of the Independence of India*

For one who has had the great privilege of participating in the epic struggle for our freedom, this commemorative meeting of the Houses of Parliament is a heart-warming event. May I, therefore, express to the Parliament of India my deep appreciation of its decision to convene this meeting. As Chairman of the National Committee for the celebration of the Fortieth Anniversary of our Independence, it is a particular pleasure for me to place on record the Committee's appreciation of this imaginative gesture.

Those who responded to the call of Mahatma Gandhi and joined the liberation movement did so without any hope that their dream would be realized within their lifetime. This occasion therefore cannot but cause a thrill to those who participated in the freedom movement and have the good fortune to witness the fortieth anniversary of Independence.

Presences bring absences to mind. And so it is both natural and fitting that we should take time today to remember all those patriots, whether the foot-soldiers or the great generals of the army of freedom, who are no longer with us to share in our joy.

Friends, we heard a few moments ago excerpts from Jawaharlal's speech which has now become part of history. The history, not just of our sub-continent but that of the freedom-loving peoples of the whole world. The 'stroke of the midnight hour' as Nehru described it signalled the transfer of power from British to Indian hands. That transfer was only the visible form of a much more fundamental transformation that took place simultaneously. As authority passed from His Britannic Majesty, the Majesty of the Masses of India came to be established. A change-over took place, from servitude to freedom, from despondency to hope, from denial to opportunity.

History has worked magic into the date '15 August'. I recall the euphoria that swept over the land on 15 August, 1947. On India's ancient face appeared, after centuries, a radiant smile reflecting the hope of a newer and better life ahead. In their enthusiasm the people of India dreamt that poverty will be replaced by plenty and that all human misery will be wiped out overnight. It took some time for our people to realize that

*Speech made on the occasion of the Commemorative Session of the Parliament of India on 13 August, 1987.

freedom by itself does not bring about transformation but that freedom was an instrument to bring about revolutionary changes in their life.

It was given to the great visionary Jawaharlal Nehru to forge those instruments of change on the anvil of a pragmatic idealism. Through a unique experiment in democratic planning he sought to telescope centuries of advance in industry and science within a series of five-year plans. The results are there for all to see. Droughts assail us periodically, like the present one. But, basically, we are self-sufficient in food, self-reliant in basic industries and are on the threshold of an entirely self-generating economy. Countries that became independent along with us after the Second World War have lagged far behind. We have achieved all this in our own unique way. Even as we achieved freedom without armed rebellion, we have achieved economic progress with the consent of the people. Our plans have been debated in Parliament and approved by the people's representatives. The measure of land reforms, for instance, even though it has been put through ever so tardily, has been free from the taint of violence or the suppression of a class. All this is a victory for the concept of a Mixed Economy, for the concept of planned economic development and for the democratic form of Government.

Having said this and noted with satisfaction the success of our plans and policy, we must admit to a sense of something missing, a forgotten factor, a recalcitrant problem, that seems to defy solution.

Jawaharlal Nehru was once asked, "What is your principal problem?" And he replied, "We have got 360 million problems in India." Elucidating his answer, he said, "I suggest that the only policy that we should have in mind is that we have to work for the 360 million people; not for a few, not for a group but the whole lot, and to bring them up on an equal basis." That was in 1954. How one wishes one could say, in 1987, that we have got 360 million problems in India! We unfortunately have more than twice that many problems. Each year, each month, and each day means so many more mouths to be fed, hands to be employed, minds to be educated, bodies to be clothed, housed and given health care. In hard terms this means that we will have to meet the challenge of a population which has reached the 800 million mark and still threatens to increase. Programmes will therefore have to be so devised as to afford palpable satisfaction to the millions. It is well-known that such satisfaction can only come if the people concerned feel that they are *participants* all along the line—from, formulation, through implementation, to fruition. Now this is where the institution of Parliament and the Parliamentary form of Democracy have a unique role to play.

The founding-fathers of our freedom movement, consciously and with full knowledge of implications, opted for parliamentary democracy as the political system best suited to the needs and genius of our people. They realized that in the multi-level pluralist complexity of our society, only that polity can work which is founded on the principles of give and take. We shall be unworthy of our democratic inheritance and false to the trust reposed in us if we do not adhere to the spirit of democratic accommodation. While democracy makes for debate, it precludes confrontation. While

it makes for self-expression, it renders agitationism redundant. Accommodation, not acrimony; consensus, not confrontation mark a healthy democracy. It should be our endeavour to reach consensus on national issues and make it our normal working method.

Democracy and the principle of one-person one-vote imply that all are equal and that in the exercise of their democratic rights, everyone enjoys equal protection. Legal protection, however, is not enough. Democratic rights need social protection. They need protection against all forms of inequality based on birth, caste, creed or other. Democracy works successfully in countries where there is a homogenous population or where people acquire, even when having different origins, the sense of oneness and belonging to the country. Our efforts should be directed towards achieving this Indianness so vital for the functioning of Democracy. During the struggle for freedom we reached a very high level of national integration. Unfortunately we have, since independence, fallen by the wayside and taken waywards steps towards casteism, parochialism and separatism. It appears that the dormant tribalism in man has revived with a vengeance after independence. We are mistaking parochialism for patriotism and obscurantism for nationalism. The fortieth anniversary of independence is an appropriate occasion for a soul search and self-examination of the past profession, present practices and future trends.

India has a glorious history of respect for all religions and tolerance towards all faiths. It is seldom realised that Islam came to India long before the invaders and Christianity long before the East India Company. They had all lived in peace and harmony for centuries, each contributing their best to the culture of India. As a result of the diabolical policy of Divide and Rule practised by the Colonial power, seeds of discord were sown in the body politic leading to the unfortunate partition of the country. It is necessary to recapture the old spirit of brotherhood among people following different religions in accordance with the true spirit of every religion. It was Kabir who sang:

*"Jat na pochiye sadhu ki
puch lijiye gyan...,*

'It is the right knowledge of the person that is to be respected always and not his caste or community.'

It behoves the leaders of all religions to restore harmony among fellow beings and ensure peace and tranquility within our country so that our energies may be directed towards the upliftment of the masses and thus redeem our pledges to them.

Friends, our life in recent times has been vitiated by the phenomenon of terrorist violence. Acting blindly but with diabolical sophistication, terrorism has hit out at simple men, women and children who offended none, nor offered any provocation. The nation's conscience mourns the homes that have been shattered by what can only be called the massacre of the innocents. Let us on this historic day make it clear to all

concerned that the people of India cannot be taken for granted by forces that seek to harm our society. Let nothing that undermines the faith, the principles and the culture of our society and the basic institutions of our Nation go unchallenged.

May I appeal to fellow citizens through their elected representatives gathered here, to renew their commitment to Non-violence—the weapon which won us freedom.

If violence and confrontation have been threatening us at every turn in India, dark clouds of mistrust overhang the arena of international relations also. It has been India's privilege to have recently been called upon to play critical roles in defusing tension and restoring confidence among embittered rivals abroad. This role is entirely keeping with our tradition and our genius. I would like to take this opportunity to congratulate the Government of India on its farsighted, brave and altogether statesmanlike role in international affairs.

Friends, our task is only half-finished. The task of redeeming the country from alien rule has been achieved but the greater task of redeeming the people from poverty still remains ahead of us. The latter task calls for sustained effort by all sections of society and all political parties and institutions. There is an enormous area of cooperation for all of us in this gigantic task. I appeal to all the people of India to join together in the steps towards eradicating poverty from the country. May I conclude with the summons sent out by the *Katha Upanishad* which Swami Vivekananda made famous:

<i>Uttisthata</i>	–	(Arise)
<i>Jagrata</i>	–	(Awake)
<i>Prapya varan nibodhata</i>	–	(And stop not till the goal is reached)



President R. Venkataraman addressing the Members of Parliament on the occasion of Centenary Celebrations of Dr. S. Radhakrishnan (5 September, 1988)

II

Centenary Celebrations

(i) *S. Radhakrishnan — A philosopher statesman**

Sarvepalli Radhakrishnan was a statesman among philosophers and a philosopher among statesmen. The vision and the sweep of his mind transcended all territorial boundaries. The Vedic tenet *Vasudhaiva Kutumbakam* stood personified in the statuesque and elegant figure of Dr. Radhakrishnan.

From humble beginnings, he rose to the highest position in the land, fulfilling himself and, incidentally, gathering laurels all along the path. As a professor in the Presidency College at Madras, and as Vice-Chancellor in Waltair and Benares his performance was brilliant and attracted national attention. He soon won international recognition and received the honour of being Spalding Professor of Eastern Religion and Ethics at Oxford. He carried the message of the *Bhagavad Gita* to all corners of the world and made it realise the true meaning of life. Not surprisingly, when years later, he visited other nations as President, such as the USSR, UK and USA, he was received as a sage and a statesman, a modern day equivalent of Plato's ideal Philosopher-King or as a *Rajarishi* and not as a mere *Rashtrapati*.

Dr. Radhakrishnan had been chosen by Jawaharlal Nehru as India's Ambassador to the Soviet Union, which position he held till he became the Vice-President of India. The cordiality which has flowered so bountifully between the two countries subsequently is in no small measure, due to the personality of Dr. Radhakrishnan, as well as his diplomatic skills.

During the ten years that Dr. Radhakrishnan was Vice-President and Chairman of the Rajya Sabha, he endeared himself to all sides of the House by his urbane manners, unfailing courtesy and inimitable objectivity. The older generation of legislators who had seen Dr. Radhakrishnan in action in the Rajya Sabha recall with nostalgia his superb handling of the House.

* Speech delivered on the occasion of Centenary Celebrations of Dr. S. Radhakrishnan in the Central Hall of Parliament on 5 September, 1988.

Dr. Radhakrishnan enhanced the prestige of the office of the President with his affability, his gentle disposition, kindness and affection, no less than by his wisdom. Prime Minister Nehru used to consult and discuss with Dr. Radhakrishnan all the problems of the country and greatly valued the latter's wise counsel.

Words, whether in speech or writing came effortlessly to Dr. Radhakrishnan. Books containing his lectures and writings on Indian philosophy were not only erudite and scholarly but provided rational explanations acceptable to the modern mind. He was a voracious reader and had a prodigious memory. His speeches were invariably punctuated with quotations from the *Vedas*, the *Upanishads* and, of course, the *Gita*—all emerging from his memory without the aid of a scrap of paper. As a Speaker, he had few parallels in India or elsewhere. His facility of expression helped him expound the deepest thoughts in a language intelligible to even a layman.

Such was the greatness of Dr. Radhakrishnan that he was knighted by the British during colonial days and awarded the Bharat Ratna by free India. So great was his erudition that no authority could ignore it.

Radhakrishnan realised very early in his youth that "the different religions are not rival or competing forces but fellow labourers in the same great task. God has not left Himself without witness among any people."

Radhakrishnan perceived this truth not as a realization outside his Hindu experience but, in fact, as something that grew out of his *vedic* insights. This breadth of vision made Radhakrishnan take up the study of Christian scriptures, Western philosophy and of the sacred books of other faiths. It also made him take up for critical evaluation the precepts and practice of the faith into which he himself had been born. He wrote then with a resoluteness that was astonishing for the times:

"To the truly religious, all life is a sacrament. Modern attempts to improve the general condition of the community, to transform society so that hope and happiness might be brought within the reach of the needy and the downtrodden are not inconsistent with the Hindu religion but are demanded by it."

Had not Sankara said as much millennia ago and Ramanuja more recently? And, in contemporary times, did not Gandhiji seek to remove the dirt of ages from the pure springs of Hinduism? Dr. Radhakrishnan touched the core of our spiritual inheritance. He thus emphasized our *dharmic* values which forswear all that is limited and limiting and which uphold all that is elevating—intellectually, morally and spiritually.

His monumental work *The Hindu view of Life* captivated readers, not just because of its amazing verbal felicity, but because of its depth and vision. Radhakrishnan believed that weakness in the Hindu faith had lowered our society and impeded social advance.

He believed that these were due to a confusion between tradition and truth. Fervently that righteousness or *dharma* should be the basis of action of Man, whether in his individual or collective life. *Dharmic* potential exists in everyone. Radhakrishnan spoke of *dharma* which corresponds to but transcends the English word *righteousness*. It is a combination of several ideas, such as justice, duty, fairness, charity, religion and piety and so on. It was Dr. Radhakrishnan's privilege to give to the word *dharma* currency in the world's philosophical lexicon.

The vital linkage between belief and action, between precept and practice, between philosophy and life made Radhakrishnan dedicate his celebrated commentaries on the *Bhagavad Gita* to Mahatma Gandhi. "I am your Arjuna", Gandhiji once said to him, "You are my Krishna".

In 1946, the Indian National Congress decided to induct some eminent persons in literature, art, law and social services, not directly involved in political work, into the Constituent Assembly of India. Radhakrishnan's name was one of the first to suggest itself. The decision was more than justified. Radhakrishnan spoke rarely, but tellingly in the Constituent Assembly. Perhaps the most memorable of his observations was made on January 20, 1947, while supporting the Objectives Resolution that Jawaharlal Nehru had moved earlier.

Speaking about the moral imperatives of Government and Society, Radhakrishnan said: "Much has been said about the sovereignty of the people. We have held that the ultimate sovereignty rests with the moral law, with the conscience of humanity. People as well as kings are subordinate to that. *Dharma*, righteousness, is the king of kings. *Dharmam kshatrasya kshatram*. It is the ruler of both the people and the rulers themselves."

Another memorable observation was made by Radhakrishnan here in this very Hall, on the historic night of August 14-15, 1947. Transcending the euphoria of that hour Radhakrishnan felt impelled to warn the nation:

"Our opportunities are great but let me warn you that when power outstrips ability, we will fall on evil days. We should develop competence and ability which would help us to utilise the opportunities which are now open to us. From tomorrow morning—from midnight today—we can no longer throw the blame on the British."

Dr. Radhakrishnan was deeply conscious of the fact that in going in for a bicameral legislature, India had taken an important step. He observed: "We should try to do everything in our power to justify to the public of this country that a Second Chamber is essential to prevent hasty legislation. We should discuss with dispassion and detachment proposals put before us." With his stature as a philosopher and teacher, Radhakrishnan was able to implement the ideals for which the Upper House was

created. His fairness was appreciated and his firmness understood. Radhakrishnan would come to his chambers half an hour before the sittings started and would go into the business listed for the day. Members were free to come to him then and seek his permission to raise unlisted items so that no one was taken by surprise, no rules were transgressed. The procedure ensured both fairness and orderliness. Noisy scenes, walkouts, were virtually unknown when Dr. Radhakrishnan was in the chair. Latitude was shown but no laxity allowed; humour was encouraged but flippancy kept out; expression was not curbed but lung-power never allowed to overwhelm debate.

Dr. Radhakrishnan was Vice-President for ten years, 1952-1962. The term synchronized with the Presidentship of Dr. Rajendra Prasad and the Prime Ministership of Jawaharlal Nehru. A Gandhian among Gandhians was President, a scholar among scholars was Vice-President and a democrat among democrats was Prime Minister. *Bhaktiyoga, jnanayoga* and *karmayoga* combined in those three to constitute a *trimurti* of values.

Dr. Radhakrishnan's term in Rashtrapati Bhavan witnessed moments of tension and grief. Two wars broke out, in 1962 and 1965; two Prime Ministers were snatched away from us. But during all those troubled times, Dr. Radhakrishnan stood out as a beaconlight of courage and fortitude instilling in the country self-confidence, self-respect and, above all, a sense of India's higher destiny.

President Radhakrishnan was a *dhwajasthambha* in the temple of our national consciousness: erect and resplendent in fair weather and foul, inspiring us to a higher purpose. He was a living example of the preamble to our Constitution which is based on Justice or *Dharma*. Whenever he toured the country, he conducted what could be called a *Krishna-Arjuna-samvad* allaying fears, clearing doubts, instilling confidence and hope.

Radhakrishnan was, above all, a person whom the entire nation looked upon with affectionate admiration. Today, as we honour his memory, we honour not just a great Indian, but also a great Indian tradition: the tradition which enjoins us to *Look far ahead; not be short-sighted*.

Let us all cultivate far-sightedness and also broadmindedness. Let us give up all that is small, mean and narrow—intellectually, morally and spiritually. That will be the best tribute that a grateful nation can pay to the memory of Sarvepalli Radhakrishnan.

The Tamil Saint Arunagirinathar said:

"veda pandita swami namo namah".

(Salutations to Him who personified the learning of the Vedas).

The nation salutes the great philosopher—statesman who shed light and lustre on our ancient land.



President R. Venkataraman paying homage to Shri G.V. Mavalankar on the occasion of his first birth centenary (26 November, 1988)

(ii) *G.V. Mavalankar —
Founding Father of
Parliamentary Procedures**

WE HAVE GATHERED here today to offer our reverential tribute to one of the most distinguished sons of India.

I believe it is no accident that Mavalankarji's parents gave him the name of Ganesh. In our mythology, Ganesh is believed to symbolise all that is auspicious and blessed, all that ensures fulfilment and absolves shortcomings. I, therefore, regard it as a great concordance that, on the threshold of parliamentary democracy, we had Ganesh Vasudev Mavalankar as the presiding deity of the Lok Sabha.

There was a *tejas* on Mavalankarji's noble countenance. He radiated integrity, intelligence and initiative. All pettiness seemed to evaporate in his presence. He was always aglow with a high purpose and an equally high sense of the importance of right means.

In the two crucial offices that he held, namely, Speaker of the Bombay Legislative Assembly and Speaker of the Lok Sabha, he was inspired by a sense of the greatness of his mission. He felt he was discharging a sacred duty in establishing the right precedents and values for our parliamentary system.

Behind Mavalankarji's formidable performance lay several years of a disciplined and diligent life dedicated to public service. Mavalankarji's extraordinary talents had come to the fore even when he was a student. In the first LLB Examination in 1911, Mavalankarji had topped the list in the Bombay University.

Mavalankarji's record as a lawyer was marked by his high-mindedness, integrity and a faculty for mastering details. His practice thrived but never at the cost of ethics and values. Shortly after Gandhiji's return from South Africa, he met the Mahatma and the two took to each other at once. Mavalankarji served as Secretary of the Gujarat Sabha of which Gandhiji was President.

* Speech delivered on the occasion of Centenary Celebrations of G.V. Mavalankar in the Central Hall of Parliament on 26 November, 1988.

Mavalankarji's role during the 20s and 30s shows him playing alternately the role of freedom-fighter and administrator. Organizing student movements, peasant revolts and satyagrahas on the one hand, Mavalankarji could, with equal felicity, take up hard administrative functions as a municipal corporator and as President of the Ahmedabad Municipality to which position he was elected twice, in 1930 and in 1935.

Mavalankarji stood by the side of Sardar Vallabhbhai Patel and Mahatma Gandhi in the major campaigns conducted at that time, especially the Kheda district agriculturists' satyagraha. He naturally underwent several terms of imprisonment during the struggle for the country's independence, being jailed in 1930 and 1933 for participating in the Civil Disobedience Movement, again in 1940 for offering individual satyagraha and then finally in 1942 following his participation in the Quit India Movement.

Mavalankarji was elected as Speaker of the Bombay Legislative Assembly when the Congress took office in 1937. His unqualified success as the Speaker of the Bombay Assembly made him the automatic choice of the Central Legislative Assembly in 1946, when the Congress again entered legislatures. In 1947, he was once again unanimously elected Speaker of the Central Legislative Assembly. On that occasion he was greeted by our first Prime Minister Jawaharlal Nehru with the words: "It is a matter of great gratification and pleasure that you have accepted this office because in the difficult times ahead you will have to face also difficult problems in guiding us and we shall have the satisfaction of knowing that our guide is a true and trusted guide. I, therefore, congratulate not you so much but the House for the choice that it has made."

After the framing of the Constitution of India, Mavalankarji became the Speaker of the Provisional Parliament and thereafter of the first Lok Sabha. Thus for over a whole decade it was given to Mavalankarji to guide the deliberations of India's Parliament. He did so with unmatched effectiveness.

Mavalankarji was a master of procedure and the rules. He seldom permitted members to ramble over questions, argue points or offer suggestions. He permitted the Question Hour for eliciting mainly information which could be made use of later in debates. He observed the decorum of the House and also enforced it on others. The Treasury Benches could not take him for granted and were always alert. He was indeed a model Speaker, firm yet flexible, stern yet kind and sympathetic and always fair to all sections of the House.

It was my personal good fortune as a member of the Provisional Parliament and the first Lok Sabha, to have been the recipient of unnumerable kindnesses from Mavalankarji. He had an unerring eye for spotting young Members of Parliament and affording them opportunities to speak in a House of stalwarts, as it then was. He showed a paternal interest in younger members, and lost no opportunity for guiding and briefing them on how to conduct themselves as legislators. Generations of MPs have to thank the first Speaker for setting precedents which serve as the foundation of Parliamentary Democracy.

The Treasury Benches of the Provisional Parliament and the first Parliament were at that time adorned by stalwarts such as Jawaharlal Nehru, Sardar Patel, Maulana Azad, Dr. Ambedkar, Dr. K. M. Munshi and Pandit Pant. The ranks of the private members too had notable personalities like Acharya Kripalani, Shyama Prasad Mookherji, N.C. Chatterjee, H.V. Kamath and Hiren Mukherjee. Mavalankarji presided over the deliberations of these stalwarts with a finesse that was matched only by his distinguished counterpart Dr. Sarvepalli Radhakrishnan in the other House. Indeed, the two of them were like sages of old—one Vyasa and the other Valmiki—creating invaluable records of legislative history.

Mavalankarji laid a solid foundation to our parliamentary system. Many issues came up before the House for the first time. The Constitution had to be correctly interpreted and applied to the proceedings before the House. Members had to be guided and helped to make the best use of parliamentary institutions and also warned against abuse of Parliament, the greatest bastion of democracy. As a member of the First Lok Sabha, I recall several pace-setting rulings given by Mavalankarji—rulings that can rank in wisdom and fairness with any Parliament with longer existence than ours.

I shall refer briefly to a few rulings which display his breadth of vision, concern for procedures and respect for parliamentary institution.

During the first debate on the President's Address in our Parliament, amendments were moved dealing with matters not referred to in the President's Address. Objecting to them, the Deputy Speaker Sri Ananthasayanam Ayyangar relied on Article 87(2) of the Constitution, which restricts discussion on the President's Address to "matters referred to in such address". But Speaker Mavalankar observed: "I am not standing on any technicality at all, even though the point made out by Sri Ananthasayanam Ayyangar has force. Because, though it is said that the discussion should be on the points contained in the Address, still it is always a point for debate—and a moot point—as to what is covered and what is not covered. In a sense, the Address takes a general view, because it gives an indication of what Government is going to do. Therefore, even granting the technicality that the amendments should be with reference to the matters contained in the Address, so far as practical results go, it will throw open the entire administration for discussion, and it will be a very difficult and delicate thing to decide whether a particular point is within the contents of the Address or beyond. So, I do not propose to go into that..." Thus Speaker Mavalankar gave a liberal interpretation to the Constitution and widened the area of discussion by the members.

Speaker Mavalankar was very firm in the application of rules and made no distinction between the Government and the Opposition in this regard. In 1954, the Minister for Commerce and Industry introduced an amendment to Coffee Market Expansion (Amendment) Bill. It was outside the scope of the Bill. Mavalankarji ruled as follows: "The amendment, which the Minister of Commerce and Industry has tabled for the addition of a new clause—20A—to the Bill, seeks to amend section 45 of the principal

Act which is not sought to be amended either in the original Bill as introduced in the House or by the Select Committee in their report. Therefore, I do not think it is competent for him to move that amendment which is outside the scope of the Bill. The only remedy is, if he thinks fit, to bring a separate piece of legislation to amend that particular section."

The Minister of Commerce and Industry apologized to the House for having tabled the amendment.

In the discharge of his onerous responsibilities as Speaker, he also guided the Government in following the correct procedures. The Lok Sabha passed the Indian Tariff (Amendment) Bill when the Rajya Sabha was not in session and was not expected to meet within 14 days of the passing of the Amendment Bill. Under Article 109 Clause (5) of the Constitution, if the Bill is not returned within 14 days by the Rajya Sabha, it would automatically become law. Speaker Mavalankar, therefore, withheld the transmission of the Indian Tariff (Amendment) Bill to the Rajya Sabha for some time so that the period of 14 days did not terminate before the commencement of the Rajya Sabha. The Speaker then observed: "I am not asking for any permission of the House. I am merely inviting the attention of the House to a certain act of my own, taken on my own responsibility so that Members may be aware as to how this Secretariat is functioning. If attention was not paid to this small matter at the time of transmission, the result would have been that fourteen days would have elapsed before the Rajya Sabha began their session. The President would have certified the Bill and the Rajya Sabha would have had no occasion or opportunity of making its recommendations. The only course, therefore, was to hold over the despatch from one sector of this House to another sector. The interpretation has been—we are told by people conversant with law and experienced in law—that even when the Rajya Sabha is not in session, a Bill can be sent to the office of the Rajya Sabha, to its Secretary and if the Secretary receives the certified copy of the Bill, it is deemed to have been received by the Rajya Sabha. That is the difficulty and, therefore, I wanted the Secretary not to remit the Bill immediately. In future, Government should take care to so arrange its programme when the other House is not in session that a contingency of this type might not arise."

Mavalankarji's rulings were regarded by all sections of the House as lessons. In fact, even the veteran Acharya Kripalani used to refer to the Speaker as a Teacher. It is an index to Mavalankarji's unimpeachable reputation that he enjoyed and retained the trust of the Opposition no less than the Treasury Benches. Sri Hiren Mukerjee, the veteran Communist leader said of Mavalankarji: "He had a passion which very few people have—at least I have met nobody else who had that passion—to see parliamentary forums worked in this country in a manner which would be in conformity with our political institutions and to that passion he gave all the talent that he possessed. He was a person whose like we shall not easily see again."

Mavalankarji's reputation as a presiding officer spread beyond the frontiers of India. He became, in 1956, the first non-white to be elected to the Chairmanship of the General Council of the Commonwealth Parliamentary Association. As Speaker, he travelled abroad selectively but everytime he went to another nation, he left a great impression behind, as one who was laying down guidelines for the working of the newly emerging parliamentary institutions in the world; as a thinker, patriot and statesman. He was hailed, wherever he went, as a symbol of India's nascent democracy.

Simultaneously, Mavalankarji worked with equal devotion to the many public causes with which he had associated himself in India.

When Mavalankarji passed away, in 1956, Rajaji said in a moving tribute: "The news of the passing away of Mr. Mavalankar will cause the deepest grief to everyone who had the fortune to know this good, most upright and diligent soul. One of the best citizens of India is gone. Parliament will mourn for the loss of a beloved head of the family. Numerous are the trusts over which he presided with an iron grip of integrity and good management. They will also be in grief and trouble due to his loss."

It is to honour that giant in political, social and parliamentary work that we have gathered today. But words are a poor tribute. The best tribute that we can offer him is through diligent devotion to his ideal—which was also the Constitution's ideal—of Parliament. Hon'ble Members of Parliament would, in particular, do well to remember that it is not necessary, as is mistakenly supposed, that in parliamentary work, the weight of numbers or the power of lungs alone counts; so do homework and preparedness; so do meticulousness in presentation and above all high-mindedness in aim. Let us not give way to anything small, mean or short-sighted. Let us use this noble institution of Parliament nobly. Nothing more is necessary to honour Mavalankarji's memory. But nothing less will suffice.



President R. Venkataraman unveiling the Portrait of Shri S. Satyamurti in the Central Hall, Parliament House
(19 August, 1987)

III

Unveiling of Portraits in Central Hall of Parliament

(i) *S. Satyamurti — A Vivacious Orator**

During the years 1987 and 1989, we shall have the privilege of celebrating the centenaries of some men of truly heroic proportions. Notable among them are Maulana Abul Kalam Azad, Dr. Radhakrishnan, Govind Ballabh Pant, G.V. Mavalankar, and a host of others ending with Jawaharlal Nehru. The simultaneous occurrence of these anniversaries is no accident of the Gregorian calendar. It contains a truth of deep significance. It shows that about a hundred years ago, our great country, after years of slumber, had decided to awaken. Human affairs seemed then to have reached a moment of time when ordinary men and women were invested with a vision and a purpose that was altogether extraordinary. It was as if Time had decided to send down into the night of our thralldom a great Torch which touched the wicks of several lamps all over the country and lit them up, creating a national incandescence. Three rare lamps were thus lit up within a few months from each other in Tamil Nadu, a hundred years ago. One was C.V. Raman, the outstanding physicist, the second was S. Ramanujan, the brilliant mathematician and the third was S. Satyamurti. What Raman was to physics and Ramanujan to mathematics, Satyamurti was to the world of parliamentary politics. In Satyamurti, the science and art of democratic activity reached its apogee. It is, therefore, most appropriate that a portrait of Satyamurti adorns the Parliament in which Satyamurti's trumpet voice was heard so often and so eloquently in the cause of India's freedom.

Adjectives vie with each other for application to that many-splendoured personality and memories compete for precedence. Those of us who had the great good fortune of knowing Satyamurti recall the man, a very model of urbane cultivation, a steadfast and charming friend, offering and receiving loyalty. We recall Satyamurti the patriot, yielding place to none in determination, diligence and daring; Satyamurti the devastating parliamentarian, at whose performances the British quailed and the

* Speech delivered at the unveiling of Portrait of S. Satyamurti in the Central Hall of Parliament on 19 August, 1987.

Indians thrilled: and finally, Satyamurti in his last and grandest phase: facing some of history's strange, almost cruel ironies with composure, self-respect and dignity.

All these aspects of his career made Satyamurti a personality that compelled attention, inspired admiration and evoked respect. Satyamurti's unique ability to charm the beholder started when he was but in his teens. Satyamurti, a lad like any other in the then princely State of Pudukkottai, and yet so unlike others, chose to speak at a meeting that had been got together to protest against the Partition of Bengal. When others of his age would probably have been frolicking in the playing fields with no thought beyond the morrow, this boy harangued against the partition of Bengal. His speech was all 'fire and brimstone' and rivetted the attention of the audience. With that speech, Satyamurti was launched.

Though he came from a family of modest means, Satyamurti's household had spent ungrudgingly on the boy's education. It was the natural expectation of his family that Satyamurti would in course of time acquire a law degree, ensconce himself in a lucrative practice and, perhaps, rise to the Bench.

But if there was one thing Satyamurti was not going to do, it was to follow convention blindly. He did his Law, of course, but the dull vibrations of mofussil litigation were not going to interest him. Coming into contact with the legal luminary S. Srinivasa Iyengar who later was to become Congress President, Satyamurti was soon inducted into the mainstream of political activity. He joined the ranks of volunteers in the *Madras Session of the Indian National Congress* in 1908 immediately attracting the notice of front-ranking stalwarts, such as Dr. Annie Besant and the Rt. Hon. V.S. Srinivasa Sastri. Unquestionably, this had much to do with Satyamurti's manifest talents as a speaker. But articulation cannot by itself be enough. It has to be related to qualities of perception and conviction. And of these, Satyamurti had a rich abundance. If Satyamurti enjoyed the gift of quick-fire speech, it was because he possessed a quicksilver mind: ever probing, ever analysing, ever vigilant and, therefore, never passive, never idle. Though still fresh in the ranks of the Congress, he did not hesitate to cross swords with Dr. Annie Besant on the issue of support to Britain during the First World War.

Courage of conviction was to mark him throughout. Later, when the destinies of the Congress had passed into the revolutionary hands of Mahatma Gandhi, Satyamurti's independence of outlook did not suffer any diminution. Satyamurti did not agree with the Gandhian programme of non-cooperation, being convinced that in the fight for Swaraj, all available means should be used. Satyamurti believed that work within Legislatures could be an equally effective instrument for furthering the nationalist cause not only by highlighting the deficiencies of an alien rule but also by demonstrating to the British our ability to master the nuances of the parliamentary system which, until then, had been regarded as the monopoly of Westminster.

Time accords perspective. At that moment, the Congress and indeed the nation had been sharply divided over the question of Council Entry as opposed to Non-

Cooperation. The no-changers, namely, those who wished to adhere to the Gandhian credo of non-cooperation outnumbered the pro-changers who wanted the Congress to give legislative activity a chance to play its part. If Jawaharlal Nehru, Sardar Vallabhabhai Patel, Maulana Abul Kalam Azad, Babu Rajendra Prasad and Rajaji comprised the *panch-ratna* of the Gandhian programme of non-cooperation and Satyagraha, the pro-changers among the Congress were no less impressive. Their own *pancha-ratna* included Motilal Nehru, C.R. Das, Vithalbhai Patel, Hakim Ajmal Khan and Satyamurti. The Congress rejected the Council Entry programme in its historic Gaya Session in 1922, and, that was when the Swaraj Party was born.

Satyamurti won the confidence of Motilalji and of Chittaranjan Das and became one of the all-India spokesmen for the Swarajist cause. None in the Congress doubted the Swarajists' commitment to India's freedom, even though they did not endorse their methodology. The Swarajists, likewise, fully shared the nation's trust in Gandhiji and his colleagues. And so, notwithstanding the differences of perception on methodology, broadly speaking, Congressmen looked upon the Swarajists as their parliamentary wing, while the Swarajists regarded Congressmen as their comrades in the field. And so it was that when the time came for elections to the Councils in 1923, Gandhiji declared that it was enough if one Satyamurti was sent to the legislature.

The 1923 elections which the Swarajists contested saw Satyamurti entering the Madras Legislative Council. His fame as an unrivalled legislator spread all over the country. Effective in all departments of legislative work, Satyamurti excelled himself in the Question Hour. He became a master of the art of interpellation. He once told me that the secret of his effectiveness in Question Hour lay in the fact that he invariably read the reports placed on the Table of the House, gathered facts and always trapped the supercilious British Executive Councillors by the wealth of information gathered on the subject. Satyamurti was also a master of repartee. When a Minister in the Madras Legislative Council stated "Notice Sir" to three successive supplementaries, Satyamurti retorted "Ignorance Sir".

Another field of parliamentary specialisation which brought out the best in Satyamurti was the Budget. His very first participation in a Budget discussion in the Madras Council in March 1924 revealed how the Budget could be torn to pieces, clause by clause, proposal by proposal. He condemned the levy on salt as an inequitable impost six years before Gandhiji started his famous Salt Satyagraha. He had anticipated the great movement and had proved his point that Council Entry and Non-Cooperation were not antithetical.

Satyamurti made a mark in the Madras Legislative Council, excelled even his own formidable standard as a member of the Central Assembly from 1935 to 1939.

The Assembly was unique: there was a galaxy of distinguished men both on the government side and on the opposition. Sir N.N. Sircar, the Law Member, Sir Mohammed Zafrullah, Sir James Grigg, the Finance Member, Sir Henry Craik, Home

Member, and Sir Girija Shankar Bajpai constituted the formidable official phalanx. Among the stalwarts in the opposition were Bhulabhai Desai, Govind Ballabh Pant, Asaf Ali, the young barrister from Delhi; N.V. Gadgil, N.G. Ranga and Satyamurti. M.A. Jinnah, Leader of the Independents, M.S. Aney, H.P. Mody, Cowasji Jehangir were some of the other stalwarts in the House, Bhulabhai was the Leader of the Congress Party, Pantji, Deputy Leader and Satyamurti was the Secretary. The role suited him admirably. His warm and gregarious nature made him an excellent organiser and coordinator, while his easy articulateness and alertness made him a superb spokesman for the Group. Each of the Congress stalwarts contributed his own special talent to the legislative task. It was given to Satyamurti to offer his very best as a lawyer, as a scholar of Eastern and Western literature, as a student of political science, as a keen observer of the world of finance and, above all, as one who understood human psychology. A memorable performance of Satyamurti in the Central Assembly was his marathon speech lasting nearly five hours on a Bill for the repeal and amendment of certain repressive laws. He made a thorough analysis of the state of law and his speech was copiously interspersed with citations of case law, cases tried under the section and judgments delivered in the various High Courts.

Satyamurti virtually stormed the citadel of the British Empire in India with powers of marshalling facts in the advocacy of his case, his rapier-like wit and his indefatigable energy. Satyamurti acquired a reputation for speaking the blunt truth bluntly, and wasting no time on non-essentials. Once he gave the House a piece of advice, quoting from the *Ramayana*, the advice Maricha gave to Ravana. Translating the Sanskrit verse of Valmiki, he said: "Men who talk pleasant inanities are plenty, but those who speak the truth, be it pleasant or unpleasant, are very few. And those who listen to the truth are fewer indeed." His sustained successes in the Central Assembly led Gandhiji once again to remark that if there had been ten Satyamurtis in our legislature, the British would have quit long ago.

The 1935 Act brought elections to the fore again. By this time the Congress had been persuaded to reverse its views on Council Entry and, even go beyond, to office-acceptance. Satyamurti was unanimously elected President of the Tamil Nadu Provincial Congress Committee, and Kamaraj became Secretary. This is when Satyamurti and Kamaraj came to be seen and identified as a formidable twosome. They channelized the great public aspiration for self-government into the direction of a Congress victory at the hustings. The erudition and eloquence of Satyamurti was supported by the rugged commonsense and organizational talents of Kamaraj. Together, they organized the campaign with matchless efficiency. Rajen Babu and Pandit Jawaharlal Nehru toured the State in what were not ordinary tours but triumphal marches. Everything seemed set to crown that campaign with a Congress victory and its expected outcome: and the formation of a Congress Ministry under the leadership of Satyamurti.

But what man proposes, the Fate disposes. At the instance of the national leadership, Satyamurti surrendered his pocket brought—the University Graduates' Constituency

in Madras—to Rajaji who became the leader and formed the Ministry. Satyamurti, therefore, continued at the Centre as the spearhead of the opposition. Sardar Patel wrote to Satyamurti: "...with Bhulabhai Desai ill and you and Pant going to State Legislatures, I had almost decided to close down the show at the Central Legislature and now that you have been spared, I have decided to run the show."

The nation watched with admiration, and not without some wonderment, the ironic spectacle of Rajaji, the outstanding no-changer and non-cooperator functioning inside the Council and in Office with utmost ease and great success, while Satyamurti, the outstanding pro-changer and constitutionalist, remained outside and carried on the agitation!

Satyamurti was too great a man to nurse a grouse on the deprivation of office. He bore the disappointment with dignity and continued to serve the cause of the nation with deep dedication. Around the same time, his health had also begun to deteriorate. Satyamurti fought his ill-health even as he fought the foreign yoke, waging both battles with equal vigour. He was detained in Amaravati Jail under the Quit India Movement which further aggravated his illness and hastened his end in 1943. It is a thousand pities that Satyamurti was denied the ineffable pleasure of seeing the dawn of Freedom. Four years before Independence, Satyamurti was recalled by God.

Cradled in the swings of political aspiration, trained in the school of political combat, seasoned in the cloisters of parliamentary activity, Satyamurti finally stepped into the pages of history not just as Satyamurti but as *Tyagamurti* (embodiment of sacrifice).

Satyamurti has left a great legacy to future Parliamentarians. He proved that neither numbers nor lung power were as effective as the punches and pulls based on incontrovertible facts, figures and arguments. The records of speeches of the opposition members in the Central Assembly during 1936-39 afford ample testimony to this. A thorough study, cogent presentation, debating skill and quick repartee are the finest weapons in the armoury of a Parliamentarian.

The other lesson that we should learn from Satyamurti's life is the lesson of consistency, loyalty and steadfastness to organizations and causes, irrespective of the personal factor. To many people in public life now-a-days act subjectively, and therefore, impulsively and in haste—only to regret their action later. Satyamurti suffered great personal disappointments and provocations but he never allowed them to affect his poise or his loyalties—in thought, word or deed. He had his priorities straight. If we are honouring Satyamurti today, it is not so much to praise a departed soul but to inspire the present and succeeding generations to emulate the noble example set by him. As a poet said, "Lives of great men all remind us we can make our life sublime. And departing leave behind us footprints on the Sands of time".

May this portrait serve as a source of eternal inspiration to Parliamentarians.



President R. Venkataraman unveiling the Portrait of Smt. Indira Gandhi in Central Hall, Parliament House (19 November, 1987)

(ii) *Indira Priyadarshini*
*First Woman Prime Minister**

TODAY WE ARE adding to the portrait gallery of the historic Central Hall of Parliament one more illustrious personality who strode like a colossus across the political firmament of India for nearly two decades.

The nightingale of India, Smt. Sarojini Devi, with poetic prescience, had greeted the birth of Indira Priyadarshini as the arrival of the "new soul of India." Born in the Abode of Allah—Allahabad—and in the holiest of places, the Triveni Sangam, Smt. Indira Gandhi combined in her the culture of the whole of India. No wonder that she rose naturally and effortlessly above all castes, creeds, religions, regional and linguistic prejudices and stood out as symbol of Indian unity.

Her education at Santiniketan and Oxford helped to widen her horizon. But deeper education came to her from her father, Jawaharlal Nehru through his loving letters and his *glimpses of world history*. Jawaharlalji was, therefore, both father and teacher; guardian and guide. It is particularly apposite that this portrait of Smt. Indira Gandhi is to directly face that of her father Pandit Jawaharlal Nehru—both having been painted by the same distinguished artist Svetoslav Roerich. It is also appropriate that this painting should stand between those of Pandit Motilal Nehru, her illustrious grandfather and Sardar Patel, whose iron will she matched during her administration of the country.

Smt. Indira Gandhi's political apprenticeship under her father gave her an insight into men and matters of Indian politics and equipped her for the great role she was to play in shaping the destiny of India. Of Jawaharlalji she said: "To me he was a companion, a teacher and colleague." "Be Brave; the rest follows", wrote Nehruji in one of his letters to his daughter. This only kindled the flames of the already burning bravery in Indira Gandhi. In the months of agony when India was partitioned and the brute in Man overpowered the finer instincts of kindness and sympathy, Shrimati Indira Gandhi, barely 30-years old, offered at general personal risk, but with characteristic self-effacement, much-needed succour to the tormented and suffering people.

* Speech delivered at the unveiling of Portrait of Shrimati Indira Gandhi in the Central Hall of Parliament on 19 November, 1987.

When at the Nagpur Session of the Indian National Congress, Indiraji was called upon to shoulder the onerous responsibility of the President of Congress Organization, she was transformed from a shy withdrawn person to an active field worker meeting people, discussing party and national issues, addressing public meetings and mingling with the masses. That she could rise to any situation was revealed in the days of her Congress Presidentship.

In 1962, when our borders were violated in the North Eastern region, Indira Gandhi tarried at Tezpur, despite appeals to her to leave, displaying extraordinary courage in the face of a crisis. But it was as Prime Minister of India during the Bangladesh liberation action in 1971 that her image and the image of India soared to heights hitherto unknown. The influx of refugees from East Pakistan threatened our own existence. The action initiated then was a master-stroke in conception, preparation and execution. Even in the face of the Seventh Fleet of United States moving into the Indian Ocean, when the air was thick with rumours of American intervention, Indira Gandhi stood undaunted and in her memorable speech at Ramlila Ground said:

"We will not yield; we will not retreat a single step."

Hers was a historic role and will remain permanently embedded in the history of India and of Bangladesh. It also restored the prestige of India and the Indian Army which had been dimmed during the 1962 campaign.

During Indira Gandhi's tenure of office as Prime Minister, India made rapid progress in several fields—agriculture, industry, science and technology and social services. India achieved self-sufficiency in food, a feat regarded by many developing countries as a miracle. India attained a place among the first ten industrialised countries of the world. We established our nuclear capability for peaceful uses at Pokhran. We sent satellites into orbit and through them carried TV to the farthestmost corners of India. Her economic policies won the affection of the masses. Bank nationalisation, which brought credit facilities to the doorstep of the rural population, the 20-Point Programme which gave succour to the poor and the needy, were but a few of the innumerable facilities provided by her for the less privileged in society. As the Prime Minister of Yugoslavia put it: "Could anyone, during the short life span of a human being, have contributed more to one's country, to moving the wheel of history forward, to a better future, than Indira Gandhi had done for India?"

Smt. Gandhi's solicitude for the weaker sections was not confined to national frontiers. Her impassioned plea for a new economic order, vigorous opposition to Apartheid and discrimination of any kind anywhere in the world raised her to the stature of a world stateswoman. She added new dimensions to the Non-aligned Movement and made it a force in world affairs. Her relentless campaign for disarmament and more particularly for nuclear freeze and reduction of the arsenals of war found an echo in all parts of the globe. If Jawaharlal Nehru was the architect of NAM, Smt. Indira Gandhi gave the edifice its stability and strength. To quote her own words: "By asserting the right of

self-determination our movement enfranchised more than half the world which was under colonial subjection. We continue to fight for the rest. We challenge the doctrine and practice of racism. We now strive to enforce the right of economic equality."

Her passion for world peace based on equality of human beings, equitable distribution of the resources of the world and for a world rid of the scourge of war, has earned for her a permanent niche in the temple of fame. No wonder that President Gromyko of the USSR said: "To remember Indira Gandhi today means, among other things, to look into the future of mankind." Indira Gandhi was an apostle of secularism. Notwithstanding the teachings of human brotherhood by all the saints and sages of all religions, we, their followers have only sharpened, in the name of religion, our bigotry, intolerance, bitterness and rancour against each other. Smt. Indira Gandhi realised that India belongs equally to Hindus and Muslims, Christians and Sikhs, Buddhists and Jains, Parsis and others and that all of them are entitled to equal rights, respect and protection. She endeavoured in all sincerity to protect the minority against the majority, and the majority against a violent minority. It was her dream that all religions should merge into the ocean of Indianness as the rivers merge into the sea. She truly represented the soul of India—the new soul as Sarojini Devi described her.

A connoisseur of Art, lover of music, admirer of nature, be it mountains, seas, forests or flowers, Smt. Indira Gandhi patronised the preservation and development of every one of them. The thrust for eco-development sprang from her heart and her life was in harmony with nature.

Towards the end of 1979, she requested the late Dr. Salim Ali to suggest a set of steps for eco-preservation. All the points suggested by the distinguished naturalist, including the setting up of separate Ministry of Environment, were accepted and acted upon by her when the nation entrusted her with the prime Ministership of India, once again in 1980.

She blended with the environment and wherever she went, whether to Nagaland or Sourashtra, she enjoyed wearing the local costumes to the immense delight of the local people. At her touch Art blossomed and artists, be they musicians or dancers, poets or painters, sculptors-and sportsmen, all received encouragement and inspiration from her.

It is inconceivable that one who symbolized a national consensus should have been felled by an assassin's bullet. But martyrs in history have paid the same price for keeping to one's convictions.

When as Defence Minister on one occasion, I had suggested that the Prime Minister's security may be transferred to the Defence Ministry, she shot back "I am not afraid of death" and dismissed the idea without a second thought. It was given to her to prove what she said.

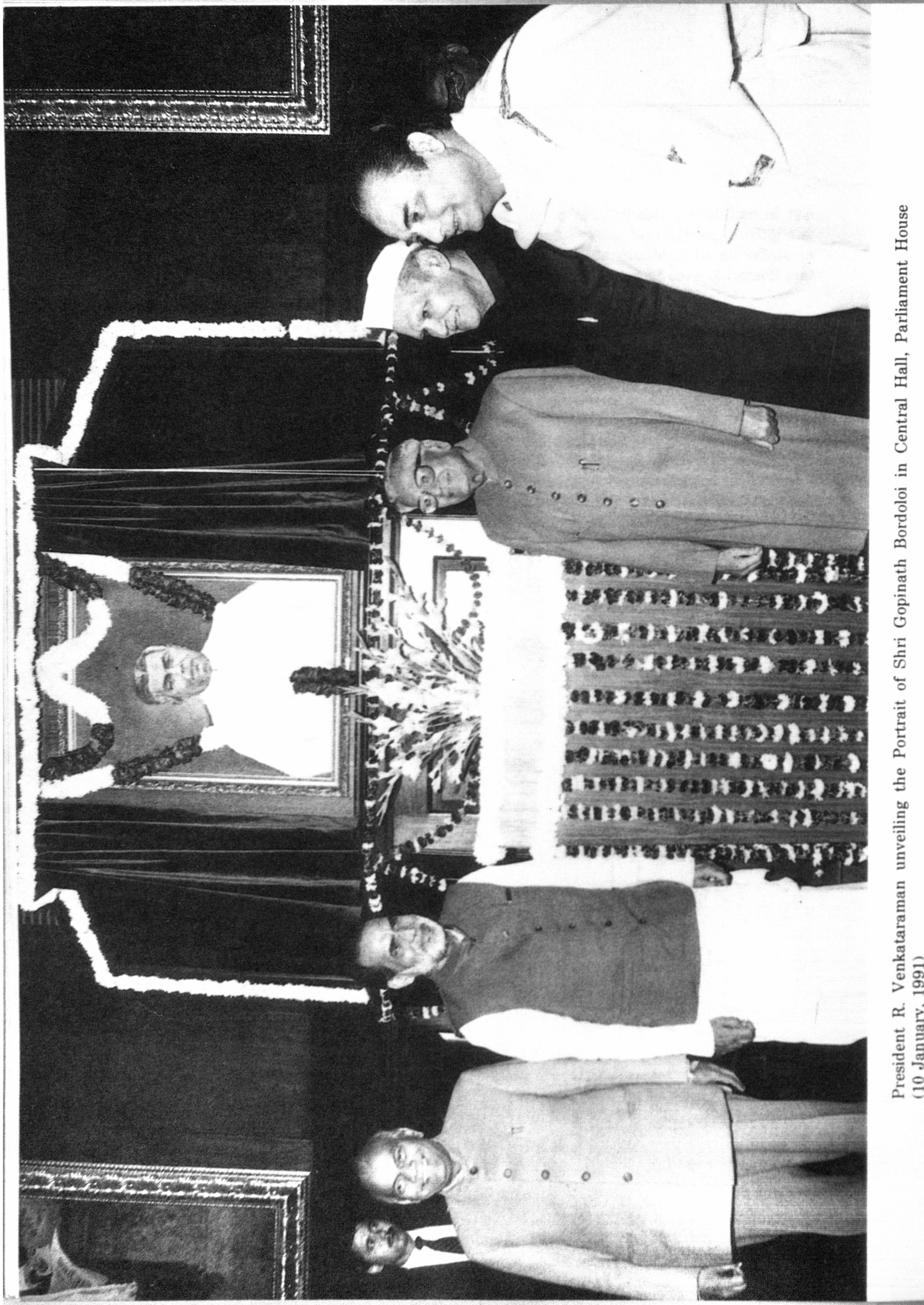
Smt. Aruna Asaf Ali also record:

"My last meeting with her was on 15 October, 1984. I told her of the ominous rumours I had heard, of her impending liquidation, during my visits to Punjab to promote the Rashtriya Ekta Andolan in an effort to prevent a communal flare-up ... I urged her to take great care of herself and to curtail her movements."

Indiraji replied: "I can't give up meeting the people."

"Why not wear a bullet-proof jacket at least?" I asked. She smiled the suggestion away.

In one of his memorable letters to her, Jawaharlal Nehru wrote from prison: "Priyadarshini—dear to behold, but dearer still when sight is denied." Today when she is not with us, she is dearer and more precious. Her life on earth was extinguished on 31 October, 1984. As the citation for the Jawaharlal Nehru Award presented to her posthumously said: "Her death was in balance with her life. She lived in courage and died without fear." Simultaneously she stepped into eternity a shining star—an example of dedication to humanity.



President R. Venkataraman unveiling the Portrait of Shri Gopinath Bordoloi in Central Hall, Parliament House
(10 January, 1991)

(iii) Gopinath Bordoloi *A Lokpriya son of Assam**

It gives me great pleasure to unveil the portrait of Lokapriya Gopinath Bordoloi, a great and noble son of India.

Bordoloi belongs to the generation of patriots from all over the country who plunged themselves into the struggle for the freedom of the motherland. The first salvo on behalf of freedom was, as you are all aware, fired in 1857. This was followed by a series of political struggles in which different methodologies were employed by patriots to achieve the goal. Revolutionaries, who believed in the path of violence, and liberals, who believed in the evolution of democratic institutions, made their own distinctive contributions to the struggle.

It was in the second decade in the century that the movement for political freedom was transformed into a national mass struggle under Gandhiji's leadership. The Gandhian movement combined the uncompromising courage of the radicals with the intellectual sophistication of the liberals. It thus appealed to a wide range of Indians throughout the length and breadth of our vast land. Ordinary men and women were transformed into heroes of freedom struggle and organisers, spokesmen and leaders of the movement. What made these initiatives different from the earlier ones was that they included not just the political emancipation of the country but its social and economic renaissance as well.

Gopinath Bordoloi personified Assam's contribution to this nation-wide phenomenon. He was to Assam what sardar Patel was to Gujarat; Rajendra Prasad to Bihar; Rajaji to Madras and Govind Ballabh Pant to the United Provinces. In fact in the lexicon of the Gandhian struggle, Bordoloi and Assam were synonymous and interchangeable terms. If Assam's opinion on any national matter was to be sought, the Congress Working Committee would turn to one person alone—Gopinath Bordoloi. Even more significantly, the people of Assam reposed utmost faith and confidence in their leader—Gopinath Bordoloi.

* Speech delivered on the occasion of unveiling of portrait of Shri Gopinath Bordoloi in the Central Hall of Parliament on 10 January 1991.

Like almost all the stalwarts of the freedom struggle, Gopinath Bordoloi studied the Law but proceeded thereafter to become not a prosperous lawyer, but a legally-trained soldier in the national cause. Attending the Calcutta Session of the Congress in 1920 which was presided over by Lala Lajpat Rai, he gave up his legal practice to join the non-cooperation movement in 1921. From that point onwards there was no looking back. Bordoloi's personal integrity, discipline and austerity had made him a Gandhian even before he met Gandhiji. Here was a case of kindred souls coming together, recognising mutually cherished qualities in each other and becoming friends and colleagues for life. The great saint Sankara Deva had already turned Bordoloi's personality Godwards and so Bordoloi and Gandhiji were also partners in a spiritual sense. Bordoloi was attracted not just to the political ideals of the Mahatma but equally to those constructive programmes for social emancipation of the weak and underprivileged. Bordoloi rapidly gained the confidence, trust and respect of the people of Assam, irrespective of whether they were from the plains or tribals. They listened to him as to an elder brother who had no axe of his own to grind and whose interest in them was entirely selfless. He became friend, philosopher and guide to all of them. Even the Naga rebel leader Phizo acknowledged that "Bordoloi was a friend of the Nagas".

When Congress accepted office for the first time under the scheme of Provincial Autonomy in 1937, Bordoloi was the automatic choice for the office of Premier in Assam. His tenure was marked by a beginning of several schemes for the betterment of the people of Assam, transcending all boundaries of caste and creed. Education received the particular attention of Bordoloi's Government. He undertook a major reform of the educational system, establishing the Kamarup Academy and the Baruah College at Guwahati. It was due to his untiring efforts that Assam also acquired, at this time, an agricultural college, a medical college and a veterinary college apart from technical institutions. *Rashtrabhasha Prachar* received an exceptional fillip during his stewardship of the State, as did the Gandhian programme of prohibition, especially, of opium. Bordoloi made the transition from a revolutionary to an administrator with remarkable ease. His tenure as Assam's Premier won him the appreciation of not only Gandhiji and Jawaharlalji but of that critical judge of men, Sardar Vallabhbhai Patel. There was, in fact, much in common between these two stalwarts. Bordoloi, like Sardar Patel, never spared slackness or lack of commitment in others. But most of all, he was unsparing with himself. He worked himself to the extremities of personal endurance. Not surprisingly the State administration earned a very good name for itself and Assam prospered but Bordoloi's own health suffered in the process.

Office, for Bordoloi, was not an end in itself; it was a means. And so when, at the commencement of the Second World War Congress resigned from office in the Provinces, Bordoloi re-transferred his energy once again to the national movement. He was chosen by Gandhiji in 1941 to be the first individual satyagrahi in Assam and his role in the Quit India Movement of 1942 became something of a local legend.

Bordoloi's indelible contribution lies in the crucial role he played on the eve of Independence when he put up a stiff resistance to what was called the "Grouping Plan" initiated by the Cabinet Mission led by Sir Stafford Cripps. The late Sarat Chandra Bose and Syama Prasad Mookerjee appreciated Bordoloi's opposition to this plan. The matter was then put before Gandhiji who appreciated the position and gave Bordoloi his moral support. Bordoloi launched a statewide agitation against the grouping policy with great courage and foresight. This very timely action of Bordoloi saved Assam from becoming a helpless pawn on the pre-partition chess board of Indian politics. We can confidently say today that if Assam remained on this side of the boundaries drawn in 1947, the primary credit for that goes to Lokapriya Gopinath Bordoloi.

But great as this achievement of Bordoloi was, his real and most abiding achievement went beyond this. As Chief Minister of Assam after Independence, Bordoloi regarded *all* the people of his State as his, while his own natural family remained in obscurity. He thereby won the cordial affection and confidence of people with different backgrounds and persuasions like the late A. Z. Phizo and J. J. Nichols-Roy. For him, Assam was a mini-India with many faiths, languages and ethnic backgrounds. He saw that each one of the various segments of Assam's people must possess both a sense of identity as also of identificational; identity as individuals and as groups; and identification with a larger entity; Assam and India. For Bordoloi an Assamese was not a true Assamese if he could not feel for the Khasi, the Mizo, the Bodo or the Naga. Equally, an Indian was not a true Indian if he could not feel for Assam. A tree exists not just in its roots but in its trunk and every branch, flower and leaf. If the branch is injured, the root is pained; if the root is cut, the branch cannot survive. Bordoloi knew this. It behoves all of us to carry this message to the nooks and corners of our vast country.

Bordoloi cared deeply for individuals and helped them to grow. Among his younger colleagues were Bisnuram Medhi, B.P. Chaliha, N.M. Chowdhuri, S.C. Sinha, D.K. Borooah. All of them became Chief Ministers, or Union Ministers, Governors and party Presidents. One of them the late Fakhruddin Ali Ahmed Saheb became President of India. Bordoloi, in that sense, was an alchemist. He was a leader who developed leadership in others.

As we celebrate Bordoloi's centenary let us do more than honour the memory of a well-beloved leader; let us honour the vision which he cherished; let us honour his faith in national integration and unity by following his example. We do not have Gopinath Bordoloi in our midst today, but there is a Bordoloi in every son and daughter of Assam. We must seek the Bordoloi in every Assamese. Similarly, every Assamese must discover in other Indians the spontaneous understanding and appreciation which Bordoloi found among his colleagues in the rest of India. In a fitting tribute to Bordoloi and to his work for unity, Sardar Patel observed:

The State has yet to consolidate this unity and cement its bonds. It has yet to infuse into the different elements... a spirit of oneness and loyalty to its common ideals. None of us was more fitted to achieve this difficult task than Gopinath Bordoloi. But alas, fate has removed him at a time when the State needed him most. I can only hope that his successor, and his colleagues will follow the path on which he trod and, inspired by his example, will devote themselves to his unfinished tasks with unity and faith.

This unfinished task has, in recent times, acquired urgency. May the portrait being unveiled today inspire the present and succeeding generations to devote themselves to the cause of national integrity and unity. Jai Hind.



President R. Venkataraman unveiling the Portrait of Dr. Syama Prasad Mookerjee in Central Hall, Parliament House (31 May, 1991)

*(iv) Syama Prasad Mookerjee — A True Nationalist**

It is with real pleasure and a sense of personal satisfaction that I participate in this function to unveil the portrait of one who was the pride of India—Dr. Syama Prasad Mookerjee. I would, therefore, like to thank the Honourable Speaker most sincerely for inviting me to unveil this portrait and thereby pay my tribute to that great patriot.

In the many—splendoured renaissance of India, Bengal played a distinguished role. Sri Ramakrishna, Swami Vivekananda, Raja Ram Mohun Roy, Aurobindo Ghosh, Rabindranath Tagore, Subhas Chandra Bose, Sarojini Naidu and a host of others formed a galaxy of stars that shine eternally in our memory.

It is remarkable that this galaxy came into being almost contemporaneously with the national awakening for freedom. In that stellar formation, two stars stood together, shedding a unique lustre of their own: the distinguished Asutosh Mookerjee and his brilliant son, Syama Prasad Mookerjee.

Scholarship, nationalism and fearlessness suffused the atmosphere of the Mookerjee home into which Syama Prasadj was born on 6 July, 1901. Asutoshji personified renescent Bengal's self-respect, self-reliance and self-confidence. As Vice-Chancellor of the Calcutta University Sir Asutosh had said: "Freedom first, Freedom last, Freedom always". Syama Prasadj imbibed this message from his father—and enriched it.

Not surprisingly, Syama Prasadj's early years bespoke excellence in every field and sphere of activity. He graduated from Calcutta's Presidency College, standing first in the first class with English Honours as his subject. He also took his Master's degree in 1923 with a first class first, studying "Indian Vernaculars" instead of English, in tune with Sir Asutosh's policy of giving Bengali and Indian languages their rightful place. He performed the hat-trick by securing, in 1924, a first class first once again in the B.L. degree examination. Very few Indians in any walk of life ever matched his distinguished academic career. He inherited from his father the passion for education and an insight into the working of the educational system. No wonder he was elected to the University Senate and Syndicate, and also became its youngest Vice-Chancellor in 1934. Barely

* Speech delivered on the occasion of unveiling of portrait of Dr. Syama Prasad Mookerjee in the Central Hall of Parliament on 31 May 1991.

33 years old, Syama Prasad made an immediate impression. It was during his term as Vice-Chancellor of the Calcutta University that his formidable reputation as an educationist, social thinker and powerful orator spread beyond the boundaries of Bengal.

Syama Prasadji was elected to the Legislative Council from the Calcutta University constituency. He later became a Member of the Legislative Assembly of Bengal where he won the regard, respect and admiration of even the alien Government. He served as the Finance Minister of undivided Bengal in the Fazal-ul-Haque Ministry.

Syama Prasadji protested with all vehemence and eloquence at his command against the British actions during the Quit India Movement. Most of the Congress leadership was then behind bars. Syama Prasadji, though a member of the Bengal Government at that time, exhorted the British Government to release the leaders, take the people into confidence, and raise a National Defence Force. This attempt having met with no success, he opted to leave the Bengal Government. He condemned the British administration for its callous attitude to the Bengal famine and, in his parleys with the Cripps Mission, asked for India's liberation.

Syama Prasadji's differences with the Congress Party did not stand in the way of his pursuing his patriotic instincts and striving for the freedom of the country. His name became a byword for uncompromising patriotism, pride in India's heritage and unflagging zeal. He commanded the respect of people across political boundaries, as a foremost champion of the cause of Indian liberation.

But Syama Prasadji was much more than a leading soldier of our army of Independence. For him redeeming the self-respect which we as a nation had lost, was a priority. What was at stake for him was not merely the conferment on our countrymen of a right to choose our Government, but the inculcation of a sense of pride in our ancient heritage. *A staunch Hindu by birth, upbringing and belief*, Syama Prasadji had an eclectic mind. His interest in the work of the Mahabodhi Society of India as its President, for instance, bears testimony to his broad and liberal non-sectarian outlook.

Syama Prasadji was elected to the Constituent Assembly from West Bengal. He made memorable contributions to its deliberations and to its Committees such as the Advisory Committee on Fundamental Rights, the Union Constitution Committee and the Minorities Sub-Committee. The proceedings of those bodies reveal that whatever be the divergences in individual perception, the leaders of those times did not hesitate to come together in the national interest, a lesson which all of us should re-learn.

Jawaharlal Nehru, our first Prime Minister, invited distinguished non-Congressmen like Syama Prasadji, John Mathai, Shanmugam Chetty and Babasaheb Ambedkar to join the Union Cabinet in 1947 along with the Congress leaders. Syama Prasadji was entrusted with the crucial portfolio of Industries. His remarkable mental agility came to the fore when he handled the portfolio of Industries. He laid the foundation for what

was later called the 'mixed economy' with a rare felicity. As a Member of Parliament at that time I had the privilege of observing Syama Prasadji's work from close quarters. An ardent believer in the appropriate role for private enterprise and market economy, it was nonetheless given to Syama Prasadji to establish the outstanding public sector undertakings like the Chittaranjan Works, the Hindustan Aeronautics Ltd. and the Sindri Fertilizers. Pragmatism and not dogmatism informed his Industrial Policy. Every sector, the public, the private, the cooperative, the self-employed, the small and the rural industries received his fostering care and generous assistance.

I should like to cite one example: Around 1948, the workers of Salt Pans in district of Tirunelveli in South India had formed a cooperative for the manufacture of salt and applied for assignment of land to the Central Government. The idea was novel and was resisted by the bureaucracy from the lowest level to the highest in the Government of India. I represented to Syama Prasadji the cause of the salt workers and explained to him that this was a new experiment which was worth trying. Syama Prasadji, overruling all objections, allowed the cooperative to be formed and assigned the land. It is today one of the outstanding examples of cooperative salt manufacture by the workers themselves.

As Industries Minister, Dr. Syama Prasad Mookerjee had a practical and sympathetic approach to labour problems. While he did not subscribe to the Marxist doctrine of class struggle, Syama Prasadji believed in cooperative between labour and employer for the benefit of increased production and productivity. He had a great solicitude for the welfare of labour for which I can also bear personal testimony.

Syama Prasadji was an eloquent speaker, a skilful debater and an able parliamentarian. Quick witted and nimble in expression, he was devastating in his repartees. Syama Prasadji's historic statement on his resignation from the Union Cabinet over the Nehru-Liaquat Pact left a very deep impression both on the Parliament and the people outside.

As a leader of the Opposition he was alert, active and quick at response. Few in Parliament matched his eloquence and his debating skill. When Nehru, Rajaji and Sardar Patel crossed swords with Dr. Syama Prasad, it was not sparks that emanated from the clash but glittering gems that rolled out of it.

Syama Prasadji was a man of great moral courage. His demise in jail is one of the tragic episodes in our nation's history. The news plunged the entire country in grief. I was in the House when Jawaharlal Nehru as Prime Minister and Leader of the House, made a memorable obituary reference. With the greatness of heart and elegance that was characteristic of him, Jawaharlalji spoke movingly of his erstwhile colleague (and I quote).

This is not the time to think of differences but rather of the many agreements and of the fact that we are deprived of the personality who had played such a notable and great part in the country.

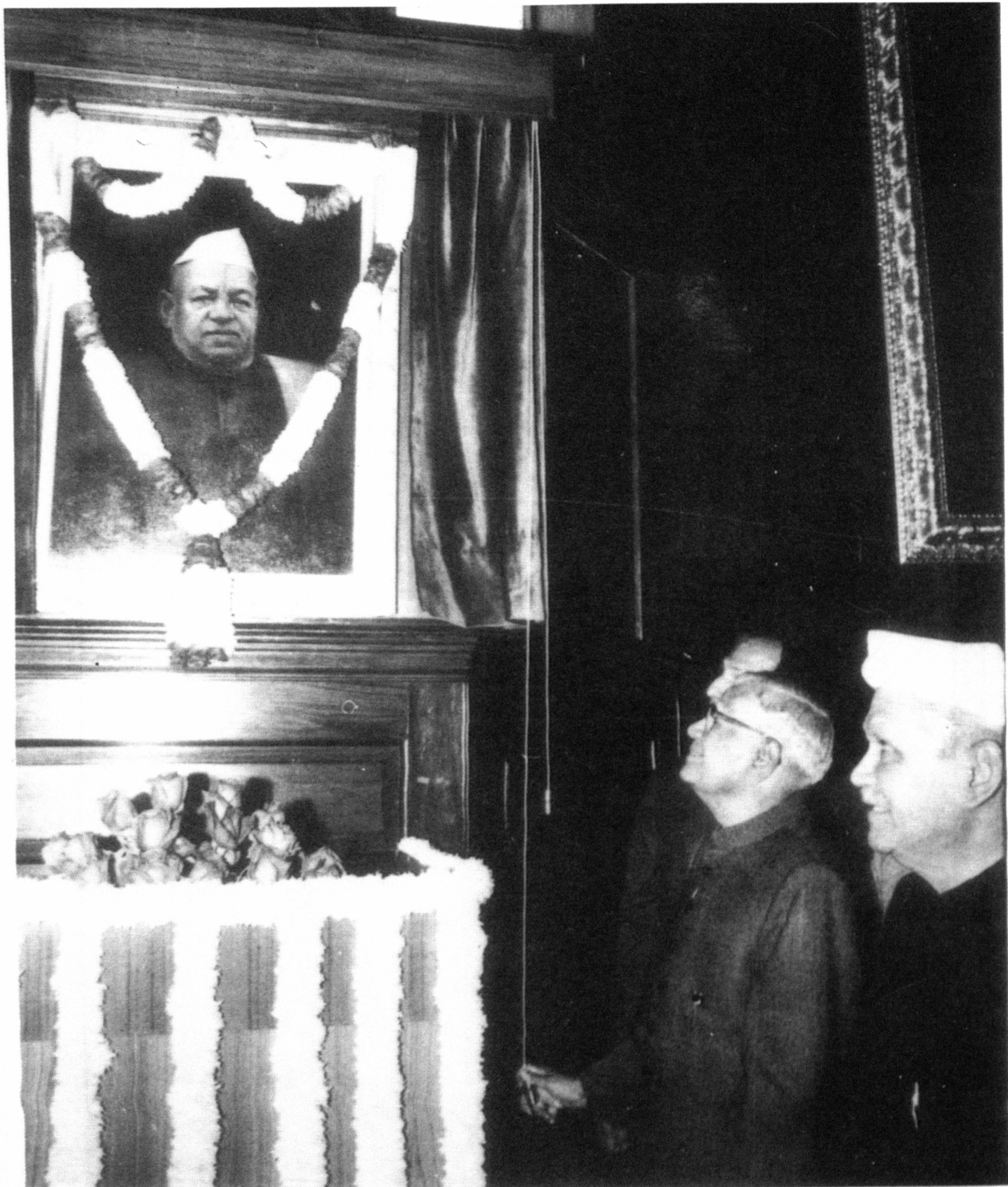
(Unquote)

Jawaharlalji also referred to the fact that Syama Prasadji's death was so palpably premature. "A large and good stretch of years was before him" said he and added with a sorrow that spoke for the entire nation: "But that was not to be."

May I on this occasion express the fervent hope and prayer that his courage, patriotism and dedication to the nation will continue to inspire this and succeeding generations.

I would like to congratulate the Honourable Speaker of the Lok Sabha on enriching the galaxy of portraits of national leaders in the Central Hall of Parliament, with the portrait of one who was rightly described as a Lion of Parliament.

I have great pleasure in unveiling the portrait of such a great national leader and a distinguished Parliamentarian. May his example continue to inspire our lives.



President R. Venkataraman unveiling the Portrait of Shri M.A. Ayyangar in Central Hall, Parliament House (9 December, 1991)

(v) *M. Ananthasayanam Ayyangar — A Talking Speaker**

It is with a sense of real satisfaction that I join this gathering to honour the late Shri Ananthasayanam Ayyangar. A scholar, patriot and legislator of distinction, he was one of the earliest pioneers in the cause of social equality and justice in our country. I would, therefore, like to thank the Honourable Speaker of the Lok Sabha most sincerely for inviting me to unveil Shri Ayyangar's portrait on the occasion of his centenary and thereby enable me to pay my tribute to one of the finest flowers of the Indian renaissance.

Seeing his portrait that has just been unveiled and travelling down memory lane today, I am reminded of the description in the Shri Venkatesa Suprabhatam which fits the character and personality of Shri Ananthasayanam Ayyangar perfectly:

Sumukham

(Of pleasant countenance)

Suhridam

(Of good heart)

Sulabham

(Of easy access)

Sukhajam

(Of a charitable disposition)

Shri Ayyangar was a person of a most genial disposition, an *ajatasatru*, who never offended anyone even though he had firm views on men and matters and expressed them candidly. The reason is not far to seek; Shri Ayyangar had an unsullied heart—*shuddha chitham*—and meant no one any harm.

A voracious reader, he was well-versed, both in English literature and in Sanskrit, and Tamil classical texts. He could offer apt quotations from all these languages to suit every occasion. Being a very fluent speaker, he deeply impressed whatever audience he addressed.

* Speech delivered at the unveiling of Portrait of Shri Ananthasayanam Ayyangar in the Central Hall of Parliament on 9 December, 1991.

A foremost patriot and freedom fighter, Shri Ananthasayanam Ayyangar took part in all the major initiatives of the struggle. Shri Ayyangar joined the individual Satyagraha campaign started by Gandhiji in 1940 and received a jail sentence for 8 months. He later joined the Quit India Movement and like many other brave revolutionaries of the August movement, underwent a prolonged incarceration for two years. For one who hailed from an orthodox Shri Vaishnava family, the rigours of jail-life posed no small inconvenience to his practice of daily rituals. But Shri Ayyangar suffered the privations and made the adjustments cheerfully and manfully. The tradition of accepting with equanimity the joys and pains of life, handed down generations by his pious family, helped Shri Ayyangar to face all obstacles in life.

Notwithstanding his orthodox roots, Shri Ananthasayanam Ayyangar became one of the earliest to enter the fight against untouchability and the evils of our caste system. He saw with clarity that these evils were only a later encrustation on our social fabric. He soon became one of the foremost advocates for the uplift of Harijans. Their right to temple entry in particular engaged his attention. This was only natural because Shri Ananthasayanam Ayyangar had been born in the temple town of Tiruchanur near Tirupathi—the holy of holies among our shrines. Shri Ananthasayanam Ayyangar, like his distinguished contemporary Rajaji, firmly believed that there was no such thing as a high caste or a low caste but only a higher state of consciousness and a lower state of consciousness, neither of which had anything to do with birth. He realised that the denial of the right of worship to anyone on the basis of his birth was an offence against Divinity itself. His passion for temple entry was as great as his reverence for the *Vedas* and *Sastras*.

Having built up a lucrative practice in Chittoor, then part of the Madras Presidency, young Ananthasayanam was chosen as a Congress candidate to the Central Legislative Assembly. I remember the veteran legislator and educationist C.R. Reddi describing Ananthasayanam at that time as a young colt and not a war-house. But on taking his seat in the Central Assembly along with stalwarts such as Bhulabhai Desai, Gobind Ballabh Pant and the indomitable S. Satyamurti, Shri Ananthasayanam Ayyangar who was only in his early 40's at that time immediately made a mark. He moved up from backbenches to the front very soon and earned for himself—from a European writer—the sobriquet of 'Emden of the Assembly'—an allusion to the powerful German ship of that name which bombed Madras and gave no end of trouble to the Navy during World War I. But Shri Ananthasayanam Ayyangar's volleys were not just sound and fury. He was indefatigable in his preparatory work and his speeches showed both legal acumen and a quality that was all his own—the sparkle of wit combined with wisdom. He was an ideal Private Member of the Legislature.

Shri Ananthasayanam Ayyangar made his mark equally well as a Member of the Constituent Assembly. It was my privilege to have come to know him very well during this period since I visited New Delhi at that time along with some legal personalities from Madras for work connected with the defence of Indians charged with collaboration with the Japanese in Malaya. Shri Ananthasayanam Ayyangar gave of his time to us

most generously. We valued his advice as of one who was attuned to the spirit of resurgent India. In a speech in the Constituent Assembly on the subject of Minority Rights, on 27 August 1947, Shri Ananthasayanam Ayyangar said and I quote:

There is no doubt that differences between the Hindus and Muslims do exist... But there is also a common bond. I look forward to that day when humanity will be one, when all castes and creeds will disappear, when children who are asked as to what religion they belonged, they may say, "I do not belong to any religion but I am an Indian and take pride in being one."

He was a member of the Steering Committee and later an active member of the Provisional Parliament. I was privileged to be in Parliament from 1950 to 1957 when Shri Ayyangar was Deputy Speaker, and later Speaker. Even as Deputy Speaker, Shri Ayyangar did not cease to function as an active and alert Member whenever he was not in the Chair. His interpellations were always pointed, keeping the Treasury Benches on its toes.

When the Estimates Committee of the Parliament was established first in 1950, Shri Ayyangar as Deputy Speaker became its Chairman. He skilfully conducted its meetings and established a name for it. At the first meeting, many questions of procedure arose and he resolved them to the satisfaction of everybody. There was a doubt in the mind of the members of the Committee as to whom they were responsible, to whom they would report, what would become of its recommendations and who would check whether they functioned within the terms of reference. After deliberations for a few days, Shri Ayyangar ruled on the points raised with clarity and precision. He said the Committee was a creature of Parliament and would be responsible to it only, the Committee would report to the Parliament and Government being responsible to the Parliament would have to give utmost attention and respect to its suggestions. Shri Ayyangar was a sharp cross examiner and when high officials of Government appeared before the Committee, he probed the matters so deeply that both the members and witnesses were amazed at the range and scope of his knowledge and his ability to dig deeply. He conducted the discussions in the Committee so neatly that all recommendations used to be unanimous.

Before Speaker Mavalankarji's term was over, he was snatched away from us and the mantle of the Speaker's Office fell on Shri Ananthasayanam Ayyangar, whom Mavalankarji had consciously groomed for the high office.

Shri Ayyangar lived up to Members' expectations during the first tenure as Speaker of the Lok Sabha so well that he was re-elected as Speaker of the Second Lok Sabha.

During Shri Ayyangar's term as Speaker, no single party had the strength to become the Leader of Opposition and we had a large number of parties with small numbers but led by men of outstanding abilities. Notwithstanding the plurality of parties and views, Shri Ananthasayanam Ayyangar managed to win the confidence of all of them by his total fairness and objectivity. He saw the Office of Speaker as one which can promote cooperation amongst all parties by ensuring that debates and discussions, even on controversial matters, can be conducted without rancour. He always sought to ensure a balance between the Government and Opposition. He maintained perfect order in the House.

During his tenure as Speaker, many healthy conventions came to be established, setting important precedents for the future, ensuring the smooth conduct of business in the House, and broadly speaking, vouchsafing the image of Parliament. His rulings on the subject of Questions, Quorum and regarding Policy Statements being made by Ministers outside the House when the House is in Session, have been pace-setting. Pragmatic and businesslike that he was, Shri Ananthasayanam Ayyangar had a commonsense approach to issues, sweeping aside sterile or hair-splitting dialectics. The rights and privileges of Members, of course, were paramount but he realised that in matters like this, a line has to be drawn somewhere. He made it clear that as a matter of courtesy to the House all enunciations of policy, or change of policy or announcements of new policy must first be brought to the notice of the House while the House was in Session. Only thereafter can they be made known to others. And yet, at the same time, Shri Ananthasayanam Ayyangar cautioned the members as follows:

But as to whether a particular thing is a matter of policy or of detail, we are not here to go on giving advice to the Minister. I am sure the Hon. Minister himself is competent to decide whether it is a matter of policy or not. This is one of the innumerable instances of his striking a fair and balanced approach to all issues.

As Speaker, Shri Ayyangar visited several countries as the head of Parliamentary Delegations. His discussions with world leaders were always most successful. He had the gift of impressing everyone with his knowledge, clear enunciation of principles and progressive ideas. Once Mr. Gaitskell, the then leader of the British Labour Party, after a discussion with Shri Ayyangar said that he and his fellow Delegates to the Commonwealth Parliamentary Conference taking place in Delhi received from Shri Ayyangar a powerful exposition of the strides made by India as also an insight into the strengths and weaknesses of the Commonwealth. Shri Ananthasayanam Ayyangar became Chairman of the Commonwealth Parliamentary Association and held that position for several years.

When the time came for Shri Ananthasayanam Ayyangar to demit office as Speaker, Member after Member paid glowing encomiums to his role. He was applauded for having upheld the dignity of the House, the prestige of the Members and, generally, the values of parliamentary democracy. It was acknowledged by Members led by the Prime Minister that Speaker Ayyangar had invested the work of Parliament with real quality.

Shri Ayyangar was thereafter appointed Governor of Bihar. At the end of his tenure in Patna, he returned to his hometown, Tirupathi, where he spent the evening of his life at or near the sacred precincts of that temple-town. But he did not spare himself even there. The work of the Sanskrit Vidyapeetha at Tirupathi received his special attention. He gave the most active encouragement to Vedic studies. A connoisseur in music and the fine arts, he gave artists valuable guidance and support.

Numerous were the charitable organisations which he helped from his own personal resources. Help to the needy was not a creed with him; it was his second nature. And when the Almighty called Ananthasayanam Ayyangar away on 19 March 1978, at the ripe age of 87, the gathering of mourners included not merely the high priests of the temple but numerous representatives of the poor and downtrodden. His friends and relations did not fail to notice that among them was a group of leprosy patients who lived in a nearby colony and whom Shri Ananthasayanam Ayyangar had been helping in his own unostentatious but genuine way. He observed in his life, the ancient tenet:

न त्वहम् कामये राज्यम्
न स्वर्गम् नाऽपुनर्भवम्
कामये दुःखं तप्तानाम्
प्राणीनाम् आर्तिनाशनम्

meaning:

I seek not temporal power;
No, nor heaven either.
I do not even seek 'Release
From the cycle of Rebirths'
My only prayer is:
May Thy creatures be freed from Pain.

Shri Ananthasayanam Ayyangar lived a long and active life but, more significantly, he lived a fulfilled life. May all of us draw inspiration from his example.



Mr. Mikhail Gorbachev addressing Members of Parliament in the Central Hall, Parliament House
(27 November, 1986)

IV

Addresses to Members of Parliament by Head of a Foreign State

*Mikhail Gorbachev — A Great Revolutionary**

Gathered here to welcome you in this historic Central Hall of the Parliament of India, Mr. General Secretary, members of the Lok Sabha, the House of the People and the Rajya Sabha, the Council of States. Together, these members of our Parliament represent seven hundred and fifty million people. They extend on behalf of the people of India, to you Mr. General Secretary, and to other members of your delegation, a most hearty and cordial welcome. They do so, not out of a sense of customary courtesy but a deeply-felt affinity for your people and your nation. Members of the Indian Parliament have had the privilege of welcoming the Soviet leadership in this very hall more than once. The late Prime Ministers Khrushchev, Kosygin and the late President Brezhnev have honoured us by their visits. Likewise, Indian Prime Ministers, Shri Jawaharlal Nehru and Shrimati Indira Gandhi returned these visits to the Soviet Union, each visit strengthening the bonds of friendship and furthering the area of co-operation. The recent visit of our Prime Minister, Shri Rajiv Gandhi, and your current visit to India are additional links in the chain of friendship and co-operation not only in our bilateral relationships but in global affairs. India fondly remembers the support offered to the Indian struggle for freedom by your great leader, V.I. Lenin. The immortal Russian writer Leo Tolstoy through his letters to Mahatma Gandhi made us feel that in the justness of our cause and its quest for the dignity of man and true freedom, India did not walk alone.

Our admiration for the Soviet people dates back to the time of your Revolution. Our great poet Rabindranath Tagore who visited the Soviet Union in 1918 called your Revolution "a new era". Almost at the same time, our Tamil poet Subramanya Bharathi, who hardly travelled beyond his native place, had the vision to write a poem describing your Revolution as "a new civilization". This poem has been rendered into Russian and read widely in your country. Our beloved Prime Minister, Jawaharlal

* Speech delivered on the occasion of the visit of Mikhail Gorbachev, General Secretary of the Soviet Union in the Central Hall of Parliament on 27 November, 1986.

Nehru, visited your country in 1925 and came back fully impressed with your planned economy. Long before Independence, he was instrumental in establishing a National Planning Committee in the Indian National Congress. Nehru saw in the Soviet Union a process in operation which has sense of justice and his sense of history told him, needed to be studied in India. It was on this visit that the concept of Five Year Plans, the famous *Piatileka* as the Russians called it, caught the imagination of Nehru. Nehru wrote then (and I quote):

“Everybody talks of ‘Planning’ now, and of Five Year Plans. The Soviets have put magic into these words”.

What Jawaharlal Nehru wished for India was not just a change of political structure, important as that was but a transformation of a despondent society into a sanguine one combining the pride of its past with a vision of its future. In this journey on which Nehru initiated us, we have received from the Soviet Union, constant and consistent support.

We in this House of the Parliament of India derive particular satisfaction from the fact that parliamentary delegations have come to India from the Soviet Union at regular intervals and similar delegations of our parliamentarians have visited the Soviet Union. These exchanges have cemented the bonds of friendship between our peoples and enriched the mutual awareness of our socio-political structures.

Indo-Soviet economic collaborations constitute an altogether unique and exemplary saga. These are based on the principles of mutual respect for each other with no strings attached. They cover a wide field like steel, coal, engineering, oil, power generation, transport and communication, besides agriculture. Likewise, in the realm of Science and Technology, our joint enterprises are based on mutual trust and respect. India is a country of ancient monuments but modern temples of progress are no less numerous. Dotted all over the country there are standing monuments of Indo-Soviet Cooperation in every one of the fields I have detailed earlier.

The complementarity between our two countries has not been confined to inter-governmental activity alone. Cultural exchanges on a people-to-people basis have given to the profile of Indo-Soviet relations, the features of human warmth. We are looking forward to the great cultural manifestations that lie ahead: The Festival of India in the Soviet Union and the Festival of the Soviet Union in India. These will re-articulate the spirit of the Treaty of Peace and Friendship signed by the two nations in 1971. When the conclusion of the Treaty was announced in our Parliament, there was tremendous applause and response. That Treaty marks a moment in time. It also represents the confluence of the mighty Volga and the sacred Ganga.

Our shared perceptions of the Global problems have helped draw us together closer and closer, The leaderships of both countries are firmly set against the nuclear arms race that threatens the human species with annihilation, star wars that seeks to pollute even outer space and escalation of tensions. We also, share the view that peace and progress are indivisible and that there can be no progress without peace. The ready and spontaneous response of the Soviet Union to the six-nation initiative and your own positive proposals at Reykjavik for nuclear disarmament, fill the world with hope that these efforts will not go in vain.

Mr. General Secretary, your visit to India is of immense significance; not just to our two countries but to the cause of world peace. May the spirit that has brought us together permeate our relations for ever. I am reminded of the words of Jawaharlal Nehru, who said:

“The Soviet Union has given us many precious gifts; the most precious gifts of these is friendship.”

With these words, Mr. General Secretary, I welcome you once again. May I now request you to address the members of our Parliament.



Inaugural Address by President R.Venkataraman in Central Hall, Parliament House on the occasion of 37th Commonwealth Parliamentary Conference (23 September, 1991)

V

Inaugural Address at the 37th Commonwealth Parliamentary Conference held at New Delhi*

India feels privileged to be able to host the 37th Commonwealth Parliamentary Conference on its soil. The Parliament of India and indeed our people are delighted that we should have this opportunity for the third time. Many of you might have attended the Commonwealth Parliamentary Conferences held here in 1957 and 1975. For others this would perhaps be their first visit to India. On behalf of the people, the Parliament and the Government of India and on my own, I extend to all the honoured delegates, observers and other guests from the several countries of the Commonwealth spread over almost the entire globe, a very cordial welcome.

The people of India share with me the sincere hope that for each one of you the visit will be a rewarding one, and that the ensuing Conference itself will be a purposeful and memorable experience.

At the time of the 1957 Conference, the Commonwealth Parliamentary Association had forty-nine branches. A little over one hundred delegates and observers attended it. In 1975, the number of branches grew to 90 and nearly 300 delegates and observers assembled here. I am glad to see that the family has since grown further and today, in 1991, the CPA has as many as 109 branches acting as a vital link between members of the Parliaments of the Commonwealth. Based on the principle of consultation, discussion and cooperation, the Association brings Parliamentarians from different lands together to discuss, learn and benefit from each other's experience.

During its long history that goes back to some 80 years, the Association has developed what I would like to call the spirit of the Commonwealth based on mutual cooperation in quest of peace and democracy, building bridges of fellowship and understanding among peoples belonging to diverse, racial, ethnic, cultural and social background, strengthening parliamentary institutions in their respective lands, ensuring the freedom and dignity of the individual, equality of man and rule of law and finally providing a Government responsible to the people.

* Speech delivered while inaugurating the 37th Commonwealth Parliamentary Association meet held at New Delhi on 23 September, 1991.

In the noble task of welding into a Commonwealth newly independent countries of the former British empire, Prime Minister Clement Attlee and Jawaharlal Nehru played an invaluable role. Today we are proud that its membership spreads from Australia to Zimbabwe, encasing the A to Z of democratic virtues.

In all its eight decades of existence—among them many turbulent epoch-making years—the Commonwealth Parliamentary Association has remained the guardian of parliamentary democracy. The Association has forged close bonds by enabling members to interact as Parliamentarians and equals, thereby exemplifying the world-wide spirit of democratic unity. In nurturing the spirit of democracy, guarding its institutional framework and fostering fellowship, the CPA has rendered a unique service to the world community at large.

The Commonwealth Parliamentary Association is a unique institution. It has not just a shared past but a common present and a prospect of future togetherness. This mutuality is not regulated by any agreements or treaties and its resolutions and decisions are not binding on anyone. It is an association of independent nations which knows they are free to express their views and opinions on matters which are brought before them by common agreement. It is left to each individual country to take advantage of the variations adopted to the parliamentary model and to absorb such of them as suit their genius. It is this characteristic of the CPA which has made it last so long and will enable it to last in the future also.

As one of the oldest members of the CPA, and a consistent champion of the spirit of freedom, democracy and peace, our country cherishes the sense of belonging and oneness that comes from being a member of this special family. India, to those coming here for the first time may appear strange in some ways, full of mysteries and myths, a land of great complexity, contrasts, contradictions. And that would be a valid reaction, for ours is an ancient civilisation and a new nation-state. Here many centuries and cultures coexist, strengthening and being strengthened by one another.

India has cradled some of the most ancient republics in the world. Millenia ago, representative institutions and deliberative legislative bodies flourished here. The literature of the Vedic and Buddhist periods is replete with references to institutions like the Sabhas and Samitis with highly developed and sophisticated parliamentary processes and procedures which included rules for regulation of business and even provisions *inter alia* for a quorum, a presiding officer, voting by division and—surprising as it might seem—even something akin to the institution of a Parliamentary Whip!

The modern institutions of representative parliamentary democracy in India, however, owe their origin and growth directly to our British connection. During our struggle for independence, one of the early important demands was for the establishment of parliamentary institutions and the association of Indians with it. Distinguished Indians had entered the British Parliament and we felt that it was only right that Indians should be allowed the same privilege on their soil. Successive instalments of

constitutional reforms had to concede this demand and consequently, our people gained some experience of the working of franchise and of legislative institutions. When independence came in 1947, this historic hall and its adjacent chambers reverberated with expressions of faith in the parliamentary system as the one most suited to her genius, heritage and needs. It was realized as a point of national consensus that there was no substitute for a Parliament in a country of India's size and diversity, and that if the rule of law, the freedom of expression and representative government were to be our priorities, the primacy of parliamentary institutions would have to be affirmed.

Over ten general elections to Parliament and numerous to State legislatures, the people of India have come to acquire something of an expertise in the process of democratic decision-making, sometimes for continuity and sometimes for change. Electoral verdicts apart, it is clear that the deciding voice is firmly and irrevocably that of the people.

Speaking of the parliamentary system at the opening of the 21st Commonwealth Parliamentary Conference in 1975 in this Hall, Shrimati Indira Gandhi had said:

We opted for this system not to emulate Britain or because the framers of the Indian Constitution were unaware of other forms of democracy, but because it was best suited to the Indian reality. It was a deliberate choice and was determined by the non-violent nature of our fight, by our preference for peaceful and orderly change, and by our conviction that the people must have the deciding voice.

But opting for the parliamentary system is one thing; running it efficaciously in another. Political resilience and the recognition of the need and desire for adjustments to changing situations are the basis of democratic functioning. And, there is no denying the fact that we are, the world over, passing through stupendous change. Parliamentary processes have come under critical review in some countries including those that have been members of the Commonwealth. Alternatives have been thought of, seriously suggested and sometimes actually experimented with. Presidential forms of government have been tried by erstwhile democracies of the Westminster type. At the same time, Presidential systems have been sought to be replaced by parliamentary democracy in certain countries.

Ultimately, however, a system is only as good as the people who operate it. Also, there are many possible variants within the parliamentary system itself. There is none that can claim infallibility or universal validity. But, we do know that not only have countries that gave up the parliamentary system in favour of other models sought to

return to a parliamentary polity, but even countries which for decades operated a monolithic system are now actively adopting multi-party parliamentary processes.

If worked properly and honestly, there is perhaps no better substitute for representative parliamentary democracy. With all its deficiencies, it is still superior to all other systems that human ingenuity has so far been able to devise. There is no other system which better protects the rights of the individual through the Rule of Law, and which enables, through the mechanism of debate and free discussion the ventilation of the grievances of the people.

In recent years, scholars and experts have devoted considerable thought to the philosophy and operational mechanics of parliamentary democracy. Parliament today is not merely a law making body. It has become more and more a multi-functional institution performing a wide variety of roles—with grievance ventilation and redressal having primacy among them. New branches of knowledge and separate academic disciplines of Parliamentary Political Science, Legislative Process and Legislative Management Studies have emerged and gradually taken shape.

Discipline and decorum are the basic foundations of parliamentary democracy. To speak and let others speak, to hear and let others hear, to propose and to let the Opposition have its say and to argue vehemently but accommodate ultimately, is the pith and substance of Parliamentary process. Parliamentarians should enter the portals of legislatures to give, not take. I am reminded of the wise words of Gibbon on the fall of the Roman Empire. And I quote:

When the people of Rome wanted not to give to society, but for society to give to them, when the freedom they wished foremost was a freedom from responsibility, then it was that Rome ceased to be free.

Friends, as products of a scientific age, we tend to believe and not unnaturally, that the marvels of science can provide all the answers to problems that concern the future of humanity on the planet. Certainly, we would not deny that science and technology which have equipped humankind with a tremendous range of control and mastery, are important aids to human development. And yet, if we seriously take stock of the manner and nature of the progress made, it becomes imperative to redefine the whole purpose of development itself. We are becoming increasingly aware that our tremendous potentiality, all the remarkable achievements of our age, the stupendous range of possibilities of human experience available to us, will count for little if we are also simultaneously engaged in the annihilation, physical and moral, of our resources and values.

The world has grown smaller with contact, communication and exchange among nations. Yet it has not necessarily become more peaceful. Struggle for power and influence still dominate global affairs. While the recent treaty between the US and USSR to reduce strategic nuclear arsenals is a tangible contribution towards a nuclear free world, there can be no denying that there is still immense scope worldwide for a greater reduction of expenditure on armaments. Economic disparities and ecological degradation stare us in the face. We are assailed by a sense of foreboding that we are inhabiting a chaotic universe of competing social, economic and political forces and unless appropriate measures are adopted betimes, the very preservation of the human species will be in jeopardy.

Both at the governmental and non-governmental level, there are now some two hundred Commonwealth organisations in educational, economic, technical, professional and other fields. One of the most outstanding of these, is the Commonwealth Parliamentary Association. I find from your conference papers that many matters of global importance are listed for discussion in the agenda. These include protection of the human rights of refugees; the role of the Press in democracy; reforms in South Africa; environmental protection in relation to population growth, industrialisation and urbanization; health care in developing countries; and the problem of drug abuse and crime.

While there are many positive developments on the world scene, there still are many matters of continuing serious concern. Despite encouraging developments in South Africa, much remains to be done for basic political rights of the people of that country. I believe that the source of most of our troubles is in the unholy desire of man to dominate over his fellow men, to deny those basic human rights to others which he wants for himself.

I happen to be one of those parliamentarians who attended one of the earliest Commonwealth Parliamentary Conferences—the conference held in New Zealand in 1950. During the customary tour of the host country, our group of Parliamentarians was taken to the glow-worms' cave. We were warned that the glow-worms were sensitive to noise and would not glow if there was any. So all of us held our breath and became dead silent. Imagine Parliamentarians not just from one country but from a bunch of the Commonwealth remaining quiet even for a brief second! But we did. Then we saw millions of diamonds sparkling on the roof of the cave—a sight of unparalleled charm and beauty, that has lingered in my mind ever since. Later during our speeches, the Canadian delegate said he would like to borrow the glow-worms and present them to the Speaker to enable him to keep order in the House. Speaking later, I said that I would like to borrow the glow-worms for a different purpose. I said the glow-worms have a unique capacity for shedding light without heat and that was what I would like my Parliament to learn. I am sure this is exactly what this Conference would want all Parliaments to do.

I trust your deliberations will be fruitful and will foster a better understanding among the Parliamentarians from Commonwealth countries, of the problems that confront humanity as a whole.

Once again, I welcome all of you most sincerely to India and wish you a very pleasant sojourn in our country. With these words, I have great pleasure in declaring the 37th Commonwealth Parliamentary Conference open.

(C)

SELECT SPEECHES DELIVERED IN THE PARLIAMENT

I

As a Member of Parliament

*(i) Amending the Constitution Constitution Forty-fifth (Amendment) Bill**

Mr. Deputy Speaker, Sir: It is a trite saying that the politician looks to the next election, and the statesmen look to the next generation. Therefore, we should, on this occasion, cease to be politicians and try to be statesmen and hammer out a solution for our problems that will endure, not only to the next generation, but to posterity.

It is a very happy augury that the Government had consultations with the Opposition parties in respect of the Constitution (Amendment) Bill, and tried to arrive at a consensus. In fact, the speeches made on this side have shown that there is a large measure of agreement with regard to the Bill before the House. It seems to have upset some people who wanted some kind of a confrontation and did not find it. I shall deal with the subject in the descending order of priority, so that if I lose time, I will lose only the smaller points.

The first submission that I will make to the House is regarding Clause 45, dealing with amendment to the Constitution. The legislative history of amendment to the Constitution has been something like a pendulum, swinging from one side to the other. From Shankari Prasad case to Golak Nath case, it has swung from one end to the other. The Supreme Court held that Parliament had absolute right to amend in 1950; and in 1967, it held that it had no power to amend the fundamental rights. Fortunately, I think the pendulum has achieved perpendicularity in the Keshavanand-Bharati case. It has set down the limits of the powers of Parliament to amend the Constitution. It has said that in all matters which are not of a basic structure, Parliament has the power to amend the Constitution. What are these basic structures, or essential features of the Constitution has not been spelt out. But some indications have been given scattered throughout the voluminous judgement. Federalism is one, secularism is one, the separation of powers and independence of judiciary is one and so on.

As a result of the Bill which is now before us, we will be in a strange position. One: under the Keshavanand-Bharati case certain articles of the Constitution are unamendable. Two: certain articles of the Constitution can be amended in accordance

* L.S. Deb., 8 August, 1978, cc. 300-306.

with the procedure laid down in the Constitution. And three: certain items mentioned in Clause 45, i.e. those seeking to impair the secular or democratic character, etc., taking away the right of citizens or abridging them, impeding free and fair elections, compromising the independence of judiciary, etc. Those items if they are passed by Parliament in accordance with article 368(1) and approved in a referendum by the people, will become valid. I want to ask the Law Minister* this question. If according to the Supreme Court, independence of judiciary and the separation of powers are not amendable at all, it is one of the basic structure of the Constitution, how is your law saying that anything which compromises the independence of the judiciary can be amended if it is approved by a referendum? It looks as if this Bill takes away what the Supreme Court has given as fundamental and basic rights which under no circumstances can be taken away from the people. I do not know if any of those items mentioned, namely, impairing secular and democratic character of the Constitution, abridging or taking away the right of citizens under part III, prejudicing or impeding free and fair elections to the House of the People or compromising the independence of the judiciary, if any law is passed in respect of that, according to the existing decision in the Keshavanand-Bharati case, it is my submission that it will be unamendable and should not be allowed to be amended at all. On the other hand, you say that any law affecting these things can become valid if it is approved by a referendum. Far from protecting the rights of the citizens you appear to be giving away the rights of the citizens already secured in the Keshavanand-Bharati case. I want the hon. Law Minister to very carefully consider this aspect because of the new element of providing for amendment to the Constitution in respect of matters which according to me are not amendable, which according to the judgement in Keshavanand-Bharati case are not amendable, they could be amended by virtue of the fact that there will be a referendum and approval by referendum. I am only saying that this is the effect of this ; we are not accepting this amendment.

My second point is this. The concept of referendum is new. It is not in the Constitution. It may be that the very concept of referendum itself will be an alteration in the basic structure of the Constitution of India. The amendment which the Law Minister has brought before the House stands in danger of being thrown out by the Supreme Court in accordance with the decisions now given because this concept of referendum itself is not one of the concepts in the Constitution of India and being something which is in the nature of a fundamental principle, it is new.

The court can come to a conclusion that this itself is not valid amendment. I say this because political theories and political scientists have not accepted the principle of referendum in all case. In fact, there are two theories in respect of representation. One is direct democracy and the other is representative democracy through elected members. Certain Constitutions have accepted the principle of direct democracy. The Swiss Constitution, for instance, has accepted it. But the British democracy has not

* Shri Shanti Bhushan, the Minister of Law, Justice and Company Affairs.

accepted the principle of direct democracy. It has accepted what is called representative democracy. Therefore, if you want to change the very basis of our Constitution from a representative democracy to a direct democracy then you will be running counter to the original concept of the founding fathers and framers of the Constitution. Therefore, it is quite possible to argue, and it will be argued, that this is a fundamental change which is not contemplated and will not, therefore, come within the powers of article 368.

I come to the practical aspect. If you look at the countries of the world, you will find very few which have direct democracy. In fact, it is only in small countries like Switzerland or countries with a small population that this referendum can work. In a country like India, which has more than 300 million people who will vote, it would be almost impossible to have a referendum. The practical aspect of it should not be ignored.

Referendum is usually in the form of yes or no. How can you put forward a Constitution amendment in the form of yes or no? Generally what is referred in other countries is a specific question. The latest referendum in Switzerland was whether a woman should be allowed to vote or not. This is a simple question. If you say that a Constitution amendment containing so many complicated issues could be put forward in the form of yes or no, it will create so many problems and so many difficulties. It will not be possible to get a clear verdict from the people in respect of this. Even today people are voting by symbols—either the hand or the bull or something. When you put forward a Constitutional amendment to a referendum, what is the symbol you will give? If you give the party symbol it means that it is a party election. If you give different symbols, say cats and rats, the argument that will go on in the country will be, “cats drink away the children’s milk; so, don’t vote for cats”. The other argument will be, “Rodents eat away our grains; so, don’t vote for rats”.

Under the provisions of this clause, 51 per cent of the people must vote before any amendment can be said to have been accepted. In a general election where candidates contest, it is in their self-interest to get as many of their supporters as possible to go to the polls. I may carry 30 per cent of the voters to the polls and my rival may be able to carry 40 per cent. The result is that 70 per cent of the people vote. But in the case of a referendum who will be interested in mobilising all voters and taking them to the polling booths? I am afraid in most of the cases, this 51 per cent will never vote.

Again, even if 51 per cent of the people go and vote, can 26 per cent of the people decide the fate of the country, because majority of 51 per cent is 26 per cent? Can 26 per cent of the people say that the independence of the judiciary can be done away with or the electoral laws can be changed prejudicially or that the fundamental rights can be taken away? Therefore, it appears to me that the whole scheme is ill-conceived, and it requires very deep consideration. In fact, there must have been a public debate on this issue before we came forward with such a major change in our Constitution. It should have been put to the people, it should have been debated in various places, the views of

the State Assemblies should have been taken, bodies like the Bar Associations should have been asked to give their opinion. Instead, we have not even referred this Bill to a Select Committee, we are in such a great hurry that we want to get it through. I now come to the last point.

* * *

I would like to mention that the cost of such an election will be prohibitive. In the Financial Memorandum which the Minister circulated the other day he has assumed that the referendum will take place along with a general election. If it takes place with another general election then the cost would be less, but you cannot wait for a referendum to be put to the people till the next general election. If that is so, the purpose would be defeated. Therefore, I submit that the whole question must be gone into more deeply than has been done.

I would sum up the position so far as this is concerned. We have reached a fair measure of stability regarding the interpretation of Article 368 and the limits of the amending power of Parliament in the Keshavanand Bharati case as well as the election case.*

*After this the member spoke on his amendments moved before the Amending Bill was passed.

*(ii) Probity in Public Life Prevention of Corruption (Second Amendment) Bill**

This is a Bill which is consequential in its nature. After we passed the Criminal Law amendment creating the offence of bribe giving as one of the offences under the Penal Code with a specific section 165A, it has become necessary to bring the burden of proof in regard to convictions in respect of those offences on a par with that of offences of bribe taking. In the parent Act, namely, the Prevention of Corruption Act, 1947, provision has been made for conviction of persons who take bribes and there the ordinary rule of law that a person should be proved to be guilty is modified to a small extent to throw the onus or burden on the other side where circumstances tend to show that there is a chance of corrupt practices having prevailed on that occasion.

It is not as if that a person is merely charged and brought before the court and immediately he is asked to give due proof that he is not guilty of corruption. On the contrary circumstantial evidence is let in and then certain positive proofs are brought forward on the strength of which only the presumption is shifted from the prosecution to the accused. Even in civil cases we know occasions where the burden of proof is shifted from one party to the other. If my hon. friends will read a little more carefully they will find that it is not as if that a person on mere charge is called upon to prove that he is not guilty. On the contrary the evidence that has got to be let in and to be proved is that any gratification or valuable thing has been given or offered. Therefore the first thing that a prosecution has got to establish before the burden shifts to the accused is to show that some gratification was offered and that gratification or that valuable thing may or may not be of very great value, but nevertheless if it was established that some article of value or something of value has been offered to the person concerned, then the burden shifts to him to show that he is not guilty of the offence. If we do not pass this Bill as law, the result would be we would be making a distinction between the bribe giver and the bribe taker, so far as the burden of proof is concerned. In the case of the bribe taker the presumption would apply to him and he would be called upon to defend that he is not guilty of taking bribes, while in the case of the bribe giver the ordinary law that the accused must be proved to be guilty beyond

*Hansard Deb., 29 July, 1952, cc. 4824-4827.

reasonable doubt would prevail. I do not know whether that would be what we all seek for, namely equality before law.

My Hon. friend Mr. Chacko referred to the ancient history of Indian Penal Code and said that in those days they made a distinction between the bribe giver and the bribe taker. Possibly the framers of the Penal Code had some idea of the sort of persons whom they were engaging to control and govern the country which was not theirs. They knew probably that the officers whom they were employing would necessarily extract money, because people who were serving a foreign administration could not be expected to be so kind and sympathetic to the people of the country. That is why I think the law as it was then framed showed a concession to those who tended to offer bribes.

I pride myself that my country has improved wonderfully and very well. I say categorically that today the officers of our Government do not extract any money from our people and if there is any corruption at all, it is because people who want to get the benefits go and tempt the officers and corrupt their morals. I am in entire sympathy with the amendment to section 165A and I support it wholeheartedly because there is no longer any need or necessity for making a distinction between the bribe giver and the bribe taker in the modern context.

All of us complain that bribery and corruption are rampant. But when it comes to a matter of punishing the culprits, we change our ground. We start shouting: "Hang the blackmarketeer, hang the bribe giver and the bribe taker." But immediately Government takes some extra authority that in a case of this kind where a *prima facie* case is established, the burden will be shifted to the other side, then we begin saying that this violates the fundamental principles. This is in accord with and in tune with the conditions prevalent and ought to be passed by this House.

There is one point about which I am in doubt. My hon. friend Mr. Basu said that in this case, the benefit of doubt will not be available to the accused. That startled me. I do not know of any case in India decided in which they have interpreted this particular clause, either in the 1947 parent Act or in any other analogous legislation—wherein the burden has been shifted to the accused—that the benefit of doubt will not be applied to him. The benefit of doubt is a privilege which, unless the statute takes away from the accused, will always be available to the accused person. The court will always be entitled to say that notwithstanding the presumption cast on the accused if the court is not satisfied on the evidence placed before it that the burden of onus has not been sufficiently established beyond reasonable doubt then the benefit of doubt will certainly go to the accused I was, therefore, taken by surprise at Mr. Basu's argument. I should have liked to go into the decisions in this matter.

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I was only trying to show this paramount principle, namely the benefit of doubt is available to the accused person and is not taken away and cannot be taken away unless the statute itself does it. No statute anywhere has stated, so far as I know that the principle of benefit of doubt is taken away and that the courts no longer have any authority to exercise that right of acquitting the accused person on that principle. The language as it stands in this clause that unless the contrary is proved the accused will be presumed to be guilty does not in my opinion take away the right of the courts to declare an accused person acquitted purely on the ground that the accused has the benefit of doubt and the guilt has not been established beyond doubt. Therefore, I submit that this Bill is only a corollary to the other Bill which we have passed and has got to be supported.

(iii) Electoral Reforms — Representation of People (Second Amendment) Bill*

Sir, the Bill** as it has emerged from the Select Committee has a number of valuable and useful features which are welcome to this House. In the first place, we feel that the reduction in the time between the notification and the holding of the election is very useful and salutary. People who have gone through the torment of elections would realise that the longer the time-lag, the greater is the opportunity for abuse and misuse. Therefore, it is good that it has been shortened even though it will be a hardship in the case of parliamentary constituencies. It is not possible within this short period to visit every place as the constituency now expects a candidate to do. Nevertheless in view of the fact that it would be a common handicap to all the members who are seeking election, I submit that no one would be particularly prejudiced. In the overall interest of a fair election, it is quite welcome.

The second point which I wanted to raise is about the nomination of the polling agents. It has had to be done three days before the date of the election. People who have gone through the elections have found it very irksome and sometimes very difficult to find suitable men to function as their polling agents. I congratulate the Select Committee on having appreciated the practical difficulty of the candidate and having amended that clause so as to allow the persons to nominate their polling agents on the date of polling.

The third point which is welcome is that only contesting candidates will be called upon to file their accounts. The candidates for the indirect elections—Council of States and the Legislative Councils—will not be called upon to file such statements. During the discussion of this Bill in the last Parliament, we felt that this was only a formality as the election expenses so far as the candidates for the Councils were concerned, would be probably next to nothing. It was only a formality to be gone through. This has been done away with. I am sure the House will welcome it.

The next point is the Election Tribunal. In the last Parliament, Pandit Bhargava was responsible for moving an amendment, that all cases in which the validity of the

* L.S. Deb., 15 May 1986, cc. 8483, 8487-8492, 8529-8532, 8700-8704, 17 May, 1986, cc. 8847-50.

**Representation of the People (Second Amendment) Bill, 1956.

nomination is questioned should be decided then and there, so that, after going through the gamut of the election, it may not be set aside on the ground of proper or improper acceptance or rejection of the nomination paper. At that time it was argued by Dr. Ambedkar that even though you may declare by law that the decision of the District Judge or the authority you may constitute for the purpose of looking into the validity of acceptance or rejection of a nomination is final, still under the law as it prevails in India today, it would be subject to numerous other appeals and proceedings in courts of superior jurisdiction with the result that the actual elections would be held up.

Then, let us look at the practical difficulty. The acceptance or rejection of a nomination paper in a parliamentary constituency may be questioned and as election to Assembly and parliamentary constituencies are held simultaneously, the elections with regard to Assembly constituencies will have to be postponed if a decision is pending before the authority to which it can be moved. The result would be that there would be no elections at the same time throughout the constituency and throughout the area in which the polling is to take place.

* * *

The disadvantages of having elections postponed in the middle by stay orders either of the Tribunal so constituted or by the superior courts would outweigh the possible advantages of having these questions determined at an intermediary stage. The Election Commission also considered this and its views tally with the one which is accepted in the Bill. This is what the Election Commission said:

“There is every reason to apprehend that once such an appeal is provided for, too many interested persons will avail of the opportunity unscrupulously and the authority will be literally flooded with appeals of acceptance or rejections of nomination papers. This cannot but seriously upset all election time-tables in future.”

Therefore, I venture to submit that this is really a sound decision that has been taken by the Select Committee.

Then, the Committee has simplified the corrupt and illegal practices—major corrupt practices, minor corrupt practices and illegal offences—into one chapter named “Corrupt Practices”. When my friend Pandit Thakur Das Bhargava was speaking I pointed out to him that in the definition of ‘corrupt practices’ it is said that bribery or such other offences committed by a candidate or his agent or by any other person, shall be a corrupt practice. Now, that ‘other person’ who commits any one of these offences may be doing on his own. He may be hostile to the candidate and may even be an interested party set up by the rival candidate. The salutary provision in the existing

law is that such 'other person' must be acting in connivance with the candidate or his agents. In the absence of that qualifying clause after the words "any other person", this clause would render any election very unsafe, because even without the connivance or even against the interests or wishes of the candidate or his agent concerned, some third party may spoil an election by committing offences. It was pointed out by my friend Pandit Thakur Das Bhargava that in clause 54 such an election will not be held invalid unless such 'other person' has acted with the consent of the returned candidate or his election agent. I fail to understand why a 'corrupt practice' should include offences committed by a person without the consent or connivance of the candidate or his agent. In the definition we make it wide enough to cover offences committed by persons who are in no way connected with the candidate, but restrict it only when we come to the question of setting aside elections. In my view it is necessary that the definition of 'corrupt practices' is the proper place where the qualifying clause saying that any offence committed by any other person should be so done either with the consent or connivance of the candidate or his agent, should be added. Otherwise, the definition of corrupt practice will be too wide and may lead to contradictory decision by courts. I have submitted an amendment and I trust that when the clause is taken up it will be considered.

One other change which has been made by the Select Committee with which I do not agree, relates to the holding of meetings on the date of the polling. At present no meetings can be held on the date on which polling takes place in the constituency. Now, the amendment in clause 66 allows meetings to be held in other places in the constituency except in the polling areas. I consider that this is a harmful amendment. During the progress of the election, the tempo increases. Then, as the election date comes nearer, the strain on law and order becomes greater and greater. On the date of the polling, the entire resources of the State by way of personnel dealing with law and order would be concentrated at the polling stations. If meetings are allowed to be held in the other parts of the constituency, there may be clashes and if a clash occurs and rumours of such clashes spread, it will spoil the election. It is, therefore, necessary to stick to the present rule and not allow any changes.

So far as the holding of meetings on the date of the election is concerned, this is a handicap which will be applicable to all the candidates. If the candidate is not able to convince the voters in his constituency right up to the date of polling, I do not think he is going to do much on the date of polling. The Election Commission also considered this and its views are worth quoting here. It says:

"Special precautions were also taken in respect of many likely trouble spots. The law prohibits public meetings on any polling date and canvassing near polling stations. These provisions have proved very salutary".

After discussing the strain on the local Government with regard to giving protection and also preserving law and order on the date of polling, they came to the conclusion that the present rule is very satisfactory. I would, therefore, oppose any such change.

Then my friend Shri S.S. More argued elaborately with regard to the compulsory voting. This was a point which I myself raised in the last Parliament. The arguments which Dr. Ambedkar then gave are true even now as they were on that day. This is what Dr. Ambedkar said then:

“The second point to which I wish to refer is the point raised by Shri Venkataraman. He has said that in this Bill voting is regarded as a right. His contention was that it should be regarded as a duty.”

After explaining it, the then Law Minister said:

“The fine in order to enforce such compulsory voting, will have to be heavy. It shall have to be something like Rs. 100. Now, I wonder whether anybody in this House, however enthusiastic he may be, with regard to this point, would be prepared to support a punishment so heavy as Rs. 100.”

Then he pointed out that the fine in Australia for non-voting is five pounds. So, it really comes to this: that the difficulty of enforcement of compulsory voting would be far greater than the advantages of having compulsory voting.

At the time when I made the suggestion that there should be compulsory voting, we were embarking on a new experiment, and we were wondering whether the response of the public would be good enough and whether voting would be sufficiently strong. Those doubts and fears have been dispelled. They have been proved false. Today, the world acknowledges that the percentage of voting that took place here in the last elections,—1951-52—was perhaps the best in any country which is termed undeveloped. Considering the voting which took place even in America—the voting which took place in the last general election there for electing the President—our percentage is better. There, the voting came to hardly 48 per cent. In our own country, where we were embarking on adult franchise, with free elections for the first time, our voting has been more than 51 per cent. It is nearly 52 per cent. Therefore, it is no longer necessary to have any terms for enforcing voting by compulsion.

Another point which my friend, Mr. More, raised was that a minority of votes placed a majority party in power. My submission to him is that the only way in which you can elect a party in proportion to the votes it gets is by a single transferable voting system. I ask Mr. More in all seriousness whether he thinks that in the conditions existing in India today, it would be possible for the people in India to vote according to the single transferable voting system. It requires a great deal more of education and experience. It would not be possible in the present context of large millions of people going into polls to have voting by proportional representation.

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Let me ask the question whether it is desirable even if it were practicable. In France, they have a single transferable voting system, but what is the result? There is no stable Government at all. The majority of the electors voting for a particular candidate go generally by the party to which the candidate belongs, and if the party is elected on that basis, certainly it means that the people of that constituency approve of the policies which are adumbrated by the party which seeks election. I ask what is wrong if the majority in each constituency, howsoever small it may be, desire to have a particular party to run their administration? It is not necessary that the party should command the majority in the country. In that case, there should be only one constituency and there should not be any territorial constituencies. The very concept of having territorial constituencies with single-member seats shows that in each area the local opinion is ascertained and the sum total of the local opinion ascertained is allowed to prevail in the country. Otherwise, if you want that the party which should form the Government should get the majority of the votes, the whole country should be formed into one constituency and the opinion taken. It can happen only in the case of list voting and not individual voting. We are all aware of the defects of list voting; it is the beginning of fascism. All countries which started with list voting have ended in fascism. Mussolini started it and we know the result. I, therefore, submit that this is only impracticable, but it is also undesirable that we should have election on that basis.

I am one of those who have sponsored the Amendment that an offence involving moral turpitude should form the disqualification for membership of a legislature. It was pointed out by the Minister*** that there are practical difficulties in the way. In the first place, he said, it should be decided by some competent authority as to whether a particular offence involves moral turpitude or not and the stage at which this authority will come and give the decision. I do not think the difficulty is insuperable.

***Shri Pataskar.

If we can do it in respect of cases relating to Bar Councils, here also it should be possible. Yesterday I referred to the Bar Councils Act. My submission is that there is judicial precedents in this country to come to a fair conclusion as to the nature of offences involving moral turpitude.

There is another way in which it can be done. At the time when the nomination is filed, it may be open to the scrutinising authority to say whether this particular candidate is or is not disqualified under this clause. Even if that is likely to cause some difficulty, my suggestion would be that any person who has incurred this disqualification may, before the date of election, apply to the Election Commission to have it removed on the ground that the offence for which he has been convicted does not involve moral turpitude. We have already provided for the removal of disqualification by the Election Commission in respect of various offences. If a person has been convicted for not less than two years, it may be open to him to apply to the Election Commission and have the disqualification removed on the ground that it does not involve moral turpitude. Therefore, I would warmly commend this amendment. I do not know what the Government would do in this matter.

There is another very important matter which my hon. friend Shri Chatterjee has raised. That is with regard to the amendment to section 7 of the principal Act. I want to ask him whether the amendment would not be more appropriate in clause 70 after the new section 140A. I am suggesting for his consideration whether it would not serve his purpose and perhaps better, if after the words "the period of any such disqualification" in the new section 140A in clause 70, the words "where such disqualification was incurred before or after the commencement of the Representation of the People (Second Amendment) Act". That would really meet the case in which a disqualification has been incurred in respect of such matters. Otherwise, if this amendment is put in section 7, I think it would not fit in with the scheme. Section 7 deals with the disqualifications whereas the new section 140A deals with the removal of the disqualifications.

* * *

I* am in agreement with what Shri N.C. Chatterjee has said. It only occurred to me that it would fit in more with the new clause 140A which we are introducing. I warmly support the amendment moved because that would really fit in with the scheme. A consequential amendment will also be necessary in the other clause 83.

It should be like this: the words "save as otherwise provided in this Act" will have to be included in clause 83 also. I warmly support the amendment which Shri N.C. Chatterjee has moved just now.

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* Speaking on the amendment moved by Shri N.C. Chatterjee on some portion of Clause 7.

Discussion on this clause* has proved that simplification of legislation is no virtue. Actually, by trying to club together the major corrupt practices, the minor corrupt practices and the illegal practices we have landed ourselves in this difficulty. As the law now stands expenses incurred by the party are covered under the explanation to section 125. There, it is an illegal practice on the part of any person to incur expenditure on account of holding any public meeting, or upon any advertisement, circular or publication, or in any other way whatsoever. The exception to this rule is contained in the Explanation which says that if any individual or organisation incurs the aforesaid expenditure for the furtherance of the prospects of the election of a candidate. It is not considered to be an illegal practice. Now that we have omitted illegal practices, we find ourselves in the position of having to provide for the need to protect the expenditure incurred by organisations or political parties. That I think is the main difficulty in accepting the suggestion made by my esteemed friend, Mr. Chatterjee. He suggested the dropping of sub-clause (4). What would be the result if we drop altogether sub-clause (4) of clause 77? It will again throw open a question whether expenditure incurred by organisations or parties are or are not included in the calculation of the total amount of expenditure. Therefore, my submission is that we have to substitute sub-clause (4) by some acceptable form.

* . . .

This leads really to the conclusion that whatever expenditure is incurred by any party without a ceiling or without any limit would not be considered to be election expenses of the candidate. And the result is that all talk about ceiling vanishes.

* . . .

From the trend of the discussions, from the arguments advanced the whole of yesterday, the desire of the House was that we should restrict the enormous expenditure by organised parties. It was not the intention of the Members to allow unrestricted expenditure in the name of political organisations.

* . . .

Therefore I am only submitting that if you want to restrict, if it is the desire of the House that expenditure by political parties in furtherance of their candidates should

*Clause 7.

also be restricted and that political parties should not be allowed to spend without any limit in furtherance of their candidates, then, certain restrictions would have to be placed in the manner in which that expenditure is incurred. Therefore, I have suggested that in the place of sub-clause (4) the following may be substituted. That is amendment No. 229.

“The said expenditure shall not be deemed to include any expenditure incurred by a recognised party organisation on election propaganda and publicity (such as holding public meetings, posters and advertisements) for furthering generally the prospects of the election of candidates supported by it.”

I have no objection to accept Dr. Krishnaswami's amendment which really goes to improve it, that is, and not for furthering the prospects of any particular candidate.

* * *

His* suggestion is not only the parent organisation, but any association should be included.

* * *

There is only one difficulty about accepting the language suggested by Dr. Krishnaswami, not for furthering the prospects of any particular candidate. Suppose there is a bye-election and there is only one candidate. The party organisation goes and does propaganda on behalf of the party. In that case, would it be an argument that it is expenditure which is debitable to the individual? What would it come to under the exemption granted under the clause?

* * *

So far as the word 'recognised'** is concerned, I have a suggestion to make, and I shall be glad if the hon. Minister would consider it. We can say that a recognised party means a party organisation which has an election symbol. Election symbol is given. That would be one of the ways in which it can be done. Or, in the alternative we might

* Dr. Krishnaswami.

**Reacting to the suggestion made by Shri S.S. More, about deleting the word 'recognised'.

say, it may be determined in accordance with the rules as may be prescribed. The Rules will be laid on the Table of the House.

So far as the question of 'recognised' party is concerned. I hold no strong opinion. I am only anxious about the restriction of expenditure by parties concerned. That would be covered by the amendment which I have submitted. So far as recognised parties are concerned, it may be left to the Election Commission to decide in accordance with the rules prescribed.

* * *

So far as the point raised by Shri N.C. Chatterjee with regard to the constituency of sub-clause (4) is concerned, in all such matters where there is a doubt whether a particular provision is within the competence of the House or constitutional, the Chair does not take the responsibility to give a ruling whether it is *ultra vires* or *intra vires*, but says that it shall be left to the court to decide and interpret, unless it is *ex facie* on the face of it contrary to the Constitution. Here my submission is that it is not *ex facie* contrary to the Constitution. Under Article 324, powers are given to the Election Commission. Secondly, the Election Commission is an independent authority and not an executive authority. Therefore, I submit that no ruling need be given on that. The amendment may be considered on its own merits.

* * *

Apart from Chapter III of the Constitution, the most important piece of legislation which guarantees political rights to the people of India is the Representation of the People Bill. I am very happy that this Bill is about to be passed with a fair measure of support from all sections of the House. It is true that it is not possible to satisfy every one. But, the measure of support that it has received from all sections of the House is a fair indication of the genuineness of feeling on the part of the Government that democracy should prevail not only in letter, but in spirit also. But, there are a number of allegations made in the course of the debate. Owing to the procedure that we follow in which the people who move amendments speak and only the Government replies, a lot of these allegations went unchallenged, I think it is very unfair to the Congress party and the party in power. It was said by Shri A.K. Gopalan that there was intimidation of voters and so on. I know cases where the other party has intimidated workers from going to the polls, intimidation of workers to vote for a person and I know also of cases where other parties have said, if you vote for my party, we will divide the whole country into holdings of five acres.

* * *

The next point so far as the law which is to be enacted is concerned is, it has made a very great improvement in the matter of dealing with election petitions. We know of cases in which when an election tribunal gives a finding, the parties did not know to which authority they should go. Firstly, they moved the High Court. After some time, the High Court said that it had no power to entertain these petitions, under article 226. Thereafter, they moved the Supreme Court. This created a lot of confusion. Election petition which normally should have been disposed of within a short time were revived over and over again by appealing to different authorities. Now, the entire confusion has been done away with. We have now provided an appeal to an authority like the High Court which should be satisfactory to all the parties. That is a very great improvement made and is being welcomed by all parties concerned.

The other point to which I would like to draw pointed attention is with regard to election expenses. Yesterday, in the course of the debate with regard to sub-clause (4) of clause 77, I said that if that clause is dropped, it would lead to arguments whether party expenditure would or would not be included in the total permissible expenditure of the candidate. My hon. friend Shri N.C. Chatterjee immediately got up and explained. I would like Shri Kamath to hear this. After hearing Shri N.C. Chatterjee's explanation, he voted for the deletion. We pressed for the deletion. He is now saying that the Government should adopt the spirit and not the letter.

* * *

I am truly representing you. I am saying you made a mistake.

* * *

I may point out that this is what Mr. Chatterjee said in section 77(1):

“Every candidate at an election shall, either by himself or by his election agent, keep a separate and correct account of all expenditure in connection with the election incurred or authorised by him or by his election agent...”

I may refer to one case. There was an old zamindar of over 80 years, and his son was contesting the election. The manager and the staff of the zamindar did give assistance to the zamindar's son. The election was set aside because the election return did not show the salary of the manager and the zamindar's staff. The Supreme Court said it was thoroughly proper because he never incurred that expenditure and he never authorised that expenditure. I said that “this leads to the conclusion that whatever expenditure is incurred by any party without a ceiling or without a limit would not be considered to be election expenditure”. And the House was not in any doubt about it.

Therefore, the effect of dropping clause (4) was perfectly clear before the minds of all the Members. On the other hand, it was I and some of the Members on the Congress benches who wanted to put a ceiling even on party expenditure because there were all sorts of allegations made. Shri Asoka Mehta said two days back that the Congress had collected Rs. 3 crores. Shri Kamath said yesterday it was Rs. 5 crores. If the Bill were to continue for 30 days it would become Rs. 32 crores.

* * *

I say the whole thing is fantastic. I further say there are similar allegations about foreign money coming to groups opposite. This is not certainly a matter in which you can legislate on the basis of some rumour floating in the country. I asked whether we were or were not in favour of putting a ceiling on party expenditure, and I suggested in the course of my amendment No. 229 that the expenditure on a party, in so far as it relates only to publicity for holding public meetings, issuing circulars, pamphlets and all that, may be considered to be proper expenditure by the party, and any other expenditure by the party may be excluded and counted as illegal or unauthorised expenditure. That was not accepted. Now it is not right for the Opposition to say that they meant one thing, that they voted for another thing, and therefore the Government should carry out what they meant and not what they voted for.

(iv) Financial Institutions
*(a) State Bank of India Bill**

Both of my hon. friends Shri Sadhan Gupta and Shri Keshavaiengar have, in their anxiety to improve the conditions of the employees in the bank, sought to create some impediments in the enjoyment of the various rights granted in the BiH.

If my hon. friend Shri Keshavaiengar's amendment is accepted, any upward revision of the scales and wages will not be possible. The language would be that until the employment in the State Bank is terminated, they will continue in the same scales and grades of pay as and when the change over took place. It is legitimate and fair that when the Imperial Bank staff is taken over by the State Bank, there may not be a downward revision of wages and scales of pay. If such a thing takes place, the law relating to Industrial disputes will be available to them. It will become a dispute and it would be raised. But, to put a ban on any revision whatsoever is to prevent the possibility of a revision of the scales of pay to a higher grade.

My hon. friend Shri V.P. Nayar raised a doubt as to what would happen in the case of disputes pending between the employees and the Imperial Bank. I think that is covered by sub-clause (4), which says:

"If on the appointed day any suit, appeal or other legal proceeding of whatever nature is pending by or against the Imperial Bank, the same shall not abate....."

Therefore, any dispute which is pending before the Conciliation officer or tribunal would not abate by reason of the change over and the State Bank which really steps into the shoes of the Imperial Bank will continue those proceedings and whatever the results of those proceedings would be binding on the State Bank also.

My hon. friend Shri Sadhan Gupta was saying that the employees who come under the definition of workmen should have the privilege of claiming compensation under the Industrial Disputes Act. On the contrary, my little experience of labour shows that whenever a change over takes place, labour is very anxious for continuity of service

* L.S. Deb., 30 April, 1955, cc. 7010-7011.

rather than for compensation. It is in the interests of labour to see that continuity of service is ensured and that the services rendered to the company from which the business is taken over will be counted for the purposes of gratuity, provident fund, pension, etc. This is a more valuable right than the right to claim compensation. If you leave it to the workers or employees themselves, they would value this right of continuity of service far greater than the right to compensation. The clause as it is framed provides that in the case of employees whose services are taken over by the State Bank, their past services would count for all these privileges as pension, gratuity and other matters. Therefore, I think that the clause as it has been framed adequately protects the employees and any change which the hon. members have suggested would only detract from the advantages granted to them under this Bill and not improve their conditions.

*(b) Life Insurance Bill**

It was very difficult to follow the very able speech delivered by my hon. friend Shri Tulsidas. It was surcharged with emotion. He was trying to pick out, like a lawyer—I think he has missed his profession—sentence after sentence of the Finance Minister and controvert each one of them. I am afraid if he had intended to convert this House to his way of thinking, he should have miserably failed.

* * *

The race between the legislature and the insurance magnates of the type of Shri Tulsidas has just now ended. From 1938 onwards, the legislature has been trying to regulate and control an industry which has always been giving the slip both to the executive and to the legislature. Whatever legislation was passed in the field of insurance, it was found very soon thereafter that the evasions under that law were far too numerous to be tolerated any longer. The fact that we have had to introduce so many amendments itself proves the need that has arisen for tightening up the legislation from time to time.

In this connection, I may correct one mis-statement of Shri Tulsidas. He wanted to make it appear that all these amendments to the Insurance Act were done at the instance of the companies. I may assure him that we were in the House when, in 1950, the consolidating Bill was brought before this House and the insurance interests fought against it tooth and nail. At every stage in which the legislature tried to amend the law relating to insurance, tightening up the control over investments or trying to protect the interests of the policy-holders the business interests have always come forward and bitterly complained that it was an infringement of their individual right of freedom of action, their right to control the business of which they are the proprietors. You may kindly look back on your own experience. When the 1938 Bill was under discussion, you, Sir, then a Member, said that if policy-holders' directors were appointed to the board of directors, they would be able to control the activities of the board of directors. Then, much against the opposition of the Members representing the industry, that suggestion of yours was adopted. What happened after that? It was not

* L.S. Deb., 2 March, 1956 and 3 March, 1956, cc. 1400-1402 and 1461-1470.

one of the true representatives of the policy-holders that could ever get into the directorate. It was always a stooge of the companies that could be elected as the policy-holders' director. I shall explain to you the *modus operandi*. All elections to the policy-holders' directorate are done by means of proxies. These companies collect all the proxies, true and false, and keep them in their hands. When they find that somebody who will not be amenable to their control has been put up as a member for the board of directors, they use these proxies and defeat him and get their own man elected. I am saying that to Shri Tulsidas that if he will stop revelling on his own success hand, hear one or two things that go hard against him, it will do him and his industry a little good. I ask Shri Tulsidas whether in the insurance company which he controls it is really the representative of the policy-holders or his nominee who is the director.

* * *

Mr. Deputy-Speaker, yesterday* I started by saying that the control and regulation of insurance has not yielded any result at all and that every time control and regulation has been circumvented. The hon. Finance Minister has in his speech pointed out how the control over the holding of the shares has been evaded by the shares being held in the name of all sorts of relatives and friends. I will not go into it. The Finance Minister also dealt with the other aspect of the evasion of the ceiling on administrative salaries. He said that where ceiling has been fixed, it has been evaded by appointing a number of sinecures and dummies and relatives of the men incharge. I will proceed to give some more instances of the way in which the provisions of the Insurance Act have been evaded.

Under sub-clause 4(b) of section 27 of the Insurance Act, an insurer shall not invest in the shares or debentures of one company more than 10 per cent of the subscribed capital of that company. This act was passed in 1950. But in 1951 the amount in excess of the permissible investment is Rs.1,64,00,000 and odd; in 1952 it is Rs.1,37,00,000 and odd; in 1953 it was Rs.1,03,00,000 and, lastly, as late as 1954, the amount in excess of the permissible investment was Rs.60,83,000. It is another instance of how the regulation and control which the Insurance Act envisaged has been evaded and there has been a breach of the provisions of the Bill. I am at pains to explain this, because Mr. Tulsidas Kilachand yesterday said that the Finance Minister has taken out only one or two instances in which there has been misapplication according to him and misappropriation according to me of the funds of insurance companies and he has convicted the entire industry on the charge which is so flimsy. On the contrary, you will find that in every regulation there has been a breach and a substantial breach by the companies. Let me go to another regulation which has again been violated. Under Section 40-B of the Insurance Act, there is a limitation on the expenses of the

* On 2 March, 1956.

management in life insurance companies. Before I go to that, I shall refer to another point. Permissible investment in companies has not been done according to me in a manner which is advantageous to the policyholders. The permissible investment has been made by the people in charge of insurance companies in concerns which are allied to or conducted by them, except in the case of the Oriental Insurance Company, where the investments have been diversified. In the case of all other insurance companies where the permissible investment on shares of the companies is allowed, the investment has been only in respect of those concerns which are run by the persons in charge of the insurance company. Therefore, instead of the investment being made to the best advantage of the policyholders, investment has been made only to suit the private ends of the insurance magnates.

I will now refer to the breach of the other provisions of the Act. Section 40-B deals with the limitations on the expenses of management of life insurance companies. Let us see how many companies observed this limitation. In 1951, 61 companies contravened that provision; in 1952, 62 companies contravened that provision; in 1953, 58 companies contravened that provision, with regard to the limitation of expenditure, it is not as if the Finance Minister accused the insurance industry by quoting stray instances of mismanagement. On the contrary, the statistics show that contravention of all these regulations and control is a habit with the insurance industry.

Yesterday, Mr. Tulsidas Kilachand referred to the settlement of the disputes by claimants. He said that there have been only about 108 cases in which there were disputes and that very small percentage—only 40 of them—have been settled in favour of the policyholders and that this cannot be a charge against the insurance industry. I am afraid Mr. Kilachand has not read his brief or his books properly. The figures quoted in the Indian Insurance Book at page 65 relate to the settlement of claims of policies not exceeding Rs. 2,000. For the settlement of insurance policies less than Rs. 2,000 in value, a procedure has been prescribed whereby instead of going to the court, the small insurance policyholder may apply to the Controller of Insurance and have his claim adjudicated upon. In respect of these small claims, that is Rs. 2,000 and less, the number of disputes which have come up before the Controller of Insurance 1955 was 108 and the number still pending decision when this report was issued was 76. In the previous year, 1954, 98 disputes came up and 69 were withdrawn. They were withdrawn because they were settled. As the report itself says, when the matter was taken to the Controller of Insurance, the insurance companies got nervous and they settled the matter. Then 16 of them have been settled in favour of the policyholders. Only one out of these 98 cases was settled in favour of the insurance company. It is not the number. It is the manner in which the insurance company settles the claim that has got to be enquired into by the House. In respect of the settlement of claims, this is the report in para 7:

“Since the issue of the last report the Controller had decided 18 disputes under section 47-A. The decision in all these was in favour of the claimants. In 16 of these disputes, the insurers were found to have withheld payment

without any reason whatsoever and no defence was put forward by the insurers. In one other case, the insurer was unable to substantiate the allegation made by him that the assured was guilty of fraud. In all the remaining cases, the insurer was found to have wrongly interpreted the terms of the contract."

These are flimsy reasons only intended to delay the settlement of claims. It is not a genuine dispute. Therefore, I want to submit to this House that the record of the insurance companies even in the matter of settlement of claims has not been very good and very fair.

When the Insurance Consolidation Bill was before this House, I was responsible for moving an amendment that the Government should take powers for the appointment of directors to insurance companies. Section 48-C of the Insurance Act which empowers the Government to appoint directors to insurance companies was accepted and made a part of the Insurance Act. This could not be used at all, because if the Government sought to appoint a director to a good company, a company which was running well, naturally, the persons objected, "you are trying to appoint a director for a company which is functioning properly; it is interference and meddling on the part of the Government and it should not be done." If you try to appoint a director to a company which was not functioning well.

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If they tried to appoint a director for a company which was not functioning well, they said, this will entirely shatter the credit of the insurance company in the market and that they will be ruined. Therefore, even when you put in very valuable restrictions regulating the insurance companies, in practice, it becomes very difficult to enforce them for all the consequences that may flow from them.

Shri Asoka Mehta said that it is becoming a habit with the Finance Minister now to say that regulation is not sufficient and that the regulatory procedure of law does not yield very good results and that he is repeating it very often. It is not the Finance Minister alone that has said it. Even when the Insurance Amendment Act of 1950 was before the House, those who voted for it, those who supported it said at that time that the regulations and controls that they were introducing then would not suffice. I shall read only one or two sentences to show what those people felt at that time. Shri M.L. Gautam said:

"Only I would again warn this House that this Bill will not work. It will not suffice. It will not safeguard the interests of the policyholders. The sooner the Government places before the House a Bill for nationalisation of the industry, the better for the policyholders, the nation and all concerned."

Then Shri T.T. Krishnamachari as he then was,—he was not a Minister then—said:

“The Congress Party will before long realise that the police powers granted to the Government under this Bill are not adequate to safeguard the unfortunate policyholders from the rapacity of the individuals who are unscrupulous.”

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This is what he said in 1950. My point is, it is not overnight that the Congress Party changed its view with regard to nationalisation of this insurance industry. It has been an insistent demand on the part of the Members that this is an industry which is pre-eminently fitted for being nationalised.

Shri Tulsidas argued that the Finance Minister had brought this Insurance Nationalisation Bill as if he was convicting private enterprise in insurance and the penalty is nationalisation. It is not so. He did not say so. On the contrary, I shall read a portion of the Finance Minister's speech. He said:

“So, while it is the failure of the general run of insurance companies to live up to the high traditions demanded of them that has led Government to take this step, I would like to emphasise that nationalisation in this field is in itself justifiable. With the profit motive eliminated, and the efficiency of service is made the sole criterion under nationalisation, it will be possible to spread the message of insurance as far and as wide as possible, reaching out beyond the more advanced urban areas into hitherto neglected rural areas.”

Therefore, really what the Finance Minister said is that the industry is one which, in the public interest, as a public utility and as a social service, ought to be nationalised. If he was persuaded to bring it a little sooner than what we expected, it was because of the misdeeds and mistakes of the insurance industry.

Then, Shri Tulsidas dealt with foreign insurance which the Indian companies have developed. He said, how will the nationalised concern carry on foreign insurance. He used the expression that we are exporting insurance abroad and that it will suffer. I do not see how it should suffer. Anyway, let us see at what cost we have exported insurance abroad. The foreign insurance renewal business of the Oriental costs us 17 per cent as against a renewal expenditure in India of 13.7 per cent. The foreign insurance business of Lakshmi Insurance Co. costs us 23.2 per cent as against 17 per cent in India. The foreign insurance business of National Insurance costs us 17.7 per cent as against 15 per cent in India. The foreign insurance business of the United India Life Insurance Company costs us 30.8 per cent as against 12.8 per cent in India. It is a matter for consideration whether it is worth while exporting this insurance at this

heavy cost. It is obvious that private insurance cannot do foreign insurance except at such heavy cost and if that is so it is a matter for consideration whether we should do it. In fact in 1951 the Oriental Insurance Company had to transfer Rs. 3½ crores to the foreign policyholders Account. It is not worth robbing Peter to pay Paul, to take all that premium available from people in India and then sustain the foreign policyholders.

There is also another aspect. Now Indian insurance has been nationalised, I think it would still be possible for the nationalised insurance company to do business abroad. The business abroad is mainly done with the help of the Indian citizens abroad. It is not the foreign nationals that insure in the insurance companies registered in India; very largely it is the Indians abroad who insure themselves in the Indian companies. Therefore, once they get a feeling that the company is sound and that it will be able to honour its obligation and that there is hundred per cent security for the insurance policy, the business will increase and it will grow more.

Then Mr. Tulsidas threw out a challenge to the Finance Minister. It looked as though he was challenging the Finance Minister for a personal duel. I am quite sure that....

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He said "I challenge". Half a dozen times he repeated that challenge. He threw out a challenge and the challenge is this: let the Government run the State Corporation; let the private individuals be allowed to run insurance companies and then let us see which succeeds. This line of argument was taken up even by Mr. Asoka Mehta very much to my surprise.

Now I do not know what the Finance Minister would say but I have to confess defeat at the hands of Mr. Tulsidas because you cannot expect the Government to resort to all the nefarious practices which the private enterprises resort to for procuring business. Rebating, for instance, can be done by the private insurer. But once Government takes up insurance, can it compete with the private insurer by offering rebate? Secondly, what is the sort of insurance campaign that is going on? It is maligning each other. An insurance agent goes and confidentially tells people that the Chettiars, who are in charge of this company are swindling the money and, therefore, you should not insure in that company. Then the other agent comes and tells people that the Marwadis are really the swindlers and, therefore, you should not insure in their company but insure with my company. What is really going on is a competition amongst the various insurance agents for procuring business. How can Government come and compete with the private insurance company when the private insurance company has been resorting to these nefarious practices of rebating and maligning each other and trying to procure business for themselves?

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I do not know.* My submission is that it is not possible for a State Corporation and private companies to function together because of this great weakness. There is one myth which I want to explode. The myth is that insurance is sold and not bought. It is only a sedulous propaganda by the insurance companies that insurance is not a thing which people come and buy of their own accord and it is only through the efforts of the insurance agents that insurance is purchased. As I mentioned previously, there are 170 insurance companies in India with 2½ lakhs of insurance agents with unbridled freedom to malign anybody in the world and with unbridled freedom to rebate. They have procured about Rs. 40 crores of insurance premium of which over Rs. 23 crores has been paid by way of commission. Is that a matter about which the insurance industry really thinks it can be proud of? Certainly not. In fact the insurance companies do not sell insurance. On the contrary they compete and have cut-throat competition with each other. These 170 insurance companies with 2½ lakhs of insurance agents compete against each other, malign each other and create in the minds of the prospect a feeling that insurance itself is bogus because if A company maligns B company and B company maligns A company all the time the poor prospect will think that insurance seems to be a business in which there will be only fraud. X says Y company is bad and Y company says X company is bad. So everything must be bad. Therefore my submission is that this claim on the part of the insurance companies is unsustainable.

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We** are certainly abolishing private insurance. Now I will conclude by saying that absolute security is provided to the policyholders by nationalisation. Elimination of wasteful competition, elimination of the profit motive and expansion of possible social services and social security measures are abundant justification for nationalisation of insurance.

* Replying to a question of Shri S.V. Ramaswamy whether the private insurance companies expose the truth?

**Replying to the query of Shri S.S. More who said "abolish insurance; that is what they are going."

(v) Foreign Affairs —
(a) Demand for Grants (1954-55)
Ministry of External Affairs*

Before I proceed to deal with one or two matters of special interest to the people of South India in this debate. I wish to answer a few points raised by Shri Frank Anthony. The hon. member made certain statements which are at best half-truths and which will be embedded in our records and also publicised in papers all over the world. Unless we clarify those statements it would give a wrong impression to the world at large and to the House here.

Firstly, I will take Mr. Anthony's statement that the Prime Minister of India said that he has nothing to fear from expansion of world communalism. What the Prime Minister said, to the best of my recollection, is that he has nothing to fear from Chinese expansion, and that is proved by facts. I will detail one or two instances to show how we have nothing to fear to show from Chinese Communism expanding to other regions. In the year 1949-50, the Kuomintang troops—I wish Mr. Anthony was here, because what I am going to say is unpalatable—entered into the territory of Burma. Actually Chinese Communists drove them and they took refuge in the territory within the Burmese borders. The Chinese Communist forces did not trespass the borders of Burma and actually refrained from following in pursuit the Kuomintang troops. Then, long before the Korean conflict arose, the Chinese Communists assured the Burmese Government that they would respect the established boundaries between Burma and China. When General Li Mi's troops took refuge in the Burmese borders, the Chinese Communist forces did not pursue them in those areas. In the last Session of the United Nations this matter was brought up by the Burmese Delegation asking for the help of the United Nations for expelling the Kuomintang troops from the borders of Burma. So, it is rather strange, whether on facts or otherwise, that Mr. Anthony should say that the Chinese Communists are expansionists in their attitude and that they are actually bent upon expanding by military aggression over other parts of Asia. I am quite positive that the Prime Minister's statement that the Chinese Communists have no aggressive intentions is more than amply borne out by these two instances which I have cited.

* *Hop Deb.*, 23 March 1954, cc. 2847-2852.

Then Mr. Anthony referred to Tibet. He said that we first violently protested against the occupation of Tibet by the Chinese, but we soft-pedalled it later and now we have reconciled ourselves to the expansion of Chinese Communism not only over Tibet but even on the borders of India. Let me analyse this a little further. The Tibetan Delegation sometime ago went to the United States for purpose of, I think it was, selling of yak tails—tails of a certain animal—and then the United States told the Tibetan Delegation that the Chinese suzerainty over Tibet was acknowledged. But, then there was one difference and that is, the Chinese suzerainty which the United States then recognised was of the Chinese Government of Kuomintang Chinese Kai-Shek and not of the present Chinese Government. Would that make any great difference. I ask in principle? If the Chinese Government did have suzerainty over Tibet how could it be said that, because China has a different Government at present, because an old discredited Government has been thrown out and a new Government has come in its place, that Government has no suzerainty over Tibet?

Mr. Anthony then said that actually the Chinese have occupied the borders of India. Sir, the position in Tibet is somewhat confusing because the so-called MacMahon line which drew the boundary between India and Tibet was only an imaginary line and I am told that some of the Lamas on the Tibetan side come and pitch their tents farther and farther. The people because they are Buddhists, go and render obeisance to the Lamas with the result that it becomes difficult for one to judge whether that particular territory is Indian or Tibetan. Whatever it is, the matter is under negotiation and actually the Prime Minister in his opening statement said that it is likely to be settled.

Now, I may turn round and ask Mr. Anthony what has been the record of the so-called democracies. The democracies which are now very bitterly opposed to world communism were themselves the greatest allies of the communists. In India, when we were struggling for independence in the 1942 movement and people were in jails, were not these democracies taking the aid of "People's War" slogan to strengthen themselves in the country?

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Had they not appointed the communists to the post-war development committees? For a while it looked as if they were going to be the successors, if at all, of the British administration in this country, the British would think of transferring power to the more disciplined and more co-operative Communist party in India, than to the rugged, rebellious Congress! Therefore, when people come forward now with a lot of angry protests against the so-called world communism we are tempted to ask ourselves whether it is only a question of convenience now, as it was then a matter of convenience for the Western democracies to align themselves with the communists. At that time we were not able to judge whether the Western democracies were in their real spirit of devotion to the cause of democracy and fight against communism, or

whether it is not even now a matter of convenience to protect their own interests. India does not take her lessons from others. She decides things for herself. And the decision she has taken in this matter is that there is no fear of Chinese or Communist expansion territorially in Asia and other parts.

Mr. Anthony referred to the number of occasions in which India has voted against the democracies and asked: have you found any instance in which the other satellite countries voted against the Soviet Union? It is not for us to go and examine how the satellite countries voted. But I will at least explain to this House and to the country how we voted on every one of these occasions. So, far as India was concerned, it always voted against the so-called Western democracies on issues which involved colonialism. We voted in favour of the principle of self-determination. We voted in favour of Morocco and Tunisia getting their freedom and independence. We voted against the United Kingdom in the matter of the Central African Federation. We voted against the administration in Kenya, consistent with our policy of supporting the under-developed countries to reach their full measure of self-government. Does my friend Mr. Anthony want that India should have voted with the so-called Western democracies against each one of these items that I have mentioned? Does it mean that merely because Mr. Anthony and people of his way of thinking are opposed to communism we should stultify ourselves by voting in favour of the perpetuation of colonial domination in African and other areas?

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It is not for us to sit in judgment over others. It is for us to tell how India behaved in the U.N. I said in all the occasions on which we had to vote against the so-called democracies it was mostly on the issue of colonial domination. I ask this question whether Mr. Anthony wants that merely because some people are opposed to communism we should support colonialism. Certainly not. And those are the occasions where India voted against the so-called democracies.

There is another matter to which Mr. Anthony referred, namely the question of China. He asked: why are you opposed to communism in this country and arguing for its admission into the United Nations. It is an elementary principle that the effective Government of the day is recognised. Apart from all the other technical considerations, it is a simple principle of international law, which I studied for a while to defend our INA men in Malaya. The principle is that the successful revolution is the Government established by law. If Cromwell beheaded King Charles, his was the Government of the day. Likewise, if the Chinese People's Government is the effective Government of China, we, for our part, are willing to recognise them. Apart from this, there is another greater practical value. It is necessary to have the opponent to sit with you for a discussion if you have faith in the process of negotiation. If the opponent does not sit with you in any councils or committees. There is no negotiation at all. We begin to

question whether you have faith in the process of negotiation so long as you keep out your opponent from the councils.

Before I conclude, I want to refer to only two matters. The House will join me in sending its sympathy and admiration to the people of French India who are now struggling to free themselves in Pondicherry, Karikal and other places. Some of friends are there now actually in the throes of struggle. One of them has been shot at; some people have had to undergo belabouring at the hands of goondas as well as the police. All the purpose of merging this tiny dot of territory with the Indian Union, which is its birth right. I would only add on this occasion that so far as Indians in Ceylon are concerned, our Government has to exert itself to the full measure to see that the agreement which they have arrived at is observed in spirit. There is disturbing news that the Ceylonese Government is going to compel the people to register under the Agreement and if they do not register themselves, they are going to be deprived of service and means of livelihood in Ceylon. A reading of the Agreement does not warrant such a stand being taken by the Ceylonese Government. I am sure that our Government will protect the interests of the large majority of Indians in Ceylon who are denied citizenship under the India Pakistan Citizenship Act.

***(b) Chinese Invasion of Vietnam and
Consequent Threat to Freedom of Nations
of Asia****

Mr. Deputy-Speaker, Sir, at the outset, I would like to express on behalf of our side and, I believe, on behalf of the entire House, the feelings of solidarity with the people of Vietnam and express full support and sympathy to the country which is now in distress. I am quite sure that when the hon. Minister replies he would repeat and reinforce the feelings of this House and express the solidarity of the people of this country to the people of that country and Government of Vietnam.

With a swift stroke of brush, I would like to draw the picture of how Vietnam grew into this position of being able to fight for its self-preservation. As you are aware, imperialism never dies; imperialism only sheds its trappings. After the Second World War, a new imperialism came into vogue and the United States of America propounded a theory that after the fall of the British and the French empire, there is a power vacuum in several parts of the country—one in South East Asia and one in the Middle-East—and they tried to fill this power vacuum by supporting the puppet regime in the Indo-China region. It supported the puppet regime of Baodai, Sigman, Rhee and the like, who were oppressing the people and who were acting contrary to the national interests. The brave and valiant people of Vietnam struggled against this kind of oppression and they were able to throw not only the French but also subsequently the United States' hegemony over them.

We find to-day that as a free nation, they are exposed to attack by another power which has been criticising the super-powers in the world in no uncertain terms.

Sir, I happened to be in the United States when Teng Hsian Ping visited a few days back. A red carpet was rolled for him wherever he went. He spoke against the super-powers meaning thereby the Soviet Union and the United States. He also spoke of their hegemony over the world. And what do you find now? After having attacked the two super-powers China, as a superpower has now started attacking her neighbours in this area, thereby showing what a split personality it has. It is not the first time that it has done that. They have been talking of panchsheel, of peaceful co-existence between

* LS Deb., 21 Feb., 1979, cc. 300-306

countries on the one side and then, at the same time, committing acts of aggression against others. It happened in 1962 so far as our country is concerned and the same thing has happened now in Vietnam. It is not the first aggression by them. Actually during the last 3 years China has been attacking the border areas of Vietnam, through the Cambodian regime, which was supported by the Chinese. The Pol Pot regime supported by the Chinese attacked the Vietnam border areas several times during the last 3 years. There had been growing tension in this area during that period. When they found that the Pol Pot regime was thrown out by the people of Cambodia, then the Chinese got angry and they said that they wanted to teach a lesson to the Vietnamese people. When Teng Hsian Ping was in America, he made a blistering attack against the Soviet Union and he also said Vietnam should be taught a lesson.

Now, I want to ask the Foreign Minister whether he has been able to derive from his sources whether the USA had any pre-knowledge of the action which the Chinese were about to take on Vietnam even before Teng left the shores of the United States. There was considerable public criticism in America that the Carter Administration did not protest against the blistering attack that was made by the visiting Chinese Vice-Premier when the relationship between the USA and the Soviet Union was good.

I was told, Sir, that in one of the dinner meetings which our Foreign Minister had with his counterpart in China, a similar attack was made on the Soviet Union. Now, I would like to know whether our Foreign Minister registered any protest since it is not within the canons of propriety for a foreign State or a host country or a foreign dignitary to criticise or attack a country which is in friendly terms with the visitor.

Now, Sir, you are well aware that Vietnam has a population of 50 millions whereas China has a population of 900 millions. There could be no question of Vietnam ever having provoked the Chinese. It reminds us of the old story of 'Lamb and the Wolf'. It was said that the lamb was muddying the water of the wolf which was on the upper part of the river. This story has been repeated in this case. It is surprising that without any provocation, the Chinese should have resorted to an act of aggression. Though I know the Government will not commit itself in those terms, I would like to say that the Parliament considers this as an act of aggression on the people of Vietnam and the world also considers this as an act of aggression.

Sir, years ago, I used to represent India in the General Assembly of the United Nations. In those days we were pleading for the admission of China as a Member of the United Nations and we used to say and Pandit Nehru used to say very often that by keeping a country outside the United Nations we cannot enforce its discipline on it and it is only by making it a member of the United Nations that you can expect her to observe the principles of the United Nations Charter. Later on China has been admitted as a member of the United Nations. I now want to ask this question. Has China observed the principles of the United Nations Charter when it committed aggression on Vietnam? Therefore, Sir, it is high time that we tried to reassess our relationship with China. I am not saying nor do I intend to say that we should cut off all our relationship

with that country. That would be childish. On the other hand, it would be very necessary for India to make realistic appraisals and find out how far it is advisable to rely on the words, assurances, agreements, statements, joint statements and so forth issued from time to time between the two countries in so far as China is concerned. That is a matter which the Government will certainly take into consideration and I hope by the time when we discuss the External Affairs Ministry Demands the Minister will come forward with a clearer statement of the picture.

Now, what do we do is the next question. Merely shedding tears does not help anybody. Some hon. Members have said that we may request a meeting of the Security Council of the United Nations. Hon'ble Members know that no country has even requested the convening of the Security Council meeting so far. If a resolution not to the taste of one of the five permanent Members of the Security Council is brought, it is likely to receive a negative vote and thereby the whole resolution will fail. In this case I think the Soviet Union or China may veto the resolution and therefore many countries are reluctant or hesitant to come up with a request for a meeting of the Security Council. Unfortunately, we ceased to be a member of the Security Council this year. I wish we had continued this year because even if a resolution is vetoed, is negatived in the Security Council, a discussion in the Security Council on the merits of this issue and the focusing of the world opinion on that issue, in my opinion, will do a great deal to bringing about a solution to this problem.

My other suggestion may appear somewhat strange, but I will still make it. During the Korean crisis when the Security Council was deadlocked, the subject matter was taken to the General Assembly under the resolution known as Uniting for Peace. We were against that resolution at that time. We thought the General Assembly did not have the power of discussion of matters which are within the jurisdiction of the Security Council. Yet considering the importance of the issue and considering also the precedent that had been created when the Resolution of the General Assembly relating to Uniting for Peace was adopted. I wonder whether India could not bring this matter straight to the General Assembly, known as the Little Assembly, so that all the other countries which are not members of the Security Council, but who are really interested in the problem and who would like to express themselves, particularly the non-aligned countries may have an opportunity to express themselves on this problem. The Security Council today is composed of a very small number in which the representation of the non-aligned countries is very small. This is a problem which really confronts the non-aligned countries. This is a problem which really touches the safety and security of small nations. Therefore, it would be worthwhile considering whether we should not bring it to the General Assembly itself and have the matter debated. Merely stating or passing a resolution in the General Assembly or in Security Council that aggression should be vacated has very little meaning. What has happened to the resolution calling upon Israel to vacate the aggression in the Sina Peninsula in 1967. Still nothing has happened. Therefore, it is not merely a question of passing a resolution; it is really a question of trying to formulate world opinion to show that the world opinion is against a country which commits aggression and, therefore, try to influence them in that way.

I would, therefore, appeal to the Minister to consider a suggestion whether this matter cannot be brought to the General Assembly itself and whether India should not take the lead so that we may give an opportunity to the small and non-aligned countries of the world to express themselves on this problem.

The foreign policy of our country should be bipartisan. There is no question of securing debating points. This is a matter in which all sides of the House are vitally interested and, therefore, whatever the Minister tries to uphold the dignity, to uphold the freedom of Vietnam, this side of the House will lend its fullest support.

(vi) Labour Welfare
(a) Minimum Wages (Amendment) Bill*

I thought that the hon. Labour Minister** would give this House, and not only this House but the public and the vast masses of the working class who are every day expecting to hear from him hopes and promises from time to time, the reasons why this Minimum Wages Act was not implemented within the time prescribed in the Act itself.

Sir, if I may recall to him the discussions that took place when this Bill was being passed, my hon. friend, Mr. Shibbanlal Saksena said that the period of 2 years which the Government has fixed for determining the wages for industries and 3 years for agriculture is too long a period and that it should be reduced to 6 months. The hon. Minister replied:

“The point that has been raised by my hon. friend Mr. Shibbanlal Saksena deserves consideration. I may state for the information of the House that all the Provincial Governments are anxious to put this Bill into execution as soon as possible. Only recently I had a conference with Provincial Labour Ministers in which the Bill was considered apart from the opinions we have received from the Provincial Governments where it was circulated. All these Ministers expressed their anxiety that the passage of the Bill should be expedited”.

and then he*** referred to Madras and Orissa where there was agrarian trouble.

If the Provincial Ministers were as anxious as the representatives who came to have this Bill passed, I ask in all earnestness why it was not implemented within the period prescribed in the Act. The hon. Minister for Labour certainly owes an explanation to the labour which is criticizing him and his Government that they do not mean to stand by what they pass in this legislature. You are aware that the promises which we make are always very sweet to the ear but the promises which we break certainly break the heart and if the working classes are told time and again that for some reason or other

*Parliamentary Deb. (Vol. V), 10 August 1950, cc.792-795

**Shri Jagjivan Ram

***Shri Jagjivan Ram

or as it is stated in the Objects and Reasons, for one reason or other, it was not able to implement, I am quite sure the working classes would not be satisfied. As far as I know there was only one reason and no other, the only reason being the State Governments slept over the whole matter and woke up when it was too late. This brings it in clear relief, Sir, the dual control which is now being exercised over labour legislation and labour administration, the dual control one existing in the Central Government which enacts Acts merely and the other in the Provincial and State administrations which are charged with the duty of carrying them out has caused not merely in this but in every other field of legislation considerable confusion. I would therefore like that if the Central Government is anxious that they should implement the several laws which they enact in this House, they must also arm themselves with certain powers that in case the State Governments do not implement those provisions within the time prescribed the Central Government itself should have the power to do it and get the approval of this House. If the hon. Minister had come forward in this Bill with a clause saying that since the State Governments had not implemented the Minimum Wages Act, the Central Government proposes to notify the minimum wages in respect of the scheduled industries and call for objections from all the parties interested including those Provincial Governments who have not implemented it I would be the first man to support it and not only that but the entire labour in this country would be the first to acclaim him.

Then there is another point to which I want to draw the hon. Minister's attention. Under the Minimum Wages Act, it was proposed that the Minimum Wages should be fixed under clause 5(a) by a Committee which will hold enquiries and advise it and with the help of sub-committees constituted with representatives of labour as well as the employers. But what we found today is that having slept over the whole matter, the State Governments have resorted to this remedy of notifying the minimum wages in the Gazette and calling for objections against those notifications. I ask you in all seriousness, do they expect the labour organizations to go about hunting the Gazettes of the Provincial Governments to see where these notifications appear in the gazettes? Is it not the duty of the State Governments to see that these minimum wages are fixed in consultation with the representatives of the working classes as well as the employers so that an agreed formula can be reached? Now, Sir, the time is extended to one more year under this Bill. I would appeal to the hon. Minister to exert his influence with the State Governments to see that the minimum wages are prescribed not by notification but by an enquiry and by a committee so that it may command the acceptance at the hands of both parties without being merely a fiat of the administration. Of course, I must support this Bill. The reason is that if I do not support it, all the various minimum wages so far fixed in my State would be declared *ultra vires* and the High Court will come down and quash all those orders passed. Therefore, Sir, we must be grateful for small mercies and I support this Bill with these observations and I trust that the hon. Minister for Labour will use his best influence to see that at least within the prescribed period now under this Act the minimum wages shall be fixed not only in industries but also in agriculture where the demand is very great and trouble is growing.

(b) Demands for Grants (1952-53)
Ministry of Labour*

Labour is one of the few subjects which cuts across party politics in this country. Though some of the friends are now sitting on the opposite side in this House, we are working shoulder to shoulder in the Trade Union field, so that a debate on this subject assumes a somewhat farcical air when we try to criticize the Government for what it has done or has not done. We have in the Minister for Labour one who has been in the Trade Union field for nearly 30 years and who till the other day has voiced the grievances of workers in much stronger, much fiercer language than what we with our small experience or with our education could have done. My hon. friend, Mr. Rajabhoj referred to certain organizations in this country and said they were part of the Congress. I had nothing but amusement. There are organizations in India based on Trade Union lines, working independently of political affiliations, notwithstanding the fact that certain members who are working in those particular organizations have political affiliations with parties in this country.

Ignorance leads always to a certain amount of assumption which it is very difficult to reason out. There are people who are associated with the Hind Mazdoor Sabha, who are members of the Socialist Party and here are people who are associated with the Hind Mazdoor Sabha who are not members of the Socialist Party. Likewise there are members in the Indian National Trade Union Congress who are associated with the Congress and there are others who are not associated with the Congress in the political programme.

It only shows the catholicity of outlook of this organization, with even a handful of people. It only proves that the organization does not push out others for political reasons. I would like my hon. friend to remember that and practise it in the organization with which he is connected. Let us take the argument of my hon. friend, Mr Rajabhoj, namely that certain organizations are part of the Congress. The Indian National Congress has got a department of its own, called the Labour Department. the

* Hop Deb., 10 June, 1952, cc.2180-2187

Provincial or Pradesh Congress Committees have got organizations known as labour sections or departments of that organization. I happen to be connected with one such Pradesh organization for the last several years but it has nothing to do and no connection whatsoever with the Indian National Trade Union Congress. It is absolutely an independent body like any other labour organization functioning in this country. Therefore when people try to throw mud either out of ignorance or imperfect understanding of the policies under-lying the several organizations in this country, it becomes a necessary and painful task to clear that.

Mr. Rajabhoj also said that some legislation which his leader Dr. Ambedkar had formulated, the hon. Mr. Jagjivan Ram merely enforced. On the other hand, our complaint was that the hon. Mr. Jagjivan Ram did not enforce some of the legislations. Take for instance the Trade Union Amendment Act. It was passed at the time when Dr. Ambedkar was in office as Labour Minister. But it was not enforced by the hon. Mr. Jagjivan Ram. There were very few legislations which the hon. Dr. Ambedkar introduced which were subsequently enforced by the hon. Mr. Jagjivan Ram. On the contrary, Mr. Jagjivan Ram introduced in this country an era of beneficent legislation spread over a period of five years during which he brought India to the level of the most advanced countries in the matter of labour legislation. The country owes and labour in this country owes a deep debt of gratitude to the hon. Mr. Jagjivan Ram for having placed on the statute book such beneficent legislation as need not go into the details—the Minimum Wages Act, the Plantation Act, the Employees State Insurance Act, etc.

I know that my hon. friend* from Calicut representing the Socialist Praja Party has given a cut motion to criticise the Government for non-implementation of the several pieces of legislation. If I may anticipate, the criticism seems to be that although the hon. Minister had put on the statute book several pieces of legislation, very good to look at, they have not been implemented to the extent necessary. For the people who understand and appreciate what has been done, my answer is simple. If the criticism as a Trade Unionist is that we want greater emphasis to be laid on implementing the legislation, that we want greater emphasis should be laid by the administration in quickening the pace of applying the beneficent legislations that have been passed in this country, I am one with him. We, like Oliver Twist, always ask for more. We trade unionists are never satisfied with the existing conditions. If we were satisfied, we would not be in the trade union.

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But, if the criticism of my hon. friend,* is that the Government have not done what they could have done or what they should have done, I am afraid the case cannot be

* Mr. Rajabhoj.

sustained, by my friend. If my hon. friend's arguments were correct that within this period, you should have put on the statute book only a few pieces of legislation and implemented them rather than enacting a number of legislations, that would create a certain amount of dissatisfaction in the other sections of labour. It would be impossible to keep them within reasonable satisfaction. Take a specific instance. Suppose the Labour Ministry had taken up only the Minimum Wages Act and spent all its energy in enforcing that Act throughout the country, my plantation labour would not be satisfied. They wanted eight hours' work; they wanted facilities. They could not afford to wait until the Ministry had satisfied the claims in regard to the enforcement of the Minimum Wages Act. Our life is not so compartmentalised as one can wait till the other things are done. Our life is so progressive that we have to march on all fronts. In doing so, it may be that we are a little slow in enforcement. But, nevertheless, an attempt is made to march abreast in all sections of labour as far as possible. Take the Employees State Insurance Act. I would have loved that this Act were inaugurated in Madras. Not, because I come from that State; but because I think there are greater facilities for enforcing that enactment in that place than elsewhere. There are a greater number of doctors, better organisation of Trade Unions, and so on. But, it is a matter of discretion and certainly any person who happens to hold the office of Minister should be allowed to judge where, how and in what stages it should be extended.

The next point I would like to deal with is the criticism of my hon. friend Dr. Lanka Sundaram. He wanted to know whether there has been a change of policy in this Government with regard to legislation. If I remember aright, all the Trade Unions in this country regardless of the section to which they belonged, have wanted a change in the matter of legislation, they wanted that this compulsory arbitration should go. They wanted lesser and lesser resort to law courts in the settlement of labour disputes. They wanted that so far as bi-partite agreements are possible, they should be encouraged. They certainly did not want to become slaves of law courts and lawyers. If my hon. friend says that we must have more and more legislation as a means of solving the disputes between labour and capital, I totally disagree with him, and I think organised labour opinion in this country will also totally disagree with him. If a dispute arises between an employer and the employees and it is made clear that if they do not come to a settlement, there would be strike, the employer would begin to think half a dozen times before he takes the final step which would break the negotiations. Likewise, the employees or the Trade Unionists will think a number of times before they also break off the negotiations. Now, we have provided a court, very much like the Small Cause Court to which most of us go if a man borrowed Rs. five or Rs. ten. The managements take the case from court to court, from the tribunal to the appellate tribunal, from the appellate tribunal to the High Court, and from the High Court to the Supreme Court and then to eternity. There is a wholesome check that the strike infuses both in the minds of labour and in the minds of capital. I am one of those who are not afraid of strikes. Strike has been the weapon through which the world labour movement has advanced. Therefore, let us not put too much faith in the organisation of tribunals, appellate tribunals and so on for the resolution of our disputes. I would ask the Labour Minister to make his position very clear in this House because we look forward to him,

as a Trade Unionist, to be able to come forward and say that unless the parties come together on a bi-partite agreement basis, they cannot hope to get any help from the Government which they may need for the Government. Therefore, I welcome this proposed change in the policy to be adopted in respect of settlement of labour disputes.

I have a few other suggestions to offer. The procedure envisaged under the Industrial Disputes Act is, as my hon. friend said, circumlocutory. That is because the procedure is based on the Civil Procedure Code. Though the Tribunals are not bound to follow the Civil Procedure Code, yet, by reason of the fact that they have come from the judiciary, they have always preferred to follow the Civil Procedure Code and so have delayed the proceedings. I must congratulate my hon. friend Dr. Lanka Sundaram that he has been able to solve a dispute in ten or eleven months. I know of disputes which have not been solved for two years.

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Thank you* very much. I thought he gave me a catalogue of the dates relating to the tribunal.

Therefore, if any new procedure is going to be set out for the purpose of settling the disputes, I would prefer that the new procedure should be such as would be direct, and as would leave no scope for dilatory tactics.

Some of the hon. members wanted Judges to preside over these tribunals. I have great regard for Judges. I have practised as a lawyer. But, I think they are hopelessly unfit to be members of the Industrial Tribunals. They have spoiled many cases without understanding the principles involved. As one who goes through at least 120 or 150 cases of the tribunals every month to publish my *Labour Law Journal*, I can say that in most of them the decisions are far from the realities of the case.

I know of cases in which labour has been more dissatisfied, and in which capital has been more dissatisfied, and have ultimately come to a reasonable settlement among themselves ignoring the decision of the Tribunal. Sir, we want a personnel capable of understanding the industrial psychology, capable of appreciating the economic consequences involved in the changes sought—a personnel which will cut across all legal and technical formalities and which will be able to adjust the dispute in the best interests of both parties. Therefore, Sir, if the Government is really going to revise its policy with regard to the Tribunal, I would suggest that they appoint as members of the Tribunal not those who have got merely judicial experience, but those who have plenty of experience in the administration of labour legislation, trade unionists and also certain persons well versed in cost accounting and so forth.

* Replying to the suggestion of Dr. Lanka Sundaram that the disputes have not been solved even through tribunals.

Now I come to the question of agricultural labour. Though the Minimum Wages Act was passed in 1948, the time for implementation of the Minimum Wages Act to agricultural labour has been extended from time to time. I know that it is going to be the gravamen of the charge by my hon. friend, the member from Calicut. But we must realise one thing; there are no trade unions organised in agriculture and whatever legislation may be passed by the Government, they are not likely to be of much use or benefit to the agricultural labour unless we develop proper Trade Union Organisation in those specialised fields of activity. We may have laws, but the laws do not work by themselves, they have to be set in motion, and only Trade Unions can set them in motion, and our organisation of agricultural labour is so poor that any amount of legislation is not likely to bring large benefit to them. But that by no means is an excuse for the Government delaying the implementation of the Minimum Wages legislation with regard to agriculture. The delay occurred, if I may say so with great respect, through the Finance Minister and his Planning Commission. They thought that the implementation of the Minimum Wages legislation would throw the spanner into the life of the rural community. Sir, that really threw the hammer at the head of the agricultural population.

The result was that certain time was taken by the Planning Commission to study the consequences—the probable consequences—of implementing the Minimum Wages legislation on the agricultural community, and ultimately, I am glad to say, they came to the conclusion that the Minimum Wages legislation can be implemented in certain areas and in respect of certain specified occupations and that it should be done before the end of 1953.

There are one or two handicaps from which labour now suffers. The supervisory staff who are engaged in industrial undertakings have been excluded from the purview of the Industrial Disputes Act, thanks to the decision of the Appellate Tribunal. They interpreted the definition of a workman in so strict a manner as to include within its scope only a person who does manual, i.e., physical or clerical labour, and all those who did a little more than that have been excluded from the benefits of the Industrial Disputes Act. Sir, this has cut the whole labour into two camps, the supervisory camp and the working class. This is not to the interests of the nation, this is not to the interests of the working classes. Unless an amendment to the Industrial Disputes Act is brought bringing the whole class of supervisory staff—those persons who are less in status than that of the Manager—within the definition of the Industrial Disputes Act, there is likely to be a cleavage in the Trade Union movement, certain Trade Unions starting under the supervisory and technical staff, and others going on against them as working class organisations. No such distinction, to my knowledge, exists in any other country, and it is up to you now to see that the mischief which is done by the decision is nipped in the bud.

Then there is the question of retrenchment. Now, we are practically coming to a slump period and everywhere there is a threat of closure of several establishments. And those people who have worked hard in those industrial establishments should not be merely

left to the kind mercies of the employers, to their own fate, if they are thrown out of employment. I would suggest that the provision which has been there in the Bill, i.e., the Labour Legislation Bill, for some time, viz., that in the case of retrenchment every worker should be given 15 days gratuity for each year of service, should be implemented as soon as possible. If there is any delay in the implementation of this provision, it will be a case of justice being delayed, of justice being denied, because most of the workers are at the present moment facing a grave crisis of retrenchment.

Lastly I would join with my hon. friend Dr. Lanka Sundaram in saying that you bring about a Trade Union unity in this country. The hon. Minister has been associated with several Trade Unions in this country—the AITUC; he has friends in the H.M.S., and he has also been associated with the INTUC. He is the best person in the country who is capable of bringing about unity among the several groups. People who are interested in the history of the Trade Union movement have only to refer to the Nagpur Resolution and the part Mr. V. V. Giri, as he then was, played in bringing about a trade union unity. This is just the time when as Labour Minister he should set himself the task of bringing about trade union unity in this country so that democracy may be protected in this land. Labour and Trade Union Organisations are among those who are genuinely interested in democracy. They fight against the reactionary forces and totalitarian tendencies both of the right and of the left. A real, healthy Trade Union movement is the greatest safeguard for democracy in this country and we would be very happy if the Hon. Minister could exert his influence in achieving that trade union unity in this country.

(c) Demands for Grants (1955-56) of Ministry of Labour — Industrial Dispute*

This is one of the subjects which does not lead to any controversy, to whatever party the members may belong. If there is any conflict at all, it is only a conflict between the limitations of the executive and the urge for the promotion of labour welfare on the part of the members. All of us are united in making a stand for the progressive welfare of labour and also for an improvement in their condition of life irrespective of the sections to which they may belong in the trade union organisation. If we look at the progress that the Ministry has made during the year, we may say that it has acquitted itself fairly creditably. It is not so much by the things it has done, as by the things it has not done, that I wanted to judge this Ministry.

You are aware that for several years, we have been promised a legislation known as the Labour Relations Bill. We were told that it will be a comprehensive measure and that it will deal with all aspects of industrial relationship in this country. After all the vicissitudes that it has passed through, finally, we have come to a stage when we are told that there will be only an amendment to the Industrial Disputes Act, and not a comprehensive Bill. Even that is not coming. In the meanwhile, under the existing Industrial Disputes Act, a very large number of people are denied the right of their disputes being adjudicated and their grievances being settled by the Industrial Tribunal. I desire to draw the attention of this House to a very sorry state of affairs. We recently passed the Working Journalists Extension of the Industrial Disputes Act. We were all greatly relieved to see that the intellectual workers were able to get some protection of law. Today, according to the definition of 'workman' in the Industrial Disputes Act, the poor *mistry* who is working in the plantations, controlling 7 or 8 workers, is denied the benefits under the Industrial Disputes Act on the ground that the definition of 'workman' does not cover him. The result is, a very large section of intellectual, supervisory, and semi-skilled workers is excluded from the benefits of this Act. I would appeal to my hon. friend the Labour Minister to emulate the example of Dr. Keskar. He has been able to get through at least one Bill, promising that he would give detailed and better consideration to the other recommendation of the Press Commission. He was able to implement the recommendation with regard to the extension of the Industrial Disputes Act to the working journalists. I would ask the Labour Minister immediately at least to bring forward this amendment of the

* L.S. Deb., 23 Mar., 1955, cc. 3021-3027.

definition of the word 'workman' so that the semi-skilled and the supervisory categories may be brought under the protection of this law. You know the proverbial story of a mountain of labour at last yielding only a mouse. I am satisfied even with the mouse. I shall wait for other amendments to the Industrial Disputes Act, but I want very badly that this amendment of the word "workman" should be taken up immediately and passed as early as possible.

I have before me a number of letters from Madras State about cases in which the adjudicators are waiting for the Government to have this definition amended. The talk of the amendment of this term "workman" has been so much in the air and the representatives of labour are telling them that it is coming today, tomorrow, in the near future and so on, with the result the adjudications are being held up by the workmen in the hope that the Industrial Disputes Act will be amended soon. If, due to pressure of work, the Central Government is not able to take up the amendment of this definition immediately, I would appeal to them to allow at least the State Governments where this matter is a question of great urgency to define or to amend the definition of the word "workman" in terms of the definition which we have already adopted in the Labour Relations Bill. Recently, the Madhya Bharat Government was allowed by the Central Government to amend this definition of "workman". I would suggest that the Central Government may circularise all the State Governments where there is a great urgency for extension of the benefits of the Industrial Disputes Act to the semi-skilled supervisory categories to go ahead with their legislation to amend them so that they may get the benefit of this Act.

Then, I come to the next aspect, namely, the promotion of the welfare of the workers. Having very little time, I will merely touch the broad outlines. I find that in the working of the Factories Act, the ratio of accidents is still large, and I also find that the accidents are largely in the government industries. That shows that the factory inspectors who are government servants, when they go to inspect a factory run by the Government, are a bit lax and that they do not very much care to see that all the rules and regulations of the Factories Act are enforced.

*Sympathetic to Government, and unsympathetic to labour. Last year during the course of the debate on railways, I drew the attention of the Railway Ministry to the increasing number of accidents in railway workshops and I said that the inspection staff should be strengthened. This is the occasion when I should stress it because so far as the Railway Ministry is concerned, it is just one of the factories, and the inspection staff has to be strengthened and greater caution and care has to be exercised by the inspecting staff when they go to inspect the Government factories. In fact those factories ought to keep better standards than even private employers.

*Replying to the interjection by Smt. Sucheta Kriplani to the effect that factory inspectors are sympathetic to the Government.

Then, I come to another aspect. In the Payment of Wages Act, the deductions for co-operative societies are permitted only so long as the management agrees to so deduct. Recently it happened in Madras that there was a co-operative society formed with the assistance of the employer. Then, disputes arose between the employer and the employees, and then one of the ways of retaliation was for the management to say that they would no longer deduct the dues from the employees, with the result that they brought the entire co-operative institution doing business to the tune of about Rs. 3 to Rs. 4 lakhs to a standstill. They also resorted to a very unfair labour practice stating that since the co-operative society was not able to advance the money, the management would give advances from the Provident Fund. This is an unfair labour practice and it ought not to be allowed. I therefore appeal to the Government to examine this position and see whether once the management and the labour have agreed that deductions should be made from the wages of the workers in respect of dues to the co-operative society, it can be stopped by one party without the consent of the other. This is a matter which has got to be examined and I would appeal to the Government to see that one party is not allowed to withdraw the privilege of having these deductions.

The third point I would like to deal with is plantation labour. There is a confusion in the minds of the authorities about the words *kangani* and *mistry*. The *kangani* is a person who resides outside, enrolls labour and then supplies them to the plantation. On the other hand, a *mistry* is a person who supervises the work and works along with them. By some confusion even *mistries* are treated as *kanganis*, and with a great gusto, the State Departments are going about removing all the *mistries* also. While we are in entire sympathy with the removal of the *kanganis*, we urge that the *mistries* should not be removed. A *mistry* is a person who works along with the other workers in a supervisory capacity, and in fact, in the far away places, far from the madding crowd, in these plantations you will find that he is the only friend and guide of the poor plantation workers, and if the *mistries* are removed, the plantation worker is bound to suffer without anybody to help him. I would therefore urge that a distinction ought to be drawn between a *kangani* who does not work and who is merely a labour-recruiting agent, and a *mistry* who works and supervises the work of the labourers, and to see that those laws and those decisions applicable to the *kanganis* are not extended to the *mistries*.

Lastly, I will say a word about agricultural labour. There is a great deal of confusion in the minds of the State Governments. They think it is very difficult to fix the wages of agricultural labour, and the very immensity of the task is one of the reasons for not undertaking the task at all. Recently, in Madras State, agricultural wages were fixed in one district, namely Tanjore district. I had the humble privilege of making a report on the conditions of agricultural labour in that district. The Tanjore Tenants Protection Act which was passed recently fixed the wages according to the categories. Those who are doing daily labour were given a certain quantity in kind, and those who were doing share-cropping were given a certain percentage of the produce. It is not very difficult to do that. Under our Minimum Wages Act, it is possible for the State to fix the wages of a worker not only in cash but in kind, and not necessarily for all occupations, but only

for some of them. So, if such a latitude is given, I do not understand why the State Governments are not able to fix the minimum wages for agricultural labour. I know in some States they have made a fetish of fixing the wages for agricultural labour and they have said that the rate for agricultural labour is Rs. 1-12-0 for a ploughman, Rs. 1-4-0 for a coolie and so on. It bears no relation whatsoever to the conditions existing in the villages or in those areas. This is done merely to satisfy the requirement of law and to say that they also have fixed the wages for agricultural workers. The fixation of minimum wages for agricultural worker has to be taken up more systematically and they should be fixed very often in kind rather than in cash, and this also in accordance with the general custom which has been prevalent without making a very serious departure from it. There is, however, always scope for improving the existing customs. You can give more if it is given in kind. Not necessarily need we give more in terms of money. Therefore, I would urge the Central Government to take some more positive steps to see that the agricultural wages are really fixed and not nominally fixed.

(d) Indian Trade Unions Bill*

I heard with considerable pleasure at the complete *volte face* which my esteemed friend, Mr. Ananda Nambiar has made from the days when the A.I.T.U.C. propounded certain doctrines, to the days when it has now come to speak exactly against them. It is a slogan started by the All India Trade Union Congress that there should be only one union in the industry. When other people, who did not agree politically with the point of view of the All India Trade Union Congress, tried to form trade unions of their own, they were called traitors, disruptors and what not. They were the sponsors of the theory.

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The All India Trade Union Congress propounded the doctrine that the Indian National Trade Union Congress and, for that matter, the Hind Mazdoor Sabha were disruptors of unity in the ranks of labour, because at that time they were undoubtedly the most leading trade union organisation and they controlled the majority of labour at that time. But, for reasons best known to themselves, the allegiance of labour has shifted from the All India Trade Union Congress and the leadership has passed into other hands like the H.M.S. and the Indian National Trade Union Congress. Therefore we get this spectacle of Mr. Ananda Nambiar coming and talking to this House that we must recognise all the unions that are registered and that they must have the right to negotiate with the employer irrespective of the strength they possess.

Let us examine the proposition. If every registered trade union is to be allowed the right to negotiate with the employer, in the railways the Railway Board will have to negotiate with—ten lakhs divided by seven—so many unions, that is as many as nearly a hundred thousand unions. Because, under the Indian Trade Union Act, 1926, any seven persons can join together and form a union and get it registered provided they observe certain formalities with regard to registration. It is an obviously impossible proposition and hopelessly untenable.

If my friend, Mr. Nambiar had brought forward a proposition as a resolution that the Government should endeavour to see that legitimate trade unions are recognised and

* L.S. Deb., 4 Mar 1955, cc. 1163-1170.

that facilities are given by legislation for that purpose, I would certainly be with him on that subject. But the Bill which he has brought forward will reduce the trade union rights of the workers to an absolute nullity. The proposition which he has brought forward is that 5 per cent. of the workers, if they are members of the union should be able to get recognition from the employer. That means that every industry can have as many as twenty unions. It would be an impossible for any employer to deal with twenty unions. Multiplicity of unions itself is a bane of the trade union movement. What one union wants is rejected by the other, and simply because labour talks in divided voices labour is not able to assert itself, and gain its legitimate demands. My hon. friend Mr. Nambiar wants to give legal sanction to the multiplicity of unions. He wants to encourage disruption; he wants to encourage a sort of internecine quarrel which will ultimately lead to the loss of bargaining capacity of the workers themselves.

Then, Sir, he has himself referred to the Trade Union Act of 1947. I think he should have learnt more from the provisions of that Act. Mere recognition means nothing. Recognition is not a term which is defined in any section, any Act, or any legislation. There are certain things which are incidents of recognition. What are the rights of recognition should be defined in an Act. The obligations of such recognition will also have to be defined. Now, merely to say that a union should be recognised means nothing in law. In the Trade Union Act of 1947 the amendment Act, section 28 (f) provides for what are the rights of a recognised trade union. Sir, in this connection, I am reminded of a very interesting passage in a book, a very able treatise, written by Prof. Kirkardy, Professor of Industrial Relations in the Cambridge University. It is a series of lectures entitled the *Spirit of Industrial Relations*. He says that for the first time when in America they said that the employer shall negotiate with the employee, they did not define what is negotiation. Then, after the Act was passed, a trade union leader went to the employer. The employer called him, asked him to come and sit, asked him "How do you do" and then said "You may now go." The trade union leader said: "Sir, the Act enjoins on you to talk to me". The Manager replied: "Yes, we have talked to you; we have called you; we have invited you; you have come and sat; now you may go." It does not say how much we should talk and what we should talk to you.

If these things cannot happen now, I do not know why we want legal sanction by way of this Bill. In the ultimate analysis, it is really the strength of the union that determines its bargaining capacity; in the ultimate analysis, it is the solidarity of the workers which gives them the power to negotiate. More technical legal recognition of the kind which this Bill envisages will not help the workers at all. Therefore, I think my hon. friend Mr. Nambiar when he brought forward this Bill was completely misconceived in the object for which this has been brought. The real way in which we can get the workers their legitimate rights to bargain collectively is by showing that they have the strength of organisation and a certain percentage—which I would put in the case of unit unions, even at 33 $\frac{1}{3}$ per cent and in the case of federations at 20 per cent—would be the minimum that would be required for giving them bargaining strength. A mere five per cent would not help anybody to bargain with the employer.

Then, Sir, there are certain difficulties in the way of the employees in getting recognition now. The Industrial Disputes Act, which defines what is an industrial dispute has been interpreted by the Industrial Tribunals in this country as not including the issue of recognition, that is to say, the Tribunals in India have given rulings holding that the issue of recognition of a trade union is not an industrial dispute, as defined in the Industrial Disputes Act. Sir, in my view—as a legislator I am entitled to differ from judges—it is a wrong interpretation. The definition of an industrial dispute is any dispute or difference between employer and an employee relating to conditions of service. Here the right to bargain is one of the conditions of service and I do not understand why the right to bargain collectively should be treated as not falling within one of the terms and conditions of employment. It is necessary that this state of affairs should be remedied and the proper way in which it could be done is to include in the definition of an “industrial dispute” a proviso stating that the issue of recognition of a trade union shall for the purposes of this be deemed to be an industrial dispute.

Whatever be the phraseology, I am in favour of entrusting the powers of granting recognition to a trade union not statutorily on the basis of membership, but to an Industrial Tribunal which will go into the merits of the case, will go into the collective strength of the union and be able to decide on the merits whether or not a particular union should be granted recognition or not. I quite agree with my hon. friend Shri Nambiar that today the workmen have no right to go to a court, or go to an authority, to establish his bargaining strength, or to prove that his union has got the bargaining strength and the only way—and which it appears to me to be a proper one—would be to amend the Industrial Disputes Act in such manner as to include a dispute relating to recognition of a Union.

Then, Sir, my hon. friend passed a number of remarks with regard to other unions, as well as the socialistic pattern of society and cast a lot of sarcasm and bitterness round his speech. They were totally irrelevant for the purpose of the Bill which he was sponsoring.

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*The Avadi Session Resolution is totally irrelevant for the purpose of the Bill which my hon. friend Mr. Nambiar is sponsoring.

The Avadi Session Resolution was for the establishment of a socialistic pattern of society in which every person will have the right to live; to have an egalitarian society in which differences would be reduced. There will be equality of opportunity for all

*Replying to a query of Shri T.B. Vittal Rao as to whether the Avadi Session Resolution was relevant or not?

persons. I do not see how this comes in the recognition of a trade union which has, even according to Shri Nambiar only 5 per cent of membership. Admittedly, it is a union which is a minority. Admittedly, it is a union which does not command the confidence of the workers, having only 5 per cent. Admittedly, it has not got the bargaining strength. Admittedly, it has not got the sanction of the workers behind it. According to the socialistic pattern of society which Shri Nambiar envisages, they must have the right to dictate to others. You know the pattern of society to which we stand for and they want to stand for. They just want to stand for that pattern of society in which 5 per cent of the people will be able to dictate to 90 or 95 per cent of people. That is the basis of his argument.

Let me make one more submission before I conclude. This question of recognition should always be coupled with certain duties. The right to be recognised should be coupled with certain responsibilities. It is not proper merely to say that a union should be recognised without seeing what the obligations they will have to undertake. These jurisdictional disputes *inter se* between a union and another union have been the bane of this country. If you want to recognise a union, you must see that the union which has got the largest membership is recognised. If you believe in a democratic process it should be open to the members or the workers in the plant or unit to change their union executive by a democratic process of election. Under the Trade Union Act, every year they have got to conduct elections. If you do not believe in that, but still want to start a rival union, you must at least be able to muster a sufficient amount of strength to be able to show greater support from the workers than the other union which is recognised. I do not believe in the recognition of 2 or 3 unions at a time. This will lead to confusion. This will spoil the workers' cause. The union which commands the largest measure of support from the workers is the only organisation which should be capable of recognition.

My hon. friend Shri Nambiar said, look at the Railways, they started at the top, they came to the National Federation, from the National Federation they came to unit unions and from unit unions, they came to the workers, this is the way they have built their organisation. My hon. friend Shri Nambiar has a good memory though he may try to hoodwink the House for his own political purposes. The All India Railwaymen's Federation was one of the organisations started earlier by the workers themselves. Then they formed into a Federation and that Federation was recognised. For several years, the All India Railwaymen's Federation was recognised. Subsequently, the workers who did not want to join the Railwaymen's Federation, started another organisation, they carried on a struggle for a number of years and they were not recognised at that time. Among those who opposed the recognition of the rival organisation is Shri Nambiar. I put it to him straightaway: can he deny that he was one of those who opposed the recognition of the National Trade Union Rival Railwaymen's Federation? Is he not one of those who opposed the union units formed under the auspices of this Federation?

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Now, it is admitted that he opposed. Whatever the reasons, this is not the forum to go into now. After they had gained sufficient strength, after it was demonstrated to the Railway Board that they had sufficient strength, after it was demonstrated that the All India Railwaymen's Federation declined to call for a strike, but the South India Railway Labour Union of which Shri Nambiar was the President or Secretary, I do not know, called a strike and that strike fizzled out, only then, the other union was recognised. Let us not forget all that and now try to trot out arguments which will ultimately harm the workers. I think recognition has to be worked out in a different way. The only way in which a recognition can be effective is by gathering strength. The only way in which we can get recognition is by trying to amend the Industrial Disputes Act in such a manner as to give the discretion to the tribunal to be able to find out whether recognition should be granted to a certain union. I oppose the Bill as it stands as it will be wholly detrimental to the interests of the workers.

(vii) Social Reforms

*(a) Hindu Marriage Bill**

We are on the last lap of the passage of this Bill. Considerable volume of opinion has been expressed on this measure both at the time it was referred to the Select Committee in this House as well as in the other. It is, I am afraid, too late in the day now to oppose the very principles which have been accepted by both the Houses in this Bill. So, I do not think the House would take very seriously the objections raised by Shri Nand Lal Sharma about his total opposition to this Bill.

I want to confine my remarks to some of the points raised by Shrimati Renu Chakravartty which I fear have been expressed on account of a wrong understanding of the provisions of the Bill.

Firstly, she said that the clause relating to legitimacy of children was not quite progressive and that it did not give the right to children born of a marriage declared to be null and void or annulled under a decree as a voidable marriage, did not provide for inheritance to the collaterals at all. That is not the position. Under the existing Hindu law, the inheritance of illegitimate children depends upon the caste or class to which they belong. In the twice-born classes, illegitimate children have no right to inheritance either of the parent or collaterals. Now, clause 16 of this Bill gives the right to illegitimate children to inherit the property of the parents. To this extent it makes a very great progress in the existing provisions of the Hindu law.

Then, in the fourth caste or class, according to the existing Hindu law, children are entitled to inherit the property of the parents and the collaterals in certain schools. Where such rights already exist according to the Hindu law, clause 16 provides that they are still preserved, that the illegitimate children, if according to the existing Hindu law, are entitled to inherit property of the collaterals, they would still continue to inherit the property notwithstanding what is contained in clause 16. I want to make this clear that so far as the existing rights of inheritance by illegitimate children are concerned, they are preserved. So far as the right to inheritance to the property of the parents which are now denied to illegitimate children is concerned, it is now granted under this Bill. Therefore, I desire to clarify the position that far from the present

* L.S. Deb., 3 May, 1955, cc. 7335-7342.

Then, she* referred to another provision, viz., the preservation of the right of divorce existing now under customary practices and customary law of the country. She thought that as the Bill is framed, divorce can be granted only in accordance with the Bill and that the previous or the existing customary law permitting the dissolution of marriages by a decree of divorce or according to customary practices has been done away with. I desire to draw the attention of the House to sub-clause 2 of clause 29 which saves the operation of customary law, which reads as follows:

Therefore, if according to the customary law the parties are entitled to obtain dissolution of marriage notwithstanding the fact that they may not be entitled to get a decree for divorce under clause 13 of this Bill, they would still be entitled to have recourse to the customary law and such dissolution would be preserved.

No**, it is not necessary. My submission is that the procedure which would be customary and which would be available would be preserved under this. If, according to custom—I will take an extreme case—a marriage can be dissolved by just breaking the cooking pot in the presence of the elders of the village, this can still be done and still be valid according to the law which we are enacting.

* Shrimati Ranu Chakravartty

**Replying to a suggestion by Sardar Hukam Singh that right of dissolution of marriage would be there, but the procedure under the law would differ.

took the view that those customary practices relating to the dissolution of marriages should be done away with and that in all cases dissolution of marriage or divorce should take place only in accordance with the provisions of this Act. I want to ask whether we are trying to enlarge the scope of the existing practices or whether we are trying to restrict the rights already possessed by certain sections of the community. The object of this Bill is to provide the right of divorce to those three regenerate classes which do not possess it. The object of the Bill is not to restrict the right of divorce which already exists and has been customary and has been practised by the community from time immemorial.

Unless we want to restrict that right, the suggestion that the customary practices with regard to divorce should be done away with cannot recommend itself to the House. A large section of the community are today having recourse to the customary divorce, which has been immemorial certain and reasonable. But there are cases in which the customary practices of divorce have been held to be not valid. For instance, in a case where there was a custom that the divorce of a woman could be procured by payment of a price, it was held to be against public policy and against morals and, therefore, that custom was not recognised. Unless the custom is one which is ancient, which is certain and which is reasonable and has been practised and without interruption obtaining in a community. It is not possible for a person to get a divorce in accordance with that custom. I would think that any attempt on the part of the Members of this House to try and restrict the right which already exists among the members of the community to get divorce according to the customary practices would be doing a great harm and would be a great restriction on the right already possessed by them. I am, therefore, in favour of the retention of this provision, sub-clause (2) of clause 29. Since courts are very chary about recognition of customs which are not reasonable, we have nothing to fear and there will be no disruption of the Hindu society, as people make it out to be.

Then I come to another question which has been agitated by Shrimati Renu Chakravartty and Shrimati Jayashri, i.e. with regard to the restitution of conjugal rights. While apparently it reads that the right to obtain restitution of conjugal rights is not in consonance with the modern conception of marriage, I still feel that with conditions, as they exist today in this country, the right to obtain restitution of conjugal rights should be preserved. In my own small experience in courts, we have had occasions to know that a minor girl was quite willing to go and live with the husband, but the parents for some reason or other, perversely have declined to allow her to go and live with the husband. Either they wanted money or they wanted certain other things to be done, or with some ulterior motive not in the interest of the persons concerned, these guardians have resisted restitution of conjugal rights. Courts have, in those cases by attachment proceedings against the guardians brought about restitution, which I think every section of the community would welcome. You, Sir, in your own experience should have been quite familiar with cases in which the mother-in-law refuses to send the daughter to the father-in-law's house and the father-in-law refuses to send the son and so on.

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a decree of divorce, and the total period which the framers of the Bill contemplated in such cases was a period of three years for obtaining divorce. In the case of a person who suffers from leprosy, he has to suffer from that disease for a period of one year before a petition can be presented, and then a period of two years has to elapse before a decree for judicial separation can become a decree of divorce. Now, in the case of a person who suffers from venereal disease, if the petition is presented overnight and a decree for judicial separation is granted immediately, the party has to wait for a period of two years before getting a decree of divorce; that is to say, in cases in which the opposite party suffers from leprosy, the period of waiting will be three years, but in the case of a person who suffers from venereal disease, the period will be two years. If that is so, I do not think it is consistent with clause 13(1) (v) which says:

“...has for a period of not less than three years immediately preceding the presentation of the petition, been suffering from venereal disease in a communicable form”.

That is to say, if a person resorts to the procedure of having judicial separation, he will get divorce in two years, but if he presents a petition for a decree of divorce, he will have to wait for three years. It is anomalous. I think it is an oversight or error in drafting which the Rajya Sabha has committed and I would like this thing to be rectified before the Bill is passed.

Then I am not at all happy about alimony being ordered against the wife. It is unheard of in any judicial system, in any known legal system.

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As Acharya Kripalani says, we are more progressive than all the progressive people of the world.

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I think it would be a great hardship to a woman to be compelled to undertake the liability with regard to alimony for the husband.

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What we tried to provide for is that in cases where there is a change in circumstances there will be resort to courts for varying the amount, and the husband will go on

perpetually persecuting the wife and presenting petition after petition for the purpose of increasing or decreasing the alimony payable to him. I think we should frame a law which should not lead to any harassment. I am afraid that this clause is totally unacceptable, and I am quite sure that the Law Minister will delete this provision relating to the payment of alimony by the wife to the husband.

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There is only one other thing. I am very anxious that this Bill should be passed as early as possible. You will remember that in the first Address that the President delivered to this House he said that the reform of Hindu law is one of the planks and the immediate objectives of the present Government, and any attempt that we now make to change any of the provisions in this Bill in this House will necessarily delay the passage of the Bill as it will have to go back and be approved by the other House. Therefore I venture to submit to the consideration of the Law Minister that if he would give an assurance to this House that he would bring all the three parts of the Hindu Code Bill together and he would adjust all the minor errors of drafting or other small mistakes and so provide that the Code will be acceptable to all, we will not press the amendments of which we have given notice.

(b) Hindu Succession Bill*

I am in favour of the Bill only with certain modifications, and not otherwise.

The Bill seeks to exclude a very large percentage of the Hindu population from its operation. The joint family system of the *Mitakshara* school, as you know, is the largest prevailing school of thought and the *Dayabhaga* is confined only to the fortunate province of Bengal. If we introduce a Bill in which we seek to grant the right of inheritance to property to women and exclude there from a very large section of Hindu community, then we will be only doing justice apparently, but not real justice.

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It will not be by instalment even. My friend** says we will first start with *Dayabhaga* and then by instalments we can introduce to *Mitakshara*. I do not agree with him, because when we first come to legislate for a large population, it would be wrong to exclude a certain section of people and then tell them "you wait for your day"—and we do not know when. As you yourself said, whenever we try to legislate, we should try to bring in as much of the population as possible within the ambit of that legislation.

Let us examine the reason for the exclusion of the joint Hindu family of the *Mitakshara* school from the operation of this law. It is said that theoretically property passes by survivorship and that in a survivorship it is taken on the male line, and therefore, inherently, legally, the daughter is not a person within the meaning of a joint Hindu family.

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I am really very grateful to the Law Minister for making it clear. By a bad argument I have drawn a good result, but I was referring to the arguments advanced before the Rau Committee.

* L.S. Deb., 5 and 7 May 1955 and 1 May 1956, cc. 8107-8110, 8121-8128 and 6897-6902.

**Shri Pataskar (Minister of Law).

I did not make it clear. Before the Rau Committee all the legal pandits who appeared and exchanged their legal knowledge, were in favour of exclusion of *Mitakshara* for various reasons, one of which is this. If you look at the opinion of the people governed by the *Mitakshara* school itself, they are not very much in favour of the continuance of the joint family system.

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But what I am stating represents the opinion of the experts, the leaders of thought.*

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I do not want to enter into an argument with regard to what the experts represent, but I do want to say what even the experts think on this matter. Giving evidence before the Rau Committee no less a person than Sir Srinivasa Varadachariar, Retired Judge of the Federal Court, a man who is considered in Madras to be a great authority on Hindu law, said as follows: It is in the Rau Committee's Report on page 17:

"Sir Srinivasa Varadachariar, the Retired Judge of the Federal Court, whose knowledge and mastery of the Hindu law are beyond question, and who freely placed his invaluable learning at the disposal of the Committee, had counselled us that the best legislation, as in fact it is the simplest, is to substitute the *Dayabhaga* for the *Mitakshara* system".

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On the last** occasion, I started by pleading for the inclusion of the *Mitakshara* joint Hindu family within the scope of the Succession Bill. I was saying that the opinions of jurists like Shri S. Varadachariar and Shri Srinivasa Ayyangar were all in favour of the extension of the principle of *Dayabhaga* to the *Mitakshara* school. The hon. Minister was good enough to intervene at that stage and to point out that the Government had not committed themselves either way and that they were open to persuasion or conviction that this law should be extended to the *Mitakshara* school also. In that case, the question naturally arises whether on the extension of this to the *Mitakshara* school, the separation of the family would take place immediately or at a later stage.

*In response to a dissenting view expressed by Dr. Ram Subhag Singh.

**He started his speech on 5 May, 1955, and continued on 7 May

Now, there are two views in respect of that. In the original Bill, based on the Rau Committee's Report that was introduced, the Government were in favour of the joint family not immediately separating itself and becoming a *Dayabhaga* family but were in favour of the new line or the law of succession taking effect as and when a death took place in the joint family. That is to say, if in a joint family consisting of A, B, C and D. A dies, his share would then pass to his heirs and not his survivors. In that case, it will leave a time lag between the complete annihilation of the joint family system and the switching over to the new system. On the other hand, the Joint Committee, of which you were a Member was in favour of the other view, namely, that on the appointed date, that is the day on which this law came into force, there shall be deemed to be a separation forthwith and that all the members of the joint Hindu family shall be deemed to hold the property not as joint tenants but as tenants in common.

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The Joint Committee's decision would probably disturb the existing state of affairs to a very great extent, and create a sort of confusion in the existing joint families of the *Mitakshara* school because, overnight people will be told that the new system has come into existence and that they are holding as tenants in common and not as joint tenants under the rule of survivorship. But if you adopt the procedure recommended by the Rau Committee and embodied in the Bill originally introduced, it will be more advantageous because as and when a death takes place, only that share will devolve on the heirs in accordance with the succession law, with the result that the other members, if they choose to continue, may continue to be members of the joint Hindu family until the last one of them dies and thereafter each family will be governed by the new succession law.

We may also draw some analogy for this from the Estate Duty Bill which we passed. In the Estate Duty Act, the law presumes that on the death of one of the members of the joint Hindu family his share shall be deemed to be separate on the date of death and that share alone is held liable for the payment of estate duty. So I hope that when the Joint Committee goes into this question, it would prefer the Rau Committee's recommendation and adopt that. It was also provided in the code as it was then introduced that no right by birth to any property after the commencement of the code shall be by survivorship and it shall always be by succession.

Now, certain arguments were advanced against the introduction of the woman as a member, as a sharer, in the property. One of the points made was that it is likely to cause a lot of irritation and disharmony between the brother and the sister. But it can also be argued whether the sister would be very affectionate when she is told that she has no share in the property. If it is argued that by giving the daughter a share in the property, there will be disputes between brother and sister and there will be disharmony between them, it is equally true that if you deny the sister or the daughter

a share in the family, she is not going to be very affectionate towards the brother—she is not going to be very affectionate to the other members of the family. This is not my opinion. I will quote the opinion of no less a person than Shri P. S. Sivaswami Iyer, once a doyen of the Bar in Madras, and a great name in the public life of India. This is from the Report of the Hindu Law Committee:—

“All the above arguments have been effectively met. Mr. A. C. Gupta of Calcutta asked, ‘What sort of affection is it that will be effected by putting this little strain on self-interest?’ and Sir P. S. Sivaswami Iyer of Madras said: I do not think that when no share is given, there will be greater affection. No, that is not possible.”

So if you deny the woman a share in the property, it is not going to increase her affection towards the family or towards the brother.

Then the next point that was made was that it would lead to fragmentation. This argument about fragmentation really lacks any scientific basis. Fragmentation depends on the number of children that a person gets. Suppose instead of four sons and three daughters, the man had seven sons, would there not be fragmentation? This argument regarding fragmentation is really, as I said, lacking in a scientific basis. And having committed ourselves to a philosophy that the mere accident of birth shall not disentitle any person in this country of ours to any of the benefits, we will be perpetuating the distinction between man and woman if we continue to deny the woman a share.

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I do not believe in the existence of one. The next point I want to mention is this. Even in the Code as presented by Dr. Ambedkar as well as the Code that was originally presented, the clauses dealing with the distribution of property contained illustrations. I want the hon. Minister to include all these illustrations also in the body of the Act. That will help in the interpretation of the sections. As it is the illustrations as to how the property would be distributed are all included in the notes on clauses, and these notes on clauses will vanish by the time the Report on this Bill comes back from the Select Committee. On the other hand, if they are included as illustrations in the clauses themselves, it will be very helpful in interpretation. I would request the hon. Minister to see that illustrations are included in the relevant clauses, namely clauses 10, 11 and 14.

As regards the share of the daughter I am in favour of giving an equal share to her. I am against any distinction being made between a son and a daughter. That is the opinion which has been very strongly supported in the Report of the former Select Committee also. That will also be in consonance with the present and modern trends of thought. There is, however, one doubt which rather worries me, and it is this.

In the case of a family consisting of, say, three widows, two sons, and four daughters, if you work out the shares of the respective parties, according to the present Bill, you will find that the share of the wife or the widow is less than that of the daughter. I am anxious that in no case should the share of the widow be less than that of the daughter. I shall give an exact illustration. Take the case of a family in which a person had three widows, two sons and four daughters. In that case, the three widows will take only one share, the two sons will take two shares, while the four daughters will take two shares; and the total number of shares into which the property will be divisible is five; and each share will represent one-fifth of the property. As the three widows take only one share, the share of each widow will be only one-fifteenth as against one-tenth that the daughter will get. My suggestion is that a proviso should be added to clause 10 to the effect that the share of the widow shall be one, and if there is more than one widow, the share of the widow shall not in any case be less than that of the daughter in that particular family. This is very important because there is no point in saying that until the death of the husband--the head of the family--she is the owner of almost the whole, and that immediately on the death of her husband, her share gets reduced very much below what even a daughter would get.

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That is true.* But what that share is, God only knows. We do not know whether there would be anything to inherit at all from the father. After all what is the property that we distribute? We are taking into account not the property of the father of the widow; we are taking into account not the property of the father of the widow; we are thinking only of the distribution of the property of the last male holder. In that property, the widow had a great share. But suddenly by the operation of this law, she would find that her share is reduced to something which is less than that of a daughter even. I am anxious that this should not happen. I am in favour, no doubt, of giving an equal share for the daughter along with the son.

Next I come to the rule of succession with regard to the property of a woman. I would not call it *stridhan* because it includes not only the property which she can dispose of but also the limited estate about which I have already made by submission, that by the extension of this principle to the joint Hindu family of the *Mitakshara* school, she will become a sharer like any other person. You will find that under clause 17 the rule of succession of a property of a Hindu woman is that the property first devolves on the children and secondly on the husband. This, I consider, is an inequitable discrimination. I think the husband ought to be made a simultaneous heir along with the children. If we are providing for the wife or the widow to get a share in the property of the

*Responding to a statement by the Minister of Law and Minority Affairs (Shri Biswas) that, a widow will also get the share of a daughter from her own father.

husband as a simultaneous heir, it is equally reasonable that the husband should also be a simultaneous heir along with the Children. For, why should the husband be deprived of a share in the wife's property? After all, in law, the husband and the wife are one. If that is so, why should they be treated as different before Mammon? I think even with regard to the distribution of property, the husband should be included as a simultaneous heir along with the children, and brought under sub-clause (a) of clause 17.

The next point which I want to mention deals with clause 19. According to that clause, those women who are now in possession and in enjoyment of property as women's estate holders will continue to do so, and on their death, the property would revert to the heirs of the last male holder. I consider that it is unnecessary to perpetuate the women's estate. Here and now, all those estates held by women should be made absolute. There is a difference between the women's estate in Hindu law, and life estate in the English real property law. There, there is a vested estate in the person who is the holder of the remainder, but here there is no vested estate at all. In Hindu law, as you are aware, the women's estate is something more than a mere life estate; there is right of disposition but subject to certain restrictions; and the right of the reversioner is only *spes successionis*; it is not a vested interest, but it is a mere expectancy. I think therefore that no great harm will be done if we make the estate a full estate instead of a limited estate.

These are the changes which I would suggest for the consideration of the Joint Committee, and I am sure that they would carry out these things when they bring the Bill back to this House.

*Mr. Deputy-Speaker, I rise to support the Bill and to offer one or two words of improvement in the several clauses that have been placed before the House.

In the first place, the Joint Committee has made very useful improvements in the Bill as it was originally introduced. It has been the great cry of the reformers of the Hindu system that at least the Hindus in this country should have a uniform system of law. The opinion was strongly expressed before the Rau Committee from various parts of the country. I do not propose to waste the time of the House by referring to every one of them, but I would humbly request hon. Members to be good enough to refer to the views expressed by progressive people from all parts of India who gave evidence before the country with regard to bringing about at least a uniform code governing the Hindus.

In the original Bill, members belonging to the Aliyasantana, Marumakkattayam and other Acts were excluded. That was because the system of inheritance which was given

*This portion of the speech was made by Shri Venkataraman after the presentation of the report of the Joint Parliamentary Committee on the Bill of the House. The earlier portion of his speech was on the Motion to refer the Bill to JPC

to women under the Bill that was introduced fell short of the rights which they already possessed. I am very glad that those classes of people governed by the Marumakkattayam, Aliasantana and other matriarchal system have been enabled to be brought under this Bill so that we may have a uniform law for them also.

The second major change which has been made by the Joint Committee is to make the law applicable to *mitakshara* families in a very limited way. I am not satisfied that the Bill has gone far enough. At the time when the Bill was referred to the Joint Committee, considerable volume of opinion was expressed in this House that if the Bill did not embrace the *mitakshara* joint families, then it would be leaving out of account nearly 70 per cent. of the population, and the object with which the codification was made would be defeated by the exclusion of the large proportion of the people governed by the *mitakshara* system of law. Some endeavour has been made by the Joint Committee so far as that portion is concerned. Though I will go into the details shortly, I welcome the endeavour on the part of the Joint Committee to bring the *mitakshara* families in some form.

This Bill has had a very long and chequered history. It has gone through various vicissitudes. Actually, the Bill has been before the country for nearly 20 years in one form or another. The criticism that the Bill only seeks to cover a section of the community is not well founded for this reason that among the major communities in India, the Christians have a law of inheritance, which provides inheritance to women, the Muslims have a law which provides for inheritance rights to women, but it is only the Hindu law which does not provide for any inheritance to women. Therefore, it is necessary to bring the Hindu law at least on a par with that of the other communities before we can attempt at a uniformity.

My friend, Shri C.D. Pande, was very eloquent when he said, "If you had brought forward a Bill applicable as a civil law to all the people in India, I would be the first to support it". But before we bring about a sort of uniformity, it is necessary for certain communities to come up to the level of the rights which the other communities are already enjoying, and if that is not done, it would not be possible to bring about uniformity except by reducing the rights which the other people may have. I do not therefore think that there is real substance in the criticism that a uniform civil law should be brought forward before we try to reform the Hindu Law.

Secondly, it is urged that we must exclude agricultural lands. Most property in India is agricultural land. It is another way of refusing inheritance to women. If we say so, that would be more honest and straightforward. If we exclude this, there will be little to inherit.

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It has been said that the Hindu coparcenary is being disrupted. We must make up our mind in the first instance whether we are going to codify the existing law or modify and reform the existing law and practices. If it is our intention merely to codify the existing law, I agree that it goes beyond that. But, on the other hand, it has been stated that the object of this Bill is to introduce progressively reforms in the system of inheritance as well as in other systems of Hindu Law—marriage, etc. and so, that point loses its value, its sting and its criticism and it has to go beyond the existing rights.

Even as it is, what is the position of the joint family? It has lost much of its pristine purity. Take for instance the right, unilateral right of a member of coparcenary to seek partition, the pious obligation of the sons to pay the father's debts. Then you have the Hindu Women's Right to Property Act under which a woman is entitled to a share of her husband's property in the joint family and so on and so forth. So far as the stranger is concerned, if he is a creditor, he can file a suit against the coparcenary share and then enforce the decree. That criticism has no sting or value when you consider the long line of legislation that has taken place. We want to reform the joint family system. We want to see that the system of individual ownership comes into being progressively in place of the system of inheritance of property by survivorship which is outmoded, old and archaic. In all modern countries and modern societies, ownership of property is an individual right which goes with him and the less the fetters on the disposition of property, the greater is the advancement of society. Economic freedom of a man, in order to be able to deal with his property without any restriction, has been the way in which progress has been made in other countries. Take the English law of real property.

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I am leading up to that. You have anticipated me.* I say that in view of the fact that the progress of society is towards individual freedom of ownership and disposition of property, let us move towards that. That is why I desire that clause 6 of this Bill should be substituted by a clause which will abolish the right of survivorship or inheritance by birth, in this Bill itself.

When the original Hindu Code was introduced by Dr. Ambedkar, he provided for the following clause:

“No Hindu shall, after the commencement of this Code, acquire any right to or interest in any property of the ancestor during his lifetime merely by reason of the fact that he is born in a family of the ancestor or in a joint family property which is founded on the rule of survivorship.”

*Replying to a suggestion made by Shri Kashiwal about abolition of *Mitakshara*.

I have myself given an amendment to that effect and I am going to press it when the matter is taken up clause by clause. Clause 6, as it is, is very complicated. It will lead to multifarious litigations and land us in confusion. Either we have the courage to say that property is now held free and absolutely by the members on a particular day or we will continue to hold to the old opinion that the law of survivorship, *Mitakshara* system, should prevail. There is no half-way house in this matter. The doctrine of giving a right to women in the property and the doctrine of survivorship cannot exist together; they are contradictory. If you want to give the right of inheritance to women, daughters, daughters' son and sons' daughters and so on, the idea of having the rule of survivorship is cut as under. It cannot exist along with the other conception of ideas. We take up courage and make up our minds whether we would like to have a system in which property would be held absolutely free or whether we are going to have restrictions imposed by *Mitakshara*.

I will give an illustration. In clause 6 as it is there is a provision. If there is no female in the family, the joint family will continue. The moment a female is born, the proviso will come into operation in which case the share of that particular individual through whom the girl would inherit would be ascertained and then the share would be determined according to this Bill. As complained, there may be a large number of partitions in which case the sons or persons who are entitled to prior partition will walk away with a larger share and the children that are born after partition, be they male or female, will get a smaller share. The proviso will make it worse.

* * *

It would be very hard upon the child subsequently born because, according to the explanation, the share which has gone to the males who has already divided from the estate will be taken into account for ascertaining the daughter's share and the sons born after the partition would be almost left in the lurch. They would get nothing. This cannot be the object of any legislation. I do not think the effect of such an explanation has been fully appreciated by the Ministry.

* * *

I want to know whether this aspect has been considered and whether this was what was intended.

* * *

It is better to end at the end of an idea than at the middle of one.

(c) Child Marriage Restraint (Amdt.) Bill*

Madam Chairman, at the outset I would like to extend my fullest support to this measure and the amendment which I have proposed and accepted by the hon. Minister.

I shall briefly mention one or two points in this connection. Firstly, there were some doubt raised by members here whether this Bill will be applicable to all communities. The Child Marriage Restraint Act applied to everybody and the Bill before us is an amendment to the Child Marriage (Restraint) Act. In fact Clause (1) of the Child Marriage Restraint Act runs as follows:

‘It extends to the whole of India except Jammu and Kashmir and it applies also to all citizens of India without and beyond India.’

Therefore, there should be no doubt, no question, whether this Bill applies only to Hindus, Muslims, Parsis or Zoreshtrians but to everybody in this country so long as they are the citizens of India. Therefore, I welcome this measure. This is really the first step in the Civil Code that we have been contemplating. It is a welcome measure from that point also.

The second point which I would like to mention is this. A number of people said that the Sarda Act has been a dead letter, that the Child Marriage Restraint Act has not been observed fully and that there have been more breaches than the observance of this. I am afraid I cannot subscribe to this view.

It is true that there is not hundred per cent observance of the Child Marriage Restraint Act. Also it is true that the law is not observed completely. Nevertheless, progressively, if you look at the whole period of thirty to forty years, you will find less and less child marriages happening year by year.

In fact, education, social conscience, political awakening, social awakening, all these are contributing step by step towards raising the age of marriage. There is also another factor which has contributed to the raising of the age of marriage for girls in most of these parts of this country where we find these dowries—financial payments and so on—have got to be made. This pressure on those who are economically unable to find

* L.S. Deb., 21 Feb., 1978, cc. 331-334.

money for these marriages, is again pushing the age of marriage further and further up. This cannot also be denied. In fact when some people said that this Act not served at all, they have seen various instances or cases in which there has been a violation. I am here reminded of a similar argument in respect of prohibition. Madam Chairman, Tamilnadu was one of the earlier States which had introduced prohibition about which you know, and whenever there was a breach it would be publicised. The observance of the law never get publicised. It is only the breach of law that gets publicised. Then everybody starts saying that when there is so much violation of the law it should be scrapped. That way I may say the Indian Penal Code should be scrapped because there are so many violations of the Indian Penal Code all over the country. If a dog bites a man it is no news but if a man bites a dog it is certainly a news. I welcome this publicity because it rouses the social consciousness of the people to criticise the abuses. I do not think this law has been a dead letter as has been said by many people. On the contrary it has been progressively observed more and more and legislation will help because it sets the goal before the country. People will progressively look to that standard and go on observing that law. Merely because there are a few breaches we should not condemn the law. On the other hand, we should exert all our endeavour to see to it that the law is observed.

There is no other reason why I moved this amendment about raising the marriage act in respect of women to eighteen. Apart from marriage being a sacrament, it is also a contract and under the Contract Law a person gets the right to contract only when he is eighteen. Therefore, the marriage of a girl below eighteen is done on her behalf by somebody else and not done by her. Therefore, it is appropriate that the age of marriage in respect of women should be raised to eighteen and it would be in the fitness of things that young man of twenty-one marries. So, I strongly support this measure. Though it will not solve the problem of population explosion yet it will help to reduce—to some extent—the birth rate if the higher age is fixed and also there will be at least an understanding amongst the couple of a planned parenthood and a responsible parenthood at that age. At a lesser age there may not be that responsible parenthood. I fully support the Bill.*

* Thereafter some amendments were moved and the Bill was passed.

(viii) Motion of Thanks
Seconding the motion on Address by the
*President (1952)**

I have great pleasure in seconding the motion so ably moved by my hon. friend** from West Bengal. His speech did not contain the touch of a maiden speech in any manner. He spoke so well that an old member like me is beginning to feel somewhat doubtful whether I would be able to equal him in the debates that will take place hereafter.

My hon. friend has dealt with the portions of the Presidential Address relating to foreign affairs so well that if I should attempt to traverse the same ground, possibly I will mar the good effect he had created in this House. However, I feel that I should draw the attention of the House to one aspect, namely, the question of Indians in Ceylon, only to impress through the debates in this House on the better minds of the peoples of Ceylon that they should try their utmost to influence their Government and see that the Indians who have helped so much to build up the civilisation of that country, to build up the economy of that country, are not now left in the lurch and dropped like hot potatoes, once their services are no longer required. It is up to the people of Ceylon to see that their Government pursues a policy of friendship and cooperation with our great nation, so that a brotherhood of Asiatic nations may be established.

I shall now refer to some aspects of the Presidential Address relating to home affairs. The Address takes consolation at the tendency for recession in, price levels and for the decline that has been going on since the middle of last year. We have suffered under a spiral of increasing prices for the last several years and the middle and lower middle classes and more particularly the working classes have suffered incalculable harm during the course of this great rise in prices that followed as an aftermath of the war. Always, the middle classes have been attempting to catch up with the ever increasing prices and their attempt has ended just in the same way as a dog chases its own tail. We are very happy now that this process has been arrested, and that the process of a decline in prices is coming over not only in this country but all over the world, and that the benefits resulting from a fall in prices would accrue to those classes which very badly deserve as well as want it.

* Hop Deb., 19 May 1952, cc. 80-84.

**Shri A.K. Chanda

But the fall in prices is not without some serious repercussions on the community. We have noticed that the mills want to close down the third shift in textiles. We find that the automobile assembly is closing down in Calcutta. The tea interests are clamouring that the Minimum Wages Act which has been passed and implemented, and the Plantation Code which tries to serve the cause of labour, should be delayed in their enforcement. These are very serious consequences and unless Government takes note of the repercussions created by the fall in prices, it will be very difficult for the classes that sadly require a lower price level to go on leading a normal life.

We are happy to find that at page 7 of the Address the President has said that the Government proposes to ensure that production and employment will not be affected by reason of the fall in prices. Unemployment is a scourge. It is indeed very unhappy that an able-bodied man, a man who is ready, able and willing to work, should be denied work and unless we are able to combat the mass retrenchment and unemployment that are consequent upon the fall in prices and the fall in production, the very thing which we welcome as a measure that is intended to benefit the lower classes will prove to be a measure of great harm to those classes.

Then, I will deal with production and planning. The Government have come forward to start a new Department, namely, Ministry of Production. We welcome, and I am sure the country outside would welcome too, the creation of such a separate Ministry. You have very large Government, State-owned industrial enterprises and it is necessary that they should be placed in charge of one unified control, so that this particular Department may be responsible for the production, maintenance as well as the consequences of the several steps taken by this particular Government, or any other successor Government.

In this connection, I would urge that an Economic Service may be created and that it may be drawn from people in the commercial houses and people serving in the several industrial and commercial establishments, who can look forward to progress inside the Department or Ministry of Production, so that starting from lower grades they may work up their way to be the Managers and the Managing Directors of these State-owned enterprises, because I understand that by constant shifting of the executive heads of industrial concerns, the continuity in policy is lost and very often there is a conflict between the past and the present way of conducting the work. Therefore, it would be a good augury if along with the creation of a separate Ministry we are able to create a separate service which will man all our industrial and economic units of production.

Then I shall refer to that sore point which has been agitating all of us, more particularly those in the South, namely, the food situation. The Presidential Address does not pretend that that situation has been entirely controlled or that it has eased. We find that the stock of foodgrains is comfortable, but it is no comfort to the people to say that there is a large stock of foodstuffs so long as they are not able to get it and so long as they are not able to eat it. It is no consolation to a bank clerk to be told that the

bank has large balances; nor is it a comfort to the treasury clerk to be told that the treasury balances are big. It is only to those who can eat out of the large stocks which we purport to have that the benefit will accrue. Therefore, I find that a large section of the population in the State from which I come are faced with this situation, that while there is inadequate food and inadequate supply, they have not also got adequate purchasing power to buy even the little supply which is available there.

The famine conditions in Rayalaseema—which are now spreading to other parts in the Soputh—have got to be combated. The President's address says that famine will be fought regardless of cost. We are happy that Government has taken such a strong decision in this matter. The famine in the South is not merely a food famine, but it now threatens to be a famine in water. Madras is now in the grips of a very severe water scarcity and the life of the city threatens to break in the course of the next few weeks. The water-supply in the southern region has got to be attended. I would in this connection venture to say that the Krishna-Pennar project for which we in this House have been agitating for quite a long time should be given a very high priority, so that the water which is now going waste to the sea may go to quench the thirst of the people of Madras.

I shall now briefly touch on the question of legislation that is pending before the House. I personally very warmly welcome the Hindu Code Bill. Members of the last House know very well how some of us were very anxious that the Hindu Code Bill should be passed. We notice that Government have decided—notwithstanding the filibustering, notwithstanding the dilatoriness of some—that they will go forward with this measure of great reform. The Hindu Code Bill cannot be passed at one stretch, because it covers a very wide area. It is, therefore, necessary—as Government have decided—to split it into parts. Ever since British jurisprudence came into this country, Hindu law has not progressed along with the times. It became fossilised by the interpretation of precedents, with the result that what is today accepted as canons of good society like monogamy, divorce, right to inheritance to all people, are denied under our old existing law. It is necessary that if we want to keep our face in this progressive world, if we want to march onward with the rest of the society, we should immediately take on hand this measure of reform of the Hindu Law and I am sure the House will give its utmost cooperation regardless of the party to which members may belong.

Lastly I am very glad that Government intend to appoint a Press Commission which will go into the question of the organisation of the Press monopolies, if any, existing in it, the conditions of working journalists who sustain the entire organisation and all aspects of the Press, so that freedom of thought and expression which we have embodied in the Constitution will become a reality. Freedom of thought and expression cannot obtain, unless the press is a strong one, an independent one and is not controlled by merchants, traders and speculators who may use the press for their own purposes. It is a welcome sign that Government have understood the need for an independent Press in a country like ours and have come forward to appoint a

Commission. I am sure when the Commission comes to be appointed, some representatives of the working journalists, some representatives of the public as well as of the judiciary will be appointed on it, so that they may objectively examine the whole position.

I have great pleasure, Sir, in seconding the motion.

(ix) Law and Justice
*Supreme Court Advocates (Practice in High Courts) Bill**

This Bill is so far as it tries to unify the bar of this country is most welcome. Not only after the establishment of the Supreme Court but even earlier, immediately after the establishment of the Federal Court, the lawyers' conference held in Madras year after year suggested by passing resolutions that the bar in India should be unified and there should be an All-India Bar Council and the enrolment of and disciplinary jurisdiction over all these lawyers should be brought under one central control, namely, the All-India Bar Council. Though this Bill does not go so far as that, it certainly makes a beginning in that it says that the advocates who are enrolled in the Supreme Court will be entitled to practice in the High Courts notwithstanding the fact that they have not been enrolled in such High Courts themselves. The Ministers** unfortunately stopped short of the very ideal which he set before himself. He said that it was his intention that the advocate who is enrolled as a member of the Supreme Court bar should be enabled to go and appear in the province from which the case emanated, even though he was not enrolled as an advocate of that court. If you merely substitute for the word "Madras" in the instance which the hon. Minister gave by the word "Bombay" and then apply all the process step by step which he took us through, you will find that the object, which he says is embodied in this Bill, is not carried out. I will repeat the instance myself.

Suppose a case emanates from Bombay and it chances that an advocate from Madras is engaged to appear before the Supreme Court on an appeal. It is possible for the Supreme Court to remit the case not only to the appellate side of the High Court but even send it back for a finding to the original side of that court. That advocate who studied and prepared the case and spent a lot of time over it—the client too must have spent a lot of money, as the Minister said, in briefing and instructing that particular advocate—would be prevented from appearing on the original side, just because the exception has been introduced in the Bill. Let me look at the rationale of the exception introduced...

*Parliamentary Deb., 19 April, 1951 and 20 April 1951, cc. 7120-7125 and 7129

**Dr. Ambedkar

Article 22 of the Constitution gives the right to legal practitioners to appear in all courts. This Act will certainly be challenged by some enterprising lawyer some day and there is no doubt about it.

Apart from that I want to bring to the attention of the hon. Minister that he will lose nothing by deleting part (a) of the proviso to clause 2. I understand that in Bombay also they have abolished the distinction between the advocates of the original side and the advocates of the appellate side...

The practice which was hitherto prevailing of practitioners on the appellate side not being entitled to appear in cases on the original side has gone and today the practitioners on the appellate side can still appear on the original side as in the Madras High Court. So far as the Madras High Court is concerned there is no distinction between a practitioner on the appellate side and a practitioner on the original side. An advocate of the Madras High Court can appear on both the appellate and original sides.....

There are customs and customs. I can see quite a few of people here which would be appalling to my countrymen.

We are not concerned with footwear here* but with the legal rights of the practitioners. A practitioner of the Bombay High Court is also placed on the same footing. The difference between the Bombay and Madras High Courts consists in this: whereas in the High Court of Madras there is no dual system, an advocate need not necessarily be instructed by an attorney or solicitor for appearing on the original side in the appellate side they have got that system in which the practitioner on the original side must be instructed by a solicitor or an attorney. I can understand solicitors and attorneys insisting on their privileges being preserved for them. So far as their rights are concerned, let them be preserved. Let any practitioner appear but let him be instructed or briefed by an attorney or solicitor. If that is the object it can very well be preserved and achieved by deleting the words "to plead". Any practitioner of the Supreme Court can be prevented from going before the High Court of Bombay or any other High Court on the original side. This Bill as it stands with part (a) of the proviso will make it impossible for a practitioner of the Supreme Court to appear on the original side notwithstanding the fact that he had appeared in that particular case itself before the Supreme Court and the case had been remitted to the original side of that court.

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*Answering a wit made by Dr. Ambedkar.

Yesterday,* I was submitting that this Bill is a welcome measure, but that the proviso militates against the very object of the Bill. I was trying to show how.....

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I am very grateful to the hon. Law Minister for accepting the suggestion and so I wholeheartedly support the Bill without clause (a) in the proviso.

*The speech of Shri Venkataraman continued on 20 April, 1961.

(x) *Press*

(a) *Press (Objectionable Matter)*
*Amendment Bill**

Mr. Speaker Sir, we have heard three eloquent speeches on the other side and I am almost tempted to say that mine would come after these very eloquent speeches as the voice of Mercury after the music of Apollo. Much heat coupled with light was shed in the course of these three learned speeches and I shall endeavour to meet some of the points which have been raised by them.

Objection was taken that this House has no competence to have this Bill passed. No less a talented lawyer than Mr. Chatterjee supported that view. The Act has been in force since 1951 and my hon. friend knows that it has not been challenged in the courts so far. There have been cases and prosecutions under this Act, and, I will show later, sentences have been imposed. It was quite open and very easy for the legal pandits to have taken it to the Supreme Court to test the *ultra vires* or the *intra vires* nature of this legislation. The very fact that it has not been done seems to be a categorical reply to the view that this Act, which has been passed in 1951, is entirely within the spirit and the letter of the Constitution.

Then, Mr. Anthony referred to one or two words in section 3 of the Press Objectionable Matters Act, 1951. Sir, you know very well, as a great lawyer yourself, that if there are any offending words in any legislation, the whole legislation does not become void on that account. The Supreme Court may, at best—assuming without admitting the correctness of Mr. Anthony's statements—come to the conclusion that the word 'likely' may be *ultra vires* or that the word 'scurrilous' may be *ultra vires* but the entire Act, the Press Objectionable Matters Act, 1951, as a whole, cannot be *ultra vires*. Therefore, it appears to me that there is no great substance in the points raised by both Mr. Anthony and Mr. Chatterjee that this House will be transgressing the limits set by the Constitution by passing this Act.

Then Mr. Vallatharas—I am sorry he is not here—stated that the spoken word has greater potentiality for mischief than the written expressions. Therefore, he said that it

* Hop Deb., 10 March, 1954, cc. 1789-1799.

is the spoken word that should be penalised greater than the written word. It does not require great arguments to meet that point.

After all, all the three speeches, as you know, have been distilled from all the speeches that were delivered in 1951 and, if one carefully goes through the reply which the then Home Minister gave to those objections, in what I consider as a perfect piece of parliamentary eloquence, he has completely met each one of these arguments. While the matter which is printed circulates and can circulate—and go round the world even—a speech is only heard by those present. Again a speech, delivered orally, is not preserved but matters which are printed are preserved for eternity. Then, a third factor which makes a very great difference between the written word and the spoken word is that human memory is very short and people who hear speeches forget them almost immediately, but it is not so with the written word. Therefore, it has become necessary to formulate a different kind of legislation dealing with written expression from that for spoken words. I am not trying to be clever. In fact, this is what the Sub-Commission on Freedom of Information appointed by the United Nations found in the course of their report. For the benefit of the House, I shall read only a small portion of it. At page 4 of this report, the Sub-Commission says—

“The right of a man to harangue a small group of persons at a street corner is one thing, but the right of a man or group to establish a newspaper, a radio or television station is another matter altogether. Gigantic systems of information present organized society with problems of a different order, quantitatively as well as qualitatively speaking.”

Therefore, it has become necessary to control, in some measure, the freedom which one enjoys to put a thing in writing, to print and to publish.

The next point which I wish to deal with is whether this legislation is so wide as to deprive the people of India of the fundamental right of their freedom of expression. Dr. Krishnaswami said that the definitions are far wide, as wide as the Pacific. He could have added all the oceans and need not have confined himself to the Pacific alone. On the other hand, it is well established that the freedom of expression has got its own limitations attached to it and that it is not unbridled freedom, and if civilised society in every country has accepted that, then every right to publish is also coupled with a duty to observe certain morals. Again, this great institution, which seeks to protect freedom for the peoples of the world, namely, the United Nations, has a Sub-Commission dealing with the various restrictions which have been found necessary. At page 17 of that report, it is stated—

“The exercise of the freedoms referred to in article 1 carries with it duties and responsibilities. It may, therefore, be subject to limitations, but only to such as are clearly defined by law, that is what has been done under the Press (Objectionable Matter) Act applied in accordance with law (that is what is being done by a jury, trial, etc. and not by executive action) and

necessary for respect of the rights and reputations of others, for the protection of national security and the prevention of disorder or crime, or for the protection of public health or morals.”

These are accepted in the whole world as necessary duties and responsibilities of the Press and the freedom of the Press is not an unbridled freedom, but is coupled with all these duties and responsibilities. If that is true, let us look at section 3 of our Act to see whether it goes beyond the accepted canons with regard to restrictions. The Rapporteur on Freedom of Information looked into the laws of several countries and made a report to the United Nations. He also examined the law of our country and the only criticism that he made in respect of our law—the Press (Objectionable Matter) Act—is this.

I am quoting from the Rapporteur’s report:

“Obviously, a balance must be found between the freedom to seek and disseminate information and the necessity of protecting the individual and the community as a whole against misuse of this right. Therefore, most countries have promulgated legislation enabling the authorities to intervene in case of necessity. In Australia the Postmaster-General may withdraw the registration of a newspaper owned by an organisation which seeks to overthrow the government by force, or which contains blasphemous, obscene or indecent material. In the United Kingdom the seizure of seditious, blasphemous or obscene documents is permitted. In Canada it is an indictable offence for a newspaper to publish obscene or immoral material, and in the United States publications offensive to public decency or clearly inimical to national security or public order may be suppressed. In India, the Press Act of 1951 extends the definition of “objectionable matter” beyond the categories generally prohibited in the laws of many countries to “any words, signs or visible representations which are likely to promote feelings of enmity or hatred between different sections of the people of India.”

This is the only variation which India has made in respect of the acknowledged restrictions with regard to the freedom of the Press, which other countries, in the context of their environment do not require and which his country specially requires, namely expressions which are likely to promote feelings of enmity between communities. It is only in this respect that our law may be said to go beyond the limits set by international standards. Other countries have not achieved the international standard, but India has and the only thing in which it varies from international standard. If at all, is on this question of preventing expressions or publication of material which are likely to create enmity between communities.

Then, Sir, the Rapporteur goes on to say:

“It is clear that in such countries the actual degree of freedom depends largely on the way laws of this character are administered and interpreted.”

Even the inclusion of these words has not in any way curtailed the freedom of the Press, unless there is abuse or misuse of this power. No such case has been brought by the able opponents of this measure in this House, where actually there has been an abuse of any of the provisions.

I have not got the figures or facts with regard to all the States, but I am naturally conversant with my State of Madras. I shall, therefore, now proceed to show what are actually the sort of cases that have been dealt with under this Press (Objectionable Matter) Act since 1951. I have got figures up to July 1953. In the State of Madras there were 14 prosecutions. 13 of them relate to obscene matter: the other something else. Therefore, this Press Act is actually used in a large measure only to suppress publication of obscene matter. I may also give some sample of the obscene matters that are published in Madras. I am not going to read the obscene things, but I am going to read only the names of papers and the action taken against them. There is one paper, *Vetrimarasu*, which wrote obscene matters and the case was placed before the Presidency Magistrate at Madras. Government wanted a security of Rs. 2,000 actually and the Magistrate ordered a security of Rs. 300. That was in August 1952. Then, one paper which publishes in Telugu, Tamil and Malayalam—*Kalainesan*—was again prosecuted for obscene publications.

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I am giving factual details because there was a charge in your* absence on the other side that no facts are given by the hon. Home Minister. I must confess that I am very reluctant to give names and give facts of this kind but it was because the charge on the other side was that no facts are given that I feel obliged and I shall be delighted not to mention names.

There can be no two opinions on this matter that if out of fourteen prosecutions, thirteen were for publishing obscene material, this Act has not been abused. You can never say that this Act has been abused or it has been used for political purposes as somebody on the other side said that it was intended to suppress the freedom of expression or the criticism of the Ministers and so on. There is no warrant for such conclusions being drawn.

There are a number of other things which have been published and against which the Madras Government took some action. One dealt with something like *Lady Chatterley's Lover*—I do not want to give her name and the name of her lover. There is another directly about one person who is an actress. This sort of thing must necessarily be curbed. There can be no two opinions in this House or in this country that we can

* Replying to a doubt expressed by Shri Raghavachari (Penukonda) as to how were we concerned with names?

allow, under the guise or pretence of freedom of expression such scurrilous, obscene and vulgar journals besmear the fair name of the country.

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In these cases securities were taken. I can go further and say that in one case after the conviction was ordered the paper continued to publish that the Editor was in jail as if it was a matter for pride. The only way in which these journals could be taught a lesson is to deprive them of the means of publication of such vulgar material.

I was trying to show the number and nature of these cases and the way in which it has been dealt with. We are labouring under a great misapprehension. We think that the liberty of the Press is such that there should be no restriction whatsoever except what the penal law imposes. You perfectly well remember all the arguments which the Home Minister advanced in 1951—the protection of anonymity, the great influence that the Press holds and so on which compels the government to bring forward a legislation applicable to the Press as different from individuals. As early as 1784, Lord Mansfield said with regard to this liberty of the Press: 'The liberty of the Press consists of saying without any previous licence subject to the consequences of law'. That is the freedom of Press and that is being ensured in our Act. The state of law before this Act came into force was that the Government by executive action could demand security and could impose precensorship and that was objected to as a negation of the freedom of Press. What the Act seeks to do is to give the offender not a punishment in the first instance but a warning and a punishment later. If it were penal law, if a person commits an offence and publishes something which offends Section 3 of the Act, he would be punished straightaway.

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Warning is different.* It is conviction all the same but it is not a conviction in the first instance. What happens now? The moment he publishes something under the Press (Objectionable Matters) Act, this matter goes up to the Court for a decision whether or not it is an offence and when the Court finds it is an offence, it calls for a security. It does not immediately impose a fine of Rs. 2,000 or 5,000. On the other hand, in ordinary criminal law a person would be immediately fined for the offence which has already been committed. After the security is taken, if further offence is committed, then alone, you will see, any punishment can be imposed under the law. If anything, this is more humane than the Indian Penal Code.

* Referring to an hon. member's interjection that warning also is a punishment.

You also know that any penal statute must have very strict definitions. The objection with regard to section 3, that it is very wide and very strict, will apply equally to the Indian Penal Code. In fact the framer of the Code, Lord Macaulay himself wrote that the definitions have been so framed that it is an offence to dip my pen in my neighbours ink-pot, and it is an assault if I drive past the street and splash some mud on a passer-by. But no court has punished anybody for assault for driving past the street and splashing mud on a passer-by or for dipping one's pen in his neighbours's ink-pot. Therefore, the definition has always got to be very strict so that there may be no loop-hole. But the way in which it is administered is the greatest test. And the way it has been administered has not been shown to be either arbitrary or very harsh; no case has been brought forward. We have heard the speeches of three eminent and talented men on the other side who would have known of such cases if anything had occurred of that kind. And the very fact that they have not placed any such case before the House shows there is none.

There is another argument advanced, namely that the various Press associations and journalists themselves should frame a code of ethics and that Government ought not to interfere too much. I shall tell you briefly as to what happened with regard to this adventure of trying to get an international code of ethics for the journalists framed by the journalists themselves. The Sub-Commission on Freedom of Information said that an international conference of professional associations and information enterprises should be called for the purpose of framing an international code of ethics for journalists. Five hundred invitations were sent, and only 57 associations throughout the world responded. I am very happy to say that two associations from India responded, one being the Federation of the Working Journalists Associations. But the Newspaper Editors Conference did not, nor any association of the newspaper owners.

If that is the response you are getting in the world in respect of the endeavour to create an international code of ethics, is it not a far cry to depend on voluntary effort to control these scurrilous, vulgar or obscene presses to see that they regulate their conduct themselves? It is in my opinion not possible in the present state of affairs to trust the professional associations and the information enterprises themselves to frame a code of conduct and to observe it.

The only other matter which I would like to deal with is the section in which a clear distinction is sought to be made between the rights of the jury and the rights of the judge. It is a well known principle of criminal jurisprudence that the jury decides on the guilt but the sentence is always imposed by the judge. The jury may make some recommendation but it is not obligatory on the part of the judge to accept that recommendation. The same principle is being imported by this amendment. Nothing new is sought to be made. The only objection, if at all that can be raised, is that even this change can wait till the Press Commission has reported; that since you are awaiting the report of the Press Commission on several matters this also can wait. That is a matter which Government may consider very seriously. If the whole question is going to be reviewed by the Press Commission, and if we are going to have the report

of the Commission before we frame the next legislation, it would be better that no changes are made, either by way of giving the right of appeal to Government itself or by way of making this change with regard to the right of the jury to make the recommendation.

(b) Working Journalists Bill*

I rise to congratulate the hon. Minister on the expedition with which he has brought forward this portion of the Bill, and since the hon. Deputy Minister of Labour is also present here, I would like to congratulate the hon. Minister on having stolen a march over his colleague, the Minister of Labour.

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The origin of this particular question dates back to 1949 when, for the first time, the Industrial Tribunals in India gave awards declaring intellectual, supervisory and other classes of workers as outside the scope of the Industrial Disputes Act. They put a literal construction on the definition of the word 'workman' and held that only persons doing manual or clerical work can have the benefit of the Industrial Disputes Act. This rather restricted interpretation excluded from the operation or the benefits of the Industrial Disputes Act a large class of persons who are really workers who have no hand or voice in the management of the concern, and they had to go without the protection of the Act. To give you an illustration, a *mistry* working in a plantation along with nine other workmen is considered to be a supervisor and he is outside the protection of the Industrial Disputes Act today. We are glad that the agitation sponsored by the supervisory and other intellectual workers has made the Government realise the urgent need for reform in this behalf, and I must congratulate working journalists on having drawn pointed attention to the lacune in the law and persistently worked for bringing about a change in the Industrial Disputes Act. Now that the way has been shown, I am quite sure the Minister of Labour will follow suit and see that all others who are doing intellectual and supervisory work are included within the benefits of this Act.

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* L.S. Deb., 10 March 1955, cc. 1643-1648.

There* are different classes of Members of Parliament--employer Members and employee Members--and I do not want to extend the protection or benefit of the Industrial Disputes Act to the employers Members of the House.

I regard this Bill as the *Magna Carta* of the working journalists. It gives them protection against arbitrary dismissals, victimization and unfair labour practices. It extends to them the benefit of retrenchment compensation and also the right to agitate for improvement in standards and conditions of their employment.

The only point which has been raised, not in this House yet, but in the lobby and elsewhere, is that the class of working journalists are considered to be professional men and that they should not be classified among the low, ordinary workers of factories and fields. They say that it is a profession and that the benefit intended to cover only manual and clerical workers, should not be extended to the class of professional persons like the journalists. You are aware that when the Banks Tribunal went into the question as to who was a workman a number of banks gave designation to their ordinary clerks as officers; not only that, they gave even power of attorneys to the clerks, to people who are doing ordinary routine work, and then said that they represent the management and therefore, they are excluded from the benefit of the Industrial Disputes Act. But the Tribunal went into the question and said that it is not the designation, it is not the power of attorney, but it is actually the nature of the work that is performed by the workmen that determines the category to which they belong and in all those cases they held that they were workmen coming under the definition of the Industrial Disputes Act and gave them the benefit.

The class of professional men, who have registered themselves under the Societies Registration Act are trying to put forward the plea that they also should get the benefit of representation before the Industrial Tribunals. In para 595 of the Press Commission's Report the matter has been dealt with by the Commission. They say something on the question whether there should be only a trade union of working journalists or they should have also a class of professional men. After going into the question, they say that it is possible and that there is scope for the existence of the organisations. But if you analyse the arguments on which it is based, you will find that in England, where they have got an Institute of Journalists, the Institute consists of both employers and employees, but there is a separate wing of the Institute consisting only of the employees and that wing alone is entitled to negotiate on behalf of the employees. At page 231 of the Report, it is stated:

“But there is also the Institute of Journalists which is not incorporated as a trade union but whose Salaries and Conditions Board, from which employers are excluded, is empowered, on behalf of the Institute as a Certified Trade Union, to negotiate and to conclude agreements.”

* Replying to Shri Syamnandan Sahaya, who said the benefits of this Act should also go to Members of Parliament.

There is only one thing more I want to refer to. As the Bill was originally introduced in the Rajya Sabha, the definition was a little vague. The Bill defined who was a working journalist and also dealt with the exceptions as to who are not working journalists. The words as they stood in the Rajya Sabha were "employed in a managerial or administrative capacity". Questions have often arisen before the Industrial Tribunals as to the quantum of managerial or administrative capacity which would determine whether the person is a workman or not. By including the word "mainly", though I personally would have preferred the word "primarily" because it is a better known expression.

* Replying to hon. Deputy Speaker's interruption asking whether 'mainly' mean 'solely'?

I think it is wrong in principle for this reason that the South Indian Journalists Federation is a composite body and it consists of both employers and employees. Negotiation, according to well known practices, is between two classes – the employer on the one hand and the employee on the other hand. There can be no negotiation between an employer on one side and a composite body consisting of employers and employees on the other. If you will kindly look into the Societies Registration Act, the object of registration under the Act is for the promotion of literary, scientific or charitable purpose; it is not for the purpose of negotiating. On the other hand, if you look into the Trade Union Act, the purpose for which a trade union is registered is for regulating the relationship between workmen and employers, so that the main purpose of a trade union is to regulate the relationship between employers and employees, whereas the main purpose of registration under the Societies Registration Act is only to promote cultural, scientific, educational and other objects. Any society which is registered under the Societies Registration Act and which is a composite body consisting of both employers and employees, should not be allowed to have the privilege of negotiating on behalf of the workers.

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In England, a wing is separated. It is stated in the Press Commission's Report itself definitely that the employers are excluded from the Salaries and Conditions Board. The organisation consists of both employers and employees. There is another union of journalists which is the real trade union and this is only a secondary body. Even in the secondary body, the employees have got to form a board called the Salaries and Conditions Board and that will consist exclusively of the employees and the employers will not have a voice in that. There is no purpose in keeping it as a separate wing of a composite organisation.

(c) *Press Council Bill**

Mr. Chairman, Sir the term 'freedom of the press' has different meanings to different people. To the proprietors, it is a right to market their publications without let or hindrance; to the editors, it is a right to decide to publish or refuse to publish the matter in the press; to the public, it is really the right to correct information and fair comment; and I may add one more—to the politicians, it is to have the right to address the public through the press and to save themselves from character assassination. When the various people exercise these freedoms, this brings about a lot of conflict. In fact, Samuel Johnson has said very beautifully in his book, *Life of Milton*—it is a very interesting passage—

“If every murmurer at Government may diffuse discontent there can be no peace; if every sceptic in theology may teach his policies, there can be no religion. The danger of such unbounded liberty and the danger of bounding it have produced a problem in the Science of Government which human understanding seems hitherto unable to solve.”

This is a problem before the Minister also. They have to reconcile the freedom of the press on one side and the rights of the individual on the other in the conduct of the press.

There are two diametrically opposite views on this matter. One school of thought maintains that freedom of the press is incompatible with its ownership by capitalists that private enterprise press is merely the channel through which the opinion and the values of its capitalist owners are disseminated and that the so-called freedom is really confined to and exists only for those who own and control the press.

There is a nothing diametrically opposite view.

A newspaper is a private enterprise owing nothing whatever to the public, which grants it no franchise. It is therefore affected with no public interest. It is emphatically the property of the owner who is selling a manufactured product at his own risk.

As the truth lies in between the two, naturally one has to see that public responsibility of the press is ensured by a process. What is the process we will see.

* L.S. Deb., 28-29 Aug., 1978, cc 442-444 and 227-229

In Sweden where the press receives a subsidy from the Government, it is subject to the regime of law. There are a number of laws governing the press. In West Germany, there is a right of reply to a citizen in respect of anything which appears in the press against him and the press is obliged to publish the matter. Britain has earlier held the view that the Press should have neither special responsibilities nor special privileges other than what a citizen has. But the way in which the press functioned in the later years and the need for national security, the need for safeguarding the individual's reputation and privacy, this has induced the Royal Commission which had reported in 1977 in their report to reach the conclusion that the freedom of the press cannot be absolute and that there must be some boundary to it.

The Press Council is, therefore, a voluntary institution in England regulating its behaviour without any statute; whereas in our country, we had introduced this statute in 1966 and it was in existence till 1976. Now the hon. Minister* had said something about, while introducing the Bill, most of the clauses.

* * *

I was** saying last evening that the public have a right to independent and objective news and fair comment. One of the factors which militates against an objective presentation of news is the self-interest of the newspaper proprietors, and the self-interest is brought about by other extraneous interests like business which the proprietors of the newspapers have. Therefore, all over the world, wherever there is a free press, there has been an agitation for diversification of the ownership of the newspapers and for controlling the monopolistic tendencies in the press.

The Press Council Act of 1965 stated in section 12A that the object was:

“to study the developments which may tend towards monopoly or concentration of ownership of newspapers and news agencies, including a study of the ownership or financial structure of newspapers or news agencies, and if necessary to suggest remedies therefor.”

The hon. Minister, while introducing the Bill here, said that he had more or less faithfully carried out the provisions of the old Act, and he mentioned only one or two deviations, but he omitted to mention this very serious deviation which he has made in the Bill now before the House.

If you refer to Clause 13 (i) relating to monopolies, the power of the Press Council under the Bill before the House is:

* Shri L.K. Advani (Minister of Information and Broadcasting).

**The speech of Shri Venkataraman started on 28 Aug., 1978 continued next day on 29 Aug. 1978.

"to concern itself with developments such as concentration of or other aspects of ownership of newspapers and news agencies which may affect the independence of the press;"

I want you to kindly look at the difference in the language. In the old Act, the Press Council was authorised to study and make recommendations for the avoidance of monopoly and concentration. In the new Bill before the House, the Press Council is asked only to concern itself with developments such as concentration. I have looked into some of the judicial dictionaries of Words and Phrases and I have found that there is no judicial definition of the word "concern" as a transitive verb. There is a definition in the dictionaries where it is a noun that "concern" means anxiety. In certain cases where there are contracts and a person is said to be a "concerned" with the contract, it shows the interest of the person in the contract. But "to concern itself" would only mean, according to the Oxford Dictionary, to interest oneself in or about the matter.

So, don't you see the great difference between the power of the old Press Council to study the monopolistic tendencies and the concentration of power and to make recommendations and of the Press Council under the present Bill, which shall concern itself, that is, interest itself? Sir, I am making this point because if the Press Council tomorrow takes up any issue of concentration of, or monopolistic tendencies in, the press, the press concerned will go and move the Supreme Court and say that it is beyond the jurisdiction of the Press Council, because it has no power to study, as it was in the original Act, it has no power to make recommendations, as was the position in the original Act, but it can only concern itself, that is to say, interest itself; it will be interested in knowing who is the owner and what is the extent of his holding, nothing more. I do not know why the hon. Minister thought it necessary to deviate from the old section, when he has *ad idem* adopted them in respect of all the other clauses. It amounts to weakening of the powers of the Press Council. Unless the Government wanted to be soft towards some press barons, there is no other justification whatsoever for changing the clause, as it stood in the Act of 1965, into this almost anaemic clause, saying that it shall concern itself.

I shall briefly refer to the position in England. There the Press Council shall have the power to report publicly on developments that may tend towards greater concentration or monopoly in the press, including changes in ownership, control, and growth of press undertakings and to publish statistical information relating thereto. The British people believe that public opinion is a far greater check against abuse than any legislation. Therefore, the British people have provided that if statistical information regarding the ownership of newspapers is published widely, then it will give rise to an opinion in the country, both against the tendency towards growth of monopoly as well as against the concentration in a few hands. Therefore, they have relied upon public opinion, rather than legislation, as a check.

But, what do we do here? We follow, neither the British pattern in which we will create public opinion by publishing all the information regarding the ownership and control of

the press, nor do we follow a pattern which was adopted in the last Press Council Act, in which the Press Council was specifically given the powers to study the growth of monopolistic tendencies and to make recommendations therefor. Today, in my opinion, the Press Council cannot make any recommendations with regard to the concentration of power and monopolistic tendencies in the press with the clause as it stands.

As you know, in the interpretation of statutes, if there was a previous statute and that state had been amended or changed, then the interpretation of the new statute is that the Parliament did not want an old law to continue and they enacted a new law, different from what the original law was. Therefore, the point really is, if you want that the Press Council should have the power to study, then you must adopt either the clause which was in the original Act or you must adopt the clause which the Press Council in England has. If you do not adopt these two things, the fact that there is a clause saying that the Press Council "shall concern itself" is mere verbiage and will have no effect and no value.

(xi) States Reorganisation Bill*

My Friend Shri A.M. Thomas has referred to a matter which at best could have been the subject-matter of a reference or a letter or a representation to the Home Ministry. He has utilised the forum of this House for ventilating apparently a complaint by a small section of the staff of the Madras Government. But I might explain to you the real situation.

The Madras Government employ a large number of Malayalees—I am saying this only to indicate their mother-tongue, not that I want to make any distinctions—in fact, a number larger than in proportion to their population or numbers. Naturally, when the linguistic States were formed, the officers became nervous, and they wanted to know from the Madras Government whether their service conditions would be properly protected or not. Therefore, the Government of Madras in their anxiety to allay the possible fears on the part of the employees who were Malayalees stated that their conditions of service and their employment would be safe, and that the allocation at best would be made only on the basis of the population of the particular district from which they come, that is to say, even if a larger percentage of the Malayalees are employed as civil servants or employees in the Madras State, the number of persons to be transferred to the new Kerala State will not be more than what their population and numbers would warrant. The Madras Government are willing and are prepared to carry on their register a much larger number of employees who come from Malabar. Therefore, instead of being unfair, the Madras Government have been more than fair to the people from Malabar, in so far as they have agreed that they will carry on their register a larger percentage of persons from Malabar.

Then, I come to the question of allocation. The allocation of personnel is made by a committee consisting only of officials. The Madras Government officials are represented in that Committee, and the Travancore-Cochin Government officials are also represented in that committee. So, actually, it is being done at an inter departmental level, between officers of more or less equal rank. Any suggestion of unfairness on the ground that in one State there is a Ministry and in the other, there is no Ministry, and therefore the rights are likely to be affected, seems to be unfounded, because the Madras Government officials are as good as the Travancore-Cochin Government officials. If anything, the Travancore-Cochin Government officials have a reputation for being much cleverer than the poor Madras Government officials.

*L.S. Deb., 7 and 10 August, 1956, cc. 2522-2526, 2817-2818 and 2831-2837.

My only object in intervening in this debate is to make it clear that there has not been the slightest trace of unfairness. On the contrary, it is the Madras Government who have gone out of their way to allay the suspicions and fears which were created in the minds of the Malayalee members of the Madras services that as a result of the reorganisation of States, they might also be sent away to the new State.

There is one other matter which I would like the Minister* to consider, and that relates to clause 125, to which my hon. friend Shri Nesamony has made a reference. The position of legal practitioners is different from that of advocates. Advocates are entitled to enrol in every High Court as a matter of right. Legal practitioners are entitled to practise only in that particular area in which they are enrolled and have taken the *sanad*. If we do not have a clause like 125 in the Bill, then on the appointed day, all those practising in the Tamil areas of Travancore-Cochin would cease to be entitled to practise because that area has been transferred to the Madras State. So this gives them a period of six months within which they can enrol themselves or can take the *sanad* as pleaders under the Madras High Court.

Previously, when Andhra was separated, pleaders entitled to practise in that area were allowed to enrol themselves as pleaders under the Andhra High Court. The only possible difficulty that may arise to practitioners in the Tamil area that is proposed to be transferred, would be that the qualifications prescribed by the one High Court may be different from the qualifications prescribed by the other High Court. If there is any difference in the qualifications prescribed for enrolment as pleaders in different High Courts, it is up to the Home Ministry to remove the difficulty. It is only in that connection that I am anxious that the Home Ministry should look carefully into this. For instance, in Madras in order that a pleader may be entitled to practise, he will have to pass the pleadership examination or take a law degree without taking one-year apprenticeship or passing an examination in practice and procedure. In Travancore-Cochin, I do not know what the practice today is. If the qualifications required in Travancore-Cochin are lower than those required for the Madras enrolment as pleaders, then notwithstanding that their qualifications are lower the Government of India will have to issue such directions as may be necessary to see that those who were on the rolls practising in the Tamil area of Travancore-Cochin, are eligible to be enrolled as pleaders in Madras.

This situation is likely to arise not only in the case of Travancore-Cochin but also with reference to the transferred territory of South Kanara and also the transferred territory of Malabar. So far as Malabar is concerned, the qualifications prescribed by Madras are pretty high and, therefore, they would ordinarily be eligible to be enrolled as pleaders in the State to which they are transferred. But if the qualifications are different and are lower, in any transferred territory, that should not stand in the way of their being enrolled as pleaders. This is an administrative matter and no

* Pandit G.B. Pant, the Minister of Home Affairs.

amendment to the law is necessary. I would like the Home Minister to bear this in mind.

* * *

I rise, on a point of order, Sir. Under rule 132, the scope of discussion of a Bill in the Third Reading is as follows:

“The discussion on a motion that the Bill be passed shall be confined to the submission of arguments either in support of the Bill or for the rejection of the Bill. In making his speech a member shall not refer to the details of the Bill further than is necessary for the purpose of his arguments which shall be of a general character.”

The hon. member, when he opened his remarks, said that he is in favour of the Bill as it has emerged, but now he is going on with the details of the various clauses. I wish to draw your attention that such a discussion now is out of order.

* * *

Sir, the areas which are transferred to Madras State consist of five taluks—Agastheeswaram, Thovala, Kalkulam and Vilavancode, and also Shencottah. The first four taluks form one contiguous area and therefore they could form a separate district. The other taluk, namely, Shencottah, is not contiguous and it is separated from the other four taluks. Therefore, it should be added on to the Tirunelveli district as part of that district. This is my amendment which I move.

I beg to move.

That for the amendment moved by Pandit G.B. Pant, printed as No. 607 in List No. 50 of amendments, the following be substituted:

Page 4, for lines 1 and 2, *substitute:*

“(b) the territories comprised in the Agastheeswaram, Thovala Kalkulam and Vilavancode taluks shall form a separate district to be known as Kanya-Kumari district in the State of Madras; and

(c) the territories comprised in the Shencottah taluk shall be included in and become part of Tirunelveli district in the State of Madras.”

This is in accordance with the wishes of the people who are being transferred, as it were, to the Madras State. They wanted to have a separate district and a separate district administration for them, and the Government of India have been good enough to accept their demand.

Coming to the general provisions of the Bill, I desire to support the Bill wholeheartedly for the very able manner in which the Government have solved what appeared at one time to be an insoluble problem. In fact, if we look at the general feeling in the country, apart from a few stray incidents, the reports that appear in the newspapers show that the country is satisfied with the Bill as it has emerged from second reading.

It is no doubt true that the States Reorganisation Commissioner literally opened a Pandora's box. It created in the minds of various people a desire for conquest, a primordial instinct of man to extend his territory and to gather more territory for himself, and this desire manifested itself by way of presentation of claims and counter-claims over various parts of the State. It almost threatened to engulf the country in chaos. It is really a tribute to the national leadership that ultimately solved this great problem, and it has been solved to the satisfaction of the majority of the people of this country.

It was said that this is a Bill which confers multi-lingual, bilingual and unilingual States. It is not so. True to our principles of a composite economy, we have also tried to remember the principle of a composite political theory. We have some States which are unilingual, some States which are bilingual. All these States will be put on their mettle, on trial, and if the States which are bilingual in character show greater progress and better results, it will be an inducement to other states which are unilingual to emulate the example of the bilingual States and then become bilingual States themselves. If the experiment does not succeed, possibly, it is likely that the people may think of going back to unilingual States. Therefore, it is now for the country and for the people to give this Bill the best trial that is possible under the circumstances and to show also their utmost goodwill. Whatever little difficulties or whatever little disappointments that we may have it is time that we forget them and put our shoulders to the wheel to make a success of this great experiment.

When I was listening to Shri A.K. Gopalan, it struck me that of all people on earth, it is Shri Gopalan and the people of the Kerala State that have absolutely no cause for complaint or grievance. I desire to make this very clear. On the principle that a taluk should not be divided, the Kerala State got the whole of Kasargod taluk much to the disappointment of my friends from Mysore and Karnataka. At the same time, even though a taluk should not be divided, a portion of the Shencottah taluk was divided and the hill portion was given to the Kerala on the ground that it was contiguous to them. The other principle enunciated by the Commission is that if more than 70 per cent of the people speak one language, it should be declared as unilingual. It was found by the Commission that the Devikulam taluk had more than 72 per cent of Tamil-speaking people and still it was not given to Madras, because they said it was a

migratory population. Therefore, on all issues they have scored a tremendous success. I wish them well; let them not, of all people on the earth, complain that they have any cause for grievance.

* * *

The other point to which I would like to refer is the settlement of the various border disputes. It is a matter of great importance to all of us that the border disputes should be settled. Before the S.R.C. was appointed and before this Bill was presented, attempts were made by the Madras Government to settle their differences in respect of the border with the Andhra Government. Even in 1953, when the Andhra Act was passed, it was agreed between the parties that border areas could be settled by mutual discussion. They had made fairly good progress in the course of the discussion. It is only when the Bill came and when it was found that border disputes related not only to Andhra and Madras but to other areas as well that the Andhra Government withdrew from the conversations and said, "let it be decided on the basis of the principle to be enunciated for all border disputes". That itself shows that if you do not have any authority to settle the dispute, it does not follow that the dispute will not be settled at all. On the contrary, if there is no authority, they would come together and try to settle the disputes and the differences will be narrowed further and further. After the zonal councils come into existence, it will be possible to settle the various border disputes wherever parties can meet together and come to an agreement. In this connection I desire to mention that a small mistake has occurred in a border in respect of the Shencottah taluk. I have a letter from the Chief Minister of Madras where it is said:

"It has since been brought to my notice that not only the areas in Puliwara village but also parts of Shencottah and Achambathur villages have also been arbitrarily treated as Puliwara Hill Pakuthy. I, therefore, suggest that the Travancore-Cochin Government may be moved to cancel their notification reconstituting the Shencottah taluk and the question may be taken up afresh and the line of demarcation drawn up after a joint inspection by the officials of the two Governments."

I mention this as an instance in point to show that wherever there are such differences, the approach should be for the respective Governments to meet and try to settle them between themselves; then only they should think of some other authority. We, lawyers, never stop with the court of original jurisdiction where we have appellate courts. The more we increase the appellate jurisdiction, the greater is the litigation. It is not good to have more and more litigation in respect of border disputes.

There is one other small matter. Yesterday an amendment was introduced by Shri Datar with regard to the representation in the Council of States. In the Joint Committee the principle was accepted that where a Member was enrolled as a voter in

a particular State, he should be allocated to that State. One Member, out of the 18 Members representing Madras is enrolled as a voter in South Kanara and he was, in accordance with the Joint Committee's report, allocated to the State of Mysore. But yesterday the Government suddenly moved an amendment and removed that particular clause. The result is that the Member, who is enrolled as a voter in South Kanara, will be representing the Madras State. As far as that particular Member is concerned, we have the highest regard for him and we have no objection. But this is a matter of principle and I desire that the Government should look into it and see how a member enrolled as a voter in one State could be asked to represent in the Council of States the other State.

The final result of this reorganisation of States is that the number of States is being reduced; now we will have only 13 States and 4 Centrally administered areas. That itself is a great step towards the greater unification of the country. If, by virtue of the experience people gain by the bilingual State of Bombay, larger States come into existence, then the number of States will be reduced further. We are really proceeding in the right direction and I would like to say that the experiment should receive the utmost co-operation of every section of this House.

Lastly, I have to say that even though during the progress of the Bill there was considerable heat and a great deal of conflict, now towards the end, we find that apart from a few stray instances of dissatisfied people, it has commanded the confidence of not only members of this House, but the country at large. I support whole-heartedly the Bill before this House.

(xii) Planning and Development Motion re. Five Year Plan*

I am unable to share the enthusiasm which has been expressed in this House for the Plan which has been placed before the House. I propose to look at it from the point of view of the toiler, the worker in the field and in the factories, and to find out how far this Plan would enthuse him and how far it would bring out the best in the worker in the field and in the factories. We all pay lip sympathy to the great part that labour has to play in production of national wealth. Whenever an occasion arises, we always ennoble the great sacrifices made by the man in the street, the poor man, the common man, the worker and so on, but when it comes to giving something in terms of money, something in terms of amenities, something in a concrete shape, all our enthusiasm vanishes and we try to find some excuse for not giving him even the barest requirements of his life.

First, I shall take the case of the agricultural worker. In page 107 dealing with the agricultural worker, the Planning Commission has said that the Minimum Wages Act need not be implemented in respect of agricultural workers and that it need be implemented only in selected areas and for selected occupations. The Planning Commission has actually reversed the previous policy of this Government which enacted the Minimum Wages Act of 1948. When that Act was discussed in this House, Government as well as the Members in this House were very enthusiastic about giving the worker in the field his due share of the product. They were all anxious to see that he got a square deal and so on. But actually when the Planning Commission started planning for better and higher production of agricultural products, they have come to the conclusion that it is not possible—fortunately they do not say it is not desirable—to fix minimum wages for agricultural labour in all places and in all occupations. I ask you, Sir, if you want to increase production in any particular field whether it would be possible to do so without enthusing the person who actually does the work. The Planning Commission itself has accepted that in the ultimate analysis it is the man behind the plough on whom the hopes of increasing production have to be based, and yet how do they base them? They say that it is not necessary to give him or fix for him a minimum wage. I am very sorry that if this plan of increasing agricultural production is explained to the workers, to the landless agricultural labourers and so on, with this

* Parliamentary Deb. 16, October, 1951, cc 5127-5132.

explanation that it would not be possible to fix minimum wages, it will produce indeed very little enthusiasm for higher production. In fact, they would ask "We are willing to produce more, but for whom?" The agricultural worker wants to produce more, so that he may share in the product. He does not want to produce more when he is denied even the minimum standards of life which we all want to everybody in the country. Therefore, unless the Planning Commission revises its view with regard to fixation of minimum wages for agricultural labour this Plan is bound to fail. Unless the Planning Commission says in ever so small a measure that minimum wages will be paid to every agricultural labourer, I am quite positive that this Plan cannot release the enthusiasm so necessary in the worker for increasing production.

I shall now take the case of the industrial worker. He has also got a very bad treatment at the hands of the Planning Commission. The Commission say in page 186 that any upward movement in the wages of the industrial worker at this stage would necessarily result in increasing prices. I am unable to understand this logic. It is a simple rule of three: if you hold prices and increase wages, profits will go down; if you hold profits and increase wages, prices will go up; if you hold profits and prices, wages will go down. What the Commission suggest in a disguised manner is that you must hold the profit at its level and you must also hold the price at its level and inevitably lead to the lowering of the wages.

The Commission itself has accepted that the wages of industrial labour have gone down in terms of real wages as compared with 1936 and 1939. It is the object of the plan itself to increase wages to the 1939 level. When that is the object I wonder how the Planning Commission could say that any increase in wages at this stage to industrial labour would result in increasing prices and therefore it should not be thought of.

Sir, I am willing to make this offer. Labour in this country is perfectly willing for a wage freeze. Provided the industrialists will assure us that they will charge to the people of this country only cost *plus* ten per cent and nothing more. Why should the Planning Commission not tell the industrialists of this country that they must charge only cost *plus* ten per cent and nothing more and that sacrifice is called for from the industrialists of the country.

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I can tell you, Sir, that when this offer is made they will find so many subterfuges to get over it by inflating cost. I know the way in which some of the companies' balance sheets are prepared. We know how the costs are really exaggerated and at top levels phenomenally high salaries are paid with the result that in calculating the cost, the real cost is not brought forth, but an inflated cost is brought forth. If they would accede to that and are prepared to charge cost *plus* ten per cent labour in this country will be quite prepared to have a wage freeze. As long as you cannot pin down the industrialists

to this, it is wrong, it is immoral, it is unjust for the Planning Commission to say that there should be a wage freeze in this country.

Another suggestion which is very often made is: you produce more and you will get more. Production must come before distribution. This is a fallacious argument, except in text-books on Economics where the Chapter on production comes before the chapter on distribution. Production and distribution are simultaneous processes. Ultimate distribution does not take place after the product is manufactured, sold and the money is distributed. In the very process of production distribution takes place. In the very process of producing commodities, wages have to be paid, interests are paid and several factors of production are given their due remuneration. In order to increase that very production, Sir, wages should be paid at the very stage at which production takes place, so that there may be increased production and increased activity. To say that you produce more and then ask for more is just to hood-wink the people.

Now I want to confine the rest of my remarks to agriculture. Unless there is a radical change in the holdings and tenure, you are not likely to increase production in agriculture. The first step has been taken and it has been welcomed all over the country—that is the abolition of the zamindari. But after having abolished zamindari we have created another class of zamindars of the same kind as we have had in the past. I know of several tenants who hold 2,000 and 3,000 acres and who on the abolition of zamindaris have become much bigger zamindars whom you have abolished. My point is this. In order to increase production you must first of all define what an economic land-holding is. That economic holding should not be partible. People say that under the system of Hindu Law it will not be possible to fix an economic holding, because the sons can go to a court and ask for partition. Sir, it is an incorrect appreciation of the law. There is an understanding that a house cannot be broken into several parts; according to the law of partition the house will have to be sold and the money distributed among the people. Likewise an economic holding may be determined by the Government and the Planning Commission and it may be made impartible. If there is a dispute among the several shareholders, they may go to a court and have the economic holding sold and the money distributed among them. Unless you determine an economic holding and see that no holding in the country goes below that standard, you are not likely to increase production.

The second thing is that you must have a ceiling on land holding. The Madras Committee which went into the land revenue and other allied problems recently reported that the maximum area of land that can be held by a person should be something in the nature of 50 acres. They say that the land revenue payable on that should not exceed Rs. 250 which works out roughly to 50 acres. My suggestion is this. Unless you fix a ceiling on land-holding, and unless the excess holding of those persons is transferred to permanent tenants, you are not likely to create an enthusiasm among the cultivators to improve the land. What now happens is that tenants are holding land at will and they have no inclination to improve the holdings, or increase production. That can only be done if you give security of tenure to the tenant.

The third and the most important suggestion I want to make is this. Unless we tackle the problem of under-employment in agriculture the standard of life cannot be improved. The agricultural labour as well as the agriculturist has work throughout the year, but by fits and starts. It is not as if that he works for four months continuously in a year and then for the eight months he is unemployed. If it were so, it would be possible for him to go to some other place and try to eke out a living. On the contrary what happens is that he has to stay in his village; he has to work off and on by fits and starts and it is spread all over the year. There may be one or two months after the harvest when he has no work. But even during that time he has to attend to reclamation work in his field, do the fencing and other things necessary for the next agricultural season. It is, therefore, not possible to transplant that labourer to some other place. The best way to improve his standard of life is to find him some subsidiary occupation. The Planning Commission report says that rural cottage industries and subsidiary occupations like *khadi*, palm gur making, blanket making etc., should be introduced and that the second report would give more details about it.

Sir, I want to lay greater emphasis on this and suggest that non-competing industries like poultry farming, doll making, button manufacture and industries like that which can be started without the aid of power and machinery should form the most important items of the Plan. I would have much desired that the First Five Year Plan had laid greater emphasis on this; but I am sorry to find that they have been relegated to the next report.

I think, Sir, on the whole, the Planning Commission have approached this problem with a very wrong bias towards labour. They have not adequately understood the enormous energy that could be released by a proper handling of the masses. I feel therefore that in the final report which they bring out they will try to give labour a square deal and see that it is assured of the elementary rights for which we are all fighting.

II

As a Minister

(xiii) Defence

*(a) Espionage Activities of Certain Persons Including Retired Officers of the Defence Services—Reply to the Debate**

Madam Chairman, I do not find words to adequately express the anguish I feel over the events that have happened in the recent past. It has tarnished the image of our country and, to an extent, our Defence Services, but I am happy to report to the House that as against one or two Larkins, there has been at least a Jasjit Singh who very properly, appropriately, reported this matter and burst, this spying..... (*Interruptions*)

**He will be. I can assure the House that as against one per cent of possible black-sheep in our Defence forces, 99 per cent are patriotic and have the sense of duty and they will not let down this country. The recent events have shown clearly that if ever such an opportunity occurs, then the person who is involved, will bring it to the notice of the higher authorities and then see that this is burst. This is a lesson that we have drawn. At the same time, I must confess that the security arrangements in respect of documentation have not been all that perfect as they should have been. After all, one learns from mistakes. I must say that the way in which we have kept the documents had led to a possible abuse or misuse of this kind.

Immediately on getting this information, I myself visited the G Block and H Block, where these documents are kept. We have immediately taken steps to see that these documents are segregated and kept in better custody and also, at the same time, seen to it that nobody other than authorised persons have access to it. In espionage, information as such is not very important. What is important is the manuals, the documentation and the technical parameters connected with it.

* Replying to the points made by members during the discussion as above. L.S. Deb., 20 December 1983, cc. 577-590.

**Replying to the demand of an hon. member that Jasjit Singh should be rewarded.

In our country we are receiving equipments from two sources, the Soviet source as well as the western sources. It is only natural that each should try to know what the other has. It is our responsibility, it is our great and very high moral responsibility to see that information of the one does not leak out to the other.

The efforts that we have made since this discovery need not be detailed, because it has more or less appeared in many papers and so on. But I wish to assure the House that, so far as document is concerned, we have plugged almost every hole, we have seen to it that they are kept in proper custody, we have seen to it that access is regulated, we have also seen it that certain persons, whom we trusted in the past, are not given free access to these areas and we have also seen to it that the security measures are strictly monitored. In fact, it is easy for us to lay down a large number of security measures, but unless they are monitored, and unless they are checked and verified at every stage, they will have no value. All these steps we have taken.

I agree with the hon. member. Prof. Madhu Dandavate, when he said that we cannot afford to be complacent. Well, we have realised it to our cost and we will certainly not do it: we will not allow any leakage of any kind in the future. It is a matter in which all of us are interested and there is no question of any party, or opposition Government, in this matter. National security is superior, and has to be higher than all other duties. Therefore, I have taken this advice and I say we will not be complacent about this matter.

In dealing with this subject, members have mixed up two different ideas and two different topics. One is espionage and spying of details of military value. The other is purchase of equipment from different countries. Some of the retired officers have no doubt taken up agencies for some of the foreign defence equipment sellers. My friend, Shri Rajesh Pilot made a very valuable suggestion that we should deal directly with the Government. I am glad he is here, because I explained it to him once before; he did not remember it and he made it again. In most of our transactions in defence with the socialist countries, we deal with them on a Government to Government basis and there is no intermediary. But, in the western countries, the defence or military establishments is in the private sector. We cannot deal with the Government when the armament manufacture is in the private sector and they are peddled and sold by them in all parts of the globe.

We cannot deal with the Government because—take, for instance, something we buy from West Germany. There, the armaments industry is in the hands of the private sector. Similarly, in other countries in U.K., in France, in the United States...

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It is a fiction that the armaments company or institution is autonomous and it carries on like a private sector. We cannot deal with the French Government for these things.

Of course we deal with them for getting into a memorandum of understanding with regard to the supply of technological information and so on. But the actual purchases have to be made from the various private sector industries or Government financed but managed as a private sector industry. In this case we have long ago issued instructions in our office that no middle men will be allowed and today we do not deal with any middlemen. A number of people have mentioned that we are dealing with middlemen, we should avoid middlemen. But what happens is that those we want to sell equipment go and catch hold of one those people who either have or pretend to have influence with people in power and authority and if it is how these people come into the picture. Otherwise Government as such never deals with them. No contract is signed with any agency, it is signed always with the principal. During negotiations, we do not allow agents, we allow only the principals to come and negotiate. In spite of it, of course, there are people who go about saying—I won't blame anybody, they know Venkataraman is the Minister of Defence, he can take the blame, and then they go about saying that they will get this contract through influence, and in their anxiety these people want to sell their equipment and therefore, they engage these people to surreptitiously do what they cannot legally or openly do. This is the difficulty in our country. We have not allowed any agent in any of the transactions.

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One Company wanted to sell, it, and they come. Of course, there are 3-4 companies from different countries, and that Company offered a certain equipment. We tested and we found that the barrels broke on test. Then we tried another. When the other one...

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The other one, when we put to test, had also the defect. In regard to the one we tried, the trigger broke and even today after two years we have not been able to make up our mind about the purchase of these heavy machine-guns and our Army is very much insistent on getting some kind of equipment in view of the threat which is posing to us, which Mr. Frank Anthony mentioned very clearly.

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Another thing I wanted to inform the House or is...every disappointed tenderer, bidder, rushes to the press and then gives his version of the whole transaction.

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The result is that people get a distorted picture. Every disappointed man—in my experience in two years I have found—has never accepted that the other man has won the contract on fair basis. He will immediately go and say. 'So and so has been bribed, and so much has been done' or something of the kind. This is the wretched thing in this. Another thing is that we want to indigenise and produce our own equipment. All the foreign dealers will join together and run down our indigenising. They say you have failed here, you have failed there, your main battle tank transmission is bad, your engine is bad or your suspension is bad. You will find lots of articles like this and this really puts our Defence scientists and technologists in down-hearted and down spirited level. It brings them down to that level. These are all tricks of the weapon trade. I want to tell the hon. Members that everything that appears is not true. In fact, it is only one version. It is not the correct version. It is only one version. This is how it goes on.

General Sparrow said we must have a checking agency with regard to the persons whom we employ. I want to ask General Sparrow—would he as a General have ever suspected a Major General or Air Vice Marshal of being capable of this kind of activity. We take for granted certain code or level of conduct in respect of persons of certain level and here is a case in which a person of such a high rank as Air Vice Marshal,—he could have been Chief of the Air Staff,—that kind of people now indulge in these activities it is really a matter of regret. I would say that it is not because we have not checked these people; we have very rigorous thorough checking before the people are taken into the service and this continues. But it is very difficult if people of that level indulge in anti-national activities.

Shri Chakraborty said that the high ranking officers are becoming consultants or agents. Since we have passed orders that no agents will be admitted, now they have assumed another name—'consultant'. We do not easily give permission for retired officers to take up private commercial employment which will have anything to do with defence. So they do not get employment. But they have been forming themselves into a company or a firm or something of the kind and call themselves consultants. But or prohibition applies not only to agents but also to consultants and we do not deal with them. They may be consultants to the foreign firms which want to sell, but it from me, they are not consultants to the Defence Ministry. They are only consultants for the people who want to sell arms and ammunitions here.

Then he further asked a question—is information collected about the serving officers? We have a system. But by and large we have been taking the serving officers of higher ranks on the trust. I do not think it would be proper to do anything which will erode that image. If you start checking on every Chief of Staff and Vice Air Marshal and all that, then there will be a complete breakdown of morale. We have to accept certain things and merely because one stray black sheep has done something, to tarnish the entire defence services of any anti-national activity, would be ruinous. It would be wrong.

Shri Rajnath Sonkar Shastri asked me a question whether we also ask the diplomats to leave wherein we find that their activities are not in the interest of the nation. This we do and hon. Members know that we have done it in the past.

Dr. Subramaniam Swamy gave a lot of information. In fact he was a little pedagogic. It is a part of probably the reminiscence of his past.

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The satellite photograph, of course, can take very minute details. But they have not yet discovered an x-ray satellite photography. So, we have countermeasures. We camouflage them. When we camouflage them, they cannot take pictures of what we are doing. It is not as if the satellites are impermeable. It is not something which cannot be in any way met. We can meet them. It is very simple. If you put a camouflage over it, if you put a tent over the tank, it would look like a tent. Therefore, here also we are fully equipped in this field and we have nothing to worry about it.

Then, he said, there are various agencies through which the espionage agents act. I am thankful to him for all the information. He has more information than many members on this matter.

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Well*, in this also we have very sizeable and very effective counter-espionage system, double-agency system where people act as if they are the spies of the other countries and act as spies for us. So, all these systems we have. So, we have nothing to worry on that account.

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Then, I come to disinformation. Decoys are the best form of disinformation and we have used them to a very large extent in our Defence. We have also methods of giving wrong information which may be taken. In fact, even in this particular case, if we had not wanted to pursue these people and then to the source and arrest them, we would have asked our Group Captain to give information which is totally false, which is totally incorrect and he would have taken Rs. 30,000 for the totally false information.

*Replying to the query of Prof. Madhu Dandavate that "you concede that it is information and not disinformation".

Here we have used in this case, the Group Captain's information to track down to the very last person who is involved in it. I am sorry we could not reach the final destination. Before that we had to arrest this Larkins who was trying to leave the country. If he was not leaving, very probably, we would still have pursued to see where exactly this document finally goes. We were keeping an excellent surveillance on this. When this person was about to leave the country, you cannot arrest him without a case. Therefore, we had to file a case and when we filed a case, we could arrest him. We have got lot of information, as Mr. Frank Anthony said, from the confession. We are not giving out all the confessions, the things which are said in the confessions, as Mr. Anthony knows, because it would not be evidence unless it is corroborated and so on. It is possible to retract...

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It is evidence. It is not proof. Therefore we do not want to disclose all this information so that counter-measures and counter-activities may be engineered for the purpose of thwarting the prosecution. In fact, there are very many cases which people have retracted from the statement and then it will become very difficult. Therefore, are justifiably keeping back some of the information.

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Then, Shri Shejwalkar asked me this question, whether we have a list of persons who have been expelled from the other countries. I will go only to this extent of saying that we have information. I would ask you to accept that and leave it at that.

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I do not want to be drawn into any debate on this matter. The explanation is obvious. I only have to say, this is all the information I can give. Beyond that, I cannot say anything more because if I begin to enter into a discussion on this, I may have to say more than what I am permitted to say. If you want, I will talk to you in the Lobby.

Then, Mr. Anthony mentioned about the CIA being re-vitalised. Well, we have that information. In fact, we are worried because, as he himself pointed out, the amount of weapons and equipment which are pouring into Pakistan, are far far in excess of their defence requirements. In fact, that Pakistan is being used as a sort of an advance post for the West makes us very nervous about the position and that is why we are trying to

buy all equipment from all people. There are certain equipments which we get from the Soviet Union.

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We know that.* In fact, they said, it is forward rapid deployment base. Then they said, it is a strategic consensus which they have achieved.

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What we are worried about is the weapons which they are getting. If they have the strategic consensus of the people without the weapons, we have no objection. It is their look out. What we are worried about is the weapons that they are getting.

You take one instance. How can they use submarines against India? How can they use Harpoons against India? The Harpoon is a sea missile. But once they have it and our oil installations, offshore, are threatened, we have to match it with our own equipment which will be equal to the Harpoon. We have to match it for submarines ourselves. This is our position. That is what we are doing now. We are going ahead with our defence preparations to the extent that we will always be ahead of Pakistan. You can take it from me that at no point of time would India be lagging behind Pakistan. We will always go ahead and we will strive our best to see that we are ahead of you.

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Again, Mr. Anthony raised a very important question about coordination. We have marched a long way after 1962. We have the Chiefs of Staff Committee where all the Chiefs of Staff meet regularly, every week, and exchange information. We have also an intelligence agency here which monitors all the information which is got from both, Home and Defence or any other. Whatever the position was in 1962, today there is perfect coordination.

Another question on which there has always been a debate is, whether we should have one Chief for all the Services or we should have three Chiefs.

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*Replying to Shri Frank Anthony's statement regarding US-Pakistan strategic consensus.

Yes,* it has been organised. Of course, I cannot say anything more than that except to say that there is now coordination between the civilian information of I.B. and the Defence intelligence and so on.

Shri Satish Agarwal wrote to me a letter in which he said "Had proper action been taken on a statutory complaint filed by one, Maj. Anand, the whole of the spy espionage would have been revealed as early as 1981."

I have gone through the whole file. The statutory complaint which Maj. Anand filed was against the adverse remarks made against him by his superior officers in the annual character roll, the service register and against that, he has a right of statutory appeal and this statutory appeal is looked into by the Service, then it comes to the Ministry and it comes finally to the Minister in-charge.

Shri Satish Agarwal wrote to me saying that it had not been put up to the Minister and it had been disposed of the official level.

The correct position is that this was actually decided by the then Minister for Defence on the 13th December, 1980. The complaint was of August, 1980. The complaint referred mainly to the adverse remarks.

The only thing which mentioned anything about some kind of leakage of information was about one subordinate officer Shri V. Subramaniam and that merely said this man has been in charge of classified information and he has been absent for a long time. We have pursued this matter and we have terminated his services.

Beyond that, there was no mention either of Larkins or of anybody or any case of espionage of information leaking out and so on.

The Major also wrote a number of other letters apart from the statutory complaint and these were also inquired into and it was found that he had expressed all sorts of things in a very exaggerated manner. There was no basis for that.

The Hon. member Shri Satish Agarwal said that one Brig. Kapoor was involved in this and that he was in a sensitive position. After his letter was received, I have transferred him from the sensitive position so that any information must be looked into carefully. He has been transferred.

But without proof, we cannot take any action. We are looking into this matter and we will certainly go deep into it.

As I answered all the points, I thank the House for the patient hearing.

*Replying to Shri Frank Anthony's query as to whether there is any coordination between civilian and military Departments.

(b) Demands for Grants 1983-84 (Ministry of Defence)*

Sir, at the outset I wish to express my gratitude to all the political parties for the unanimous support which they have given to this Demand.

The Debate has demonstrated that whatever our differences in other matters, whatever our emphasis in respect of certain items, on the issue of national security and national defence the country stands solidly together and that it will stand together like this in any eventuality. We have demonstrated this today in our Debate. The fact that a few people are here or not here does not matter because the points of view have been expressed by the leaders of the party or the representatives of the party and it shows that all the political parties today have fully endorsed the Demands for Defence today. This does not mean that there are no differences of opinion to all. Certainly there are differences in emphasis; there are differences with regard to approach and there are differences with regard to perceptions and it should be so. After all it is only by mutual exchange of thoughts and ideas that we can make progress. It will be a sad world if all of us agreed with everybody. It will be a mad house indeed if everyone agreed with everybody else. Then what is there to discuss? What is there to speak? What is there to think of? Therefore, it is appropriate that we must have different points of view forcefully expressed on the subject. I am happy to say that we have received a wealth of ideas during the course of this Debate. I am well aware that it has been an easy task to defend the Demands for Grants in this House. At the same time it is a most difficult task, perhaps the most onerous task to defend the country. Therefore I must exercise all the ability that the Government has in seeing that the defence of the country is maintained at its peak efficiency and that no quarter is given to complacency of any kind. In fact Mr. Indrajit Gupta in the course of his speech said that there is suspicion that the Government have taken this matter of defence with an amount of complacency and that they have not fully appreciated the threat perspective in the present context. Well, I want to assure him, in fact I want to emphasise, that the Government are fully aware of the danger, the security environment, the threat perspective that the country is facing and it is preparing itself to meet any contingency that may arise as a result of activities not of our making but of others and other powers and other Governments.

* Replying to points raised by members on the Demands for Grants, 1983-84 (Ministry of Defence) (L.S. Deb., 5 April, 1983, cc 356-388).

Now, Sir, I will briefly mention what our defence policy is. We are committed to non-alignment and peace. We have no territorial ambitions and we do not want to take any part of anybody's land and therefore we can assure all our neighbours that as far as we are concerned, we have absolutely no territorial ambitions and we do not propose or do not even entertain, even this slightest idea of having any claim whatsoever on any other country's land or territory.

Secondly, we do not seek to assume the mantle of leaderships on any group or of any region or of, any area. Whenever one assumes the role on the title of leadership in a particular area, then he starts working towards it, with the result he creates situations in which either he pushes himself forward to the detriment of the interests of others or creates a situation in which he will be recognised as a leader of the area. Sir, I again repeat that we have no such ambitions whatsoever. We do not propose, we do not seek the mantle of leadership of any area and therefore our activities will not cause any disturbance to anybody around us or in any part of our region.

Thirdly, we are committed to the principle of settlement of all issues and disputes by peaceful negotiations and that again must assure all our neighbours and all our other countries that our preparations and our defence policies will not in any way impinge on their security, on their sovereignty and so on. But unfortunately it is a fact of history that nations committed to peace are not immune from aggression by other countries. Even as a person who observes the rules of the road is not immune from traffic accident because someone else violates the rules of the road and causes an accident. Even so, countries which are committed to peace and do not want to create any situations but want to settle all their disputes in a peaceful manner may yet be drawn or forced into a situation in which they will become the victim of aggression. Therefore, merely professing or protesting to the world that we have peaceful intentions, that we have no territorial ambitions, etc. will not absolve us of the responsibilities of maintaining our defence at the peak level of efficiency in order that we may guard our national integrity as well as the territorial sovereignty.

That is why, when we found that the environment was slightly changing to our detriment, the Prime Minister, as the then Defence Minister, immediately called for a revision of the Defence Five Year Plan. The original Plan of 1979-84 was revised and updated into 1980-85 Plan. Unfortunately, I cannot give you the figures, but I can tell the House, and take the House into confidence to this extent, to say that we have provided in the updated new 1980-85 Plan for all requirements to meet the situation that might arise as a result of the change in the environment around us and also to make us feel confident that our position will not be threatened in any manner.

Now, this has been done and the process is going on. I will deal with each one of these aspects and will come to that a little later, but at the present moment, I wish only to say that we have taken full note of this; we are not in any way feeling overconfident. On the contrary, we have made provisions for a larger investment in defence on account of the change in the security environment.

Now, what is the security environment? India has no direct threat from any industrialised powers of the world, but then the industrialised powers of the world have in their programme of security arrangements in certain regions included our neighbours in what they call the strategic consensus, and are supplying them with arms and equipment which are far far in excess of the country's own defence requirements. To put it bluntly, the United States has included in its strategic consensus Pakistan and has in pursuance of that policy provided Pakistan with artillery, with aircraft, with naval vessels, submarines etc. which are far in excess of the requirements of that country for the defence of that country. In explanation it was stated that in order to defend Pakistan against a situation arising in Afghanistan, United States was giving all these equipments. I wonder, how submarines and warships can help Pakistan in defending themselves against Afghanistan. This is obvious. By giving them equipment, military weaponry and sophisticated armament not related to the needs which they profess, but very much more in excess, it creates a situation, in which our own security is threatened.

As I said elsewhere, if my neighbour stores gun-powder on his side, the natural reaction for me would be to store gun-powder also on my side. But I am not doing it. I must at least have the liberty to have a fire-engine on my side so that it may quench any accidental fire that may take place. And it is our strategy, therefore, to see that such of those equipment and weaponry which the neighbour is getting is met by sufficient weaponry on our side so that we are not taken or caught unawares. We do not know once a conflagration starts what will happen in the area. Then all these questions about saying that this weapon is intended only for defence against one country will have no meaning. At any rate the scientists have not yet invented an artillery which will shoot only in one direction. It will certainly be used against everybody. And in this context, therefore, we have got to be prepared and we have got to take note of the situation and arm ourselves to the best of our ability.

At the same time, I want to repeat that we will not spare any effort to create an atmosphere of peace and goodwill towards Pakistan and will try to improve and normalise our relations with them. We will take advantage of the offer which has come from Pakistan and negotiate for a peaceful settlement of all issues. Actually we are now engaged in the process of establishing a joint commission and none of these efforts will in any way be reduced.

But at the same time, while we pray to God, we must also keep our powder dry.

Now, I have to take note of the situation in the North East.

So far as China is concerned, Hon. members are aware that the new Chinese policy, which has been now enunciated expresses a desire to establish normality between India and China. We fully reciprocate the desire of China to have normal and friendly relations with them. At the same time, we cannot but fail to take note of some discordant notes or sounds which appear from time to time with regard to the border

situation. Therefore, as I said, while we are hoping that there will be a friendly and peaceful solution of the differences between our two countries on a small matter like a border issue, we cannot take for granted that the situation is now completely free from any threat perspective. We have, therefore, to take note of this and also arrange for the same. When I come to the weapons, I will have to refer to this, because a number of questions have been asked why certain kinds of weapons have been purchased. That is why I am laying the foundation for this.

So far as the Indian Ocean is concerned, hon. members have themselves stated very clearly that it has become, instead of a zone of peace. As we wanted a scene of rivalry, and a number of battle-ships, submarines and all kinds of vessels are now going criss-crossing in the Indian Ocean.

And our off-shore installations like the Bombay High, our exclusive economic zone and also our island territories of Andamans as well as Lakshadweep have become vulnerable. Our responsibility to take care, and defend these areas has become greater on account of the threat perception in the Indian Ocean. The situation, therefore, has called for a certain amount of emphasis on the development of our Navy.

All these things, when added up, really came to an astronomical figure for the defence of all these areas—the north-west, the north-east, the north, Indian Ocean and all these things. Therefore, when hon. members said that every rupee spent should be utilized to the best advantage, I entirely agree with them. It will be the endeavour of the Government to see that we get the best results for every paisa, leave alone every rupee spent on defence.

A large number of members have participated in the discussion. On the Government side, Shrimati Nirmala Kumari Shaktawat, my esteemed friend Gen. Sparrow, Shri Madhavrao Scindia, Shrimati Kaur, Shri Mishra, Shri Dogra, Shri Rajesh Pilot, Shri Parashar, Acharya Bhagwan Dev and Shri Uttam Rathod have made very valuable contributions. I will be dealing with the points raised by them in general; and if there are any specific points, I will come to them individually. On the other side, Shri Hannan Mollah who is a member of the Consultative Committee, Shri Bhogendra Jha, Shri Indrajit Gupta, Dr. Subramaniam Swamy—I am surprised he is not here—Shri Rajesh Kumar Singh, Shri Negi, Shri Daya Ram Shakya and Shri Jakkayan all participated and gave some very valuable suggestions.

I shall deal with certain broad aspects first. I agree with Mr. Unnikrishnan that this is the only opportunity in a year to deal with one of the most important subjects of our Government; and, therefore, I shall not only merely reply to the debate but will go further and give a picture of the defence situation in our country. The first thing I would like to mention is that the grim prospect before us will be better understood if I give from the military balance for the year 1982-83, the kind of weapons which Pakistan is now having in the armoury. I will not give the numbers. But here, there is nothing secret. It is in this book.

They are: F-16, Mirage-3 and 5, improved MIG-19, T-37C aircraft and M-48 tanks. They have got 155 mm. towed guns. They have got also 155 mm. self propelled variety. They have antitank missiles carrying helicopters and 203 mm. guns.

They have a very impressive array of equipment and it is therefore necessary for us to make our defence equally strong, equally effective and to some extent a little better than what they have; because they have to defend only a small border whereas India has to defend a very larger border. Any conflagration in any one part of the country may not be confined to that part, but may lead to conflagration in other parts also so that our Defence cannot take it granted that if there is trouble only in North-West it will be confined to North-West; it may lead to conflagration on other sides, and we have got to prepare ourselves for defence on all sides, if there is one attack or one trouble in one area.

So, we are now going ahead with our army plan and Army will now be equipped with the most modern and sophisticated weapon system so as to maintain superiority in the battle-field. We are upgrading the Vijayanta Tank. Shri Indrajit Gupta said that it was a tank to be discarded in 1984. Now, it is not going to be discarded; it is being upgraded. We are having a new armour which I have mentioned is the best in the world. This *Kanchan* armour can be fitted to any tank including the Vijayanta Tank and, therefore, we will be fitting our tanks with an armour the like of which nobody so far has. It may be that somebody else will come up with something better. But, today, nobody has it.

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*Yes, I have taken note of every one of the words mentioned by every one of the members. We have established Pilot production facilities. The raw materials are available in our country and it is really a feather in the cap of our Defence Research and Development Organisation.

Apart from the Vijayanta Tank armour with which we are going forward, the other systems in Vijayanta Tank will also be upgraded. We will be having more effective ammunition and other improved sub-systems.

The second line is the T-72 Tanks. Now, I don't have to dwell at length on this T-72 tank because my esteemed friend, General Sparrow, who himself is a General, who commanded the Tank, has given a certificate that T-72 is far superior to the tank which Dr. Subramaniam Swamy mentioned in the course of his speech. Dr. Subramaniam Swamy—I am sorry, he is not present in the House; otherwise, I

* Answering to a query made by Shri Indrajit Gupta.

would like to make a joke—his information is penultimate and not the last. All the information he gave to the House is just one stage behind the present development; and this penultimate information has put him always in the wrong. Shri Madhavrao Scindia: Always put him in the penultimate position. This T-72 Tank, as General Sparrow has said, has got all the capabilities and that is also being upgraded.

After all, the Soviet Union is one of the biggest powers in the world. They are technologically superior to many countries in the world. They are feared; they are respected, and it is not for people who read magazines to criticise the performance of various types of equipment which are produced by experts in that field. At any event, Mr. Deputy-Speaker, when we go for purchase of this equipment, we have an Assessment Committee, consisting of the users, namely, the Army, the Defence Research and Development Organisation, and the Director-General, Inspection, all these people test these things and then we order for this kind of instruments and weapons. Now, you can read some newspapers or you can read some magazine and then say that such and such a thing is good, or it is not good, or that is bad. But as a Defence Minister, I have to rely not on the opinion expressed in journals, but on the expert advice of my Chiefs who are answerable to me for the performance of the equipment which they advise me to buy. Therefore, it is very important that we go by their advice.

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Now, we are developing this MBT, the Main Battle Tank. A number of Members criticised this Main Battle Tank. They said "Seven years have passed, eight years have passed, you have not done anything." In fact, I was surprised that a well-informed member like Shri Madhavrao Scindia said that it is a dismal failure. I want to remind the House and the members that it took sixteen years for West Germany to develop their Leopard tank, it took 18 years for America to develop their XM tank and you ask me to bring out a tank like a rabbit out of the hat, like a magician, and say, in seven years you have not done anything, and you denigrate our people who are working at it? I am very sorry. In fact, you seem to have an impression that Research and Development is something like buying a platform ticket through an automatic vending machine. You put the coin in the slot and draw something. On the contrary, you may put a lot of money and you may not get anything at all! And you may not put in much money and yet you may get a break-through. All that I can assure the House is, we are doing persistent work on the Main Battle Tank and we are having a measure of success in all the other areas. For instance, in the suspension: The Main Battle Tank will have a hydro-pneumatic suspension. It will have the latest comparable sophistication. Now, we are working on all these things and we have made slow progress. Where we are stuck up is in the engine. It is true, that Hon. members said that 'we have so many scientists and we have so many brilliant people in the country, can you not make it?' It is true, we have a large number of scientists. But we do not have the industrial

engineering infrastructure in the country to precisely convert these scientific ideas into designs. That is the weakness in the country; and that is why we are not able to do it. Everybody knows how to make enriched uranium. You only have to rotate uranium in the cast, at 50,000 r.p.m. and, then the uranium gets enriched. Everybody knows; everybody will say. Any student of science will say but, who will make that instrument which will rotate at 50,000 r.p.m. (in one minute) and be able to bring that kind of engineering, into existence? That is the thing! We are not able to do it. There are other countries which have not been able to do it. There are only very few countries which have been able to do it.

Therefore, it is not merely a question of having a scientist, but it is a question of having the infrastructure, the industrial engineering infrastructure, for translation of ideas into designs. It is that we do not have; we are trying to fill up the gap. Therefore, I would plead with my friends to give a little more encouragement to those who are working in the most difficult field of developing an engine. A few countries have developed engines. Many of the countries have gone and bought engines from other countries. Therefore, the attempt which we are making for the last nine years to develop an MBT must receive the fullest support from all of us, so that we march ahead in the areas of a sophisticated modern comparable tank.

We are also going to have the infantry combat vehicle. The thing will be first imported. Then it will be manufactured. The factory will be established in Medak near Hyderabad. We are developing anti-tank missile. It will be introduced first and then produced under licence. Then we will have the communication system in the Army modernised with greater computerisation in the field. These are some of the areas in which we are progressing already fast. I have no doubt that when I come here again, I mean, the Minister of Defence, with the proposal—this is a part of reply to Mr. Pilot's question also—you can ask as to what has been done to many thing which we have said that we will do. (*Interruptions*)

So far as the Navy is concerned, in 1978-79, the amount allotted to it was Rs. 261.88 crores. Today in 1983-84, we have allotted Rs. 680 crores. But the expenditure on the Navy does not really reflect the actual acquisition of ships and other equipment. The reason is that it takes time to manufacture a ship where our manufacturing is involved. Therefore, when we start a new thing, we will be spending a small amount. Secondly and more importantly, when we buy ships from abroad, our down payment is only 1/15th. We make 1/15th payment two years after we get the ship. Therefore, the result is that the value of the vessels physically in your possession is far in excess than the amount you have allocated in that year's budget. Therefore, when you say that the Budget allocation is 11 per cent or so, it does not really reflect the amount of vessels and other equipment we will be buying in that year.

Therefore, you cannot judge from this, whereas if you buy, for instance, ammunition, the whole thing has to be paid for immediately. In certain other cases, you have to pay immediately the whole amount but in the case of Naval vessels, since the payment is

spread over a number of years the amount which is allocated in that year is only a small part of the total assets which we have acquired in that year.

Now, I will give you a brief idea of what we are going to get. From indigenous construction, we will have advanced frigates—the S.S.K. (Submarine to Submarine Killer) Submarine and corvettes. Additionally Mazagaon Docks will produce Missile boats, Seaward Defence Boats, and other Vessels. One Seaward Defence Boat has been delivered.

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*I will come to that. Why are you in a hurry? You don't want to know what is currently being done we will be producing Mine Hunters, Survey Vessels, Torpedo Recovery Vessels and so on.

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(Interruptions)

**I will give you that. When I deal with the public sector units. I will deal with that. Our Research and Development Wing has developed an indigenous sonar system and preliminary trials have shown encouraging results. About the Fleet Air Arms, we have six Islanders deployed in the Andamans. This will provide reconnaissance cover in that area. As you know, we have an aircraft carrier and are acquiring certain number of Sea Carriers.

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Other people in this area do not have even that. We are the only person having an aircraft carrier.

We will have to get and we propose to get missile-frigates, missile-boats, mine sweepers, etc. to strengthen our Navy. We have developed the A.P. SOM Sonar System and it has been installed in our Leander class frigates. We are also going to have a IL 38—and this will help very much in our patrolling the areas—the far flung areas outside.

* Replying to the questions put by Dr. Subramaniam Swamy regarding purchase of Radars.

**Replying to the interjection made by Shri Indrajit Gupta regarding bad shape of Garden Reach Workshop

One other point was made by Shri Subramaniam Swamy and has been repeated by some other people also, that we should go in for nuclear-powered submarines.

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The next subject which I would like to deal with is Air Force. Here again I will meet some of the points which have been raised by some of the hon. members. We have got the Jaguars. We bought 40 in fly-away condition, 45 we are assembling and another 31 we are going to manufacture in raw-material phase and then close. After that we are not going further, the reason being that by the time this is finished the new aircrafts would have come.

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*Yes. But, at the moment, that will be far of 2000 AD. But at the moment Jaguar is the best deep penetration strike aircraft.

I mentioned earlier about our northern borders. Unless we have deep penetration strike aircraft, we cannot go far beyond the northern areas. That is why this assumes importance.

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The word "committed" is not offensive. If you** want to say you are not committed, we may strike it off.

Our answer to F-16 is Mirage 2,000. Here again, the information of my hon. friend, Dr. Subramaniam Swamy, is penultimate. The latest assessment of these two aircrafts is that they are just of the same class as F-16, and they have certain other advantages over F-16, contrary to his opinion. It has a multi-mode radar; it can look up and shoot and look down and shoot. He told the House that it cannot do this. Now this aircraft has been brought for the purpose of giving confidence to our airman that we have something which is a match to what the others have and, after the contract has been entered into, it has given a lot of inspiration amongst our Air Force that we are having today a much better one, at least something on which they can rely as being equal, if not superior to what the other person has.

*Answering to the query made by Shri Indrajit Gupta regarding aircraft becoming obsolete.

**Dr. Subramaniam Swamy.

So far as the option for manufacture is concerned, we have not decided and we will take the decision later. It would depend on a number of factors, the most important factor being, what is going to be the kind of futuristic aircraft that will be available to us. As you know, F-16 and Mirage have only one engine. It is possible somebody may come up with a double engine. Therefore, it is not possible to make any decision on this now; it will depend upon the kind of futuristic improvements which are going to be made in this kind of aircraft.

In addition, we have the improved versions of MIGS. I want to assure the House that while Pakistan has got F-16, or rather USA has got F-16, the British the Jaguar and the Soviets the MIG we have all the three in our country.

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Each one has its distinct characteristics. Therefore, there is no question of confusion. One is a deep penetration aircraft; the other is an aircraft with agility; the third is a combat aircraft. Therefore, each one is required in a special situation. So there is no question of any confusion arising in anybody's mind. And we are having the weapons system of air-to-air missiles and surface-to-air missiles and naturally, air-to-surface missile etc.

One point was raised about the transport aircraft. It is true that our old aircrafts, particularly the transport aircrafts, are becoming less serviceable, they are overaged. That is the position now. And here we are going ahead with purchase of AN-32 aircraft for transport and we do hope that we will be able to further increase our transport fleet in the course of the next two years.

I will now deal with R & D part of it. Mr. Swamy said that there has been an electronic starvation in the three Services. I wish to inform him that it is not correct to say that our Navy has inferior radars and they are incapable of meeting advanced electronic threats. It is totally incorrect.

* * *

If Mr. Swamy knows anything at all about radars, he knows that if the other side knows the frequency, they can jam it, they can spoil it. Therefore, you cannot persuade me to say what we have. We are really going, we are racing now.

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We are working on a band of radars and I have full details, but I won't give you. If you believe me, if you believe in the Government, I want you to merely take it that Mr. Subramaniam Swamy has been ill-informed on the question of radars. That is all I would like to say.

* * *

I will tell you some of the things which are not of the sophisticated nature. We have worked on an indigenously developed airborne identification system, IFF—Identification, Friend or Foe. This is what we have done, we have put it in our aircraft. We have also surveillance and tracking radars for meeting the sea-skimming missiles. I will deal with it separately when I come to it.

So far as the main radar is concerned, the R & D is working on a number of profiled artillery radar, the multi-mode radar and the secondary surveillance radar, IFF. Therefore, I want to inform the House that they should not be misled by what Mr. Subramaniam Swamy has said.

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So far as missiles are concerned, we are developing anti-tank missiles. And we are also developing a low level and quick reacting surface-to-air missiles. These are the two things which we are working on.

So far as the aero-engines are concerned, we have been working on the GIX for some years. Here I confess we have not made any breakthrough. But, nevertheless, we have been working at it. We do hope that we will be able to achieve some success. Actually, if you look at the aero-engines developed in U.K. and U.S.A., the aero-engines took 12 to 20 years and that too in association with other developed countries. So, I placed for patience and do not ask for results over-night.

I shall briefly say a few words about our ordnance factories. Production in the ordnance factories has been steadily increasing. The value has increased from Rs. 556 crores in 1978-79 to Rs. 789 crores in 1981-82 and in the current year it is estimated to be of the order of Rs. 860 crores.

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I also want to point out that the productivity linked bonus has also gone up to those people. They got 24 days bonus in 1980-81. Previously 15 days bonus was paid on

ad hoc basis. In 1981-82 they got 25 days productivity linked bonus and this year in 1982-83 they have got 29 days productivity linked bonus. This shows that their production has been going up and their performance is very good. We are producing 130 mm ammunition, 23 mm gun ammunition and we are going to have armoured personnel carrier in Medak.

So far as the public sector units are concerned, they have also shown steady improvement. HAL, BEL, BELM and MDL all these have been making profits; three units which are making losses are the Garden Reach, The Bharat Dynamics and MIDHANI. So far as Garden Reach is concerned, it entered into a very bad contract for the supply of ships to the Shipping Corporation of India at the prices at which even sailing boats cannot be made. As a result of it, it has incurred colossal losses. The unfortunate position is that the accumulated losses are weighing down heavily in this. I want to inform the House that this is one of the best shipyards. It has a capacity to build very big vessels. We shall try to pull it up; may be, we may even have to change the management. We will pull it up and we shall see that it is made viable. The Bharat Dynamics and MIDHANI they are doing particularly sophisticated type of work. We cannot say that they will make profit. It is in MIDHANI that we plan to produce Kanchan armour. Therefore, the results which they produce as a consequence of the new and innovative work which they undertake, is indeed the reward rather than the price and the profit they get.

I am sorry. I have taken a lot of time. I shall now briefly go through some of the points which have been raised by hon. members. Of course, I have very little to say on that because I have covered most of them in the course of the general reply which I have given.

I am sorry. Earlier, I said, the Shipping Corporation. It was given to Moghul Lines and not to Shipping Corporation.

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Dr. Subramaniam Swamy has said that we have no defence against the sea skimming missiles. He has the EXOCIT in his mind. We have four basic systems:

Long range detection of the missile. A missile to destroy the missile. An electric system to decoy the missile from its targets.

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The only point is I want to give an addition to what I have said yesterday since the integrity of the Government is challenged and that is why, I give this information, otherwise, I would not, is this.

We require about 6 lakhs number of these shells. The Ordnance Factories have the sanctioned capacity to produce 4.8 lakhs. There is a gap of 1.2 lakhs and the D.G.T.D. has given licence to manufacture these shells and they have given permission to import the machinery for the purpose of manufacturing this in this country. This is how the licences for import of machinery were given. Therefore, on account of the gap, we have to buy it from others. We bought it from the lowest tenderer.

* * *

We never give these figures. Because you raised this. I am giving it. The requirement is 6 lakhs,* the capacity is 4.8 lakhs. That is, there is a gap of 1.2 lakhs shells required for the country. The private people went to the DGTD to get licences for the import of this machinery for the manufacture of these shells. The Defence Ministry did not come into the picture. After they got these licences, they came to this that they will supply 1.2 lakhs according to the tender and the tender that we chose was the lower tender.

I also want to make it clear that we in the Defence Ministry do not deal with agents. We deal only with the principals. In fact, if somebody says that he is an agent of somebody, we do not deal with him. We only deal with the principals, the actual manufacturers. We do not deal with agents.

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After all, as I said yesterday in the House, I am bound by the financial code. The financial code requires me to buy from the lowest tenderer. And I have bought it from the lowest tenderer. **You are beating a dead horse, I am sorry to say that.

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Shri Indrajit Gupta raised the question of a unified Command, having one unified Defence Chief. I have during the debate in the other House clearly explained the position. There are some countries in the world which have a unified Defence Chief, a

* Replying to a statement made by Shri Indrajit Gupta regarding existing forging capacity in the country.

**Dr. Subramaniam Swamy.

unified Command, and there are other countries which have the same system as ours, a coordinated Command. There are different views on this matter. Some people may say that this is better and some other people may say that is better. Even in America, where they have a unified Command, there is an opinion now that this is not really the best.

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Not dangerous. *They say, it is not the best. This is the kind of opinion that is prevailing and nobody can say who is right. I have never said in any meeting or anywhere that my opinion is the correct one or anything of the sort. All that I said is that this coordination which we have established in our country has stood the test of time and events. We have fought two wars in 1965 and 1971 and it has proved itself to be effective. Therefore, as I said, we do not want to make a change unless we are obliged and compelled to change that opinion. Therefore, I do not think that, merely because certain opinion prevails that a unified Command is better, we should go in for it and give up what has been serving us in very good stead all these years in our country.

Shri Rajesh Pilot mentioned a number of things, particularly about the transport aircraft, the Jaguar, the Mirage and all that. I have dealt with each one of them and I have also mentioned about the transport aircraft, how we are going to induct AN 32. We will be replacing the packet and the Dakota shortly. He also mentioned about the 105 field gun. I wish to inform him that we have established a capacity for production in our country and regular bulk production is now going on of 105 Indian field gun. He can now appreciate that what I said has been fulfilled.

With regard to Vijayanta tank, we are trying several engines, the Leyland, the Kirloskar Cummins, the Rolls Royce etc. We have to decide, after various trials, which of them would be suitable.

Prof. Narain Chand Parashar and Shri Uttam Rathod raised questions relating to recruitment. I find from the figures that in spite of change in the policy, there has not been much change in the number of people recruited from various States. In fact, you will find that the number is more or less equal. It is not very different. But the change in policy is necessary because every part of India must have a right to be represented in the army and nobody should say that "We are a martial race, and therefore, we should have a preference." Every facility and every encouragement will be given to those who have prowess, who have the inclination, the aptitude and all that. This is tested by the

*Replying to the remarks of Dr. Subramaniam Swamy that having a unified Command as in U.S.A. would be dangerous proposition.

enrolment. But we would not say it should be reserved for certain people only. It should be open to everybody and selection should be on merit and that is being done. It has not caused any great harm to anybody. I do not want to take all the figures which I have.

But I would like to assure you that recruitment has been very fair to all the States including those which had at one time a higher rate of recruitment.

If you want I will give the figures and once again illustrate the point with figures. For instance, take Haryana. In Haryana, the recruitment before the new policy was 6.60 per cent. After the policy, it is 8 per cent. It has not gone down. It has gone up. Why? Because the people with aptitude are coming. But, we will not reserve anything for the particular class on the ground that they are martial races.

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I will give these figures.* In Kerala, it was 4.73 per cent. It has gone up now to 5.63 per cent. None of the people who have the aptitude suffer on that account.

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The BEML is really serving a very useful purpose for the Army because they are the people who are producing the transmission system to our infantry combat vehicle.

Mr. Hannan Mollah raised a number of points. But the most important of them is relating to bonus. Out of 5,50,000 workers in Defence, according to the guidelines, 1,96,000 people are in the production units and 1,18,000 are in repair, ordnance, etc. and all these people get bonus; 3.14 lakhs of people get it. The balance 2.36 lakhs of people are not eligible under the present rules, but the matter is still being looked into and no decision has been taken.

He also mentioned about air accidents. Here I must confess, after having talked about all the achievements, with a sense of regret that the air accidents, during 1982-83 have been fairly on the high side, and we are very sorry. Government had appointed a Committee known as the Lafontaine Committee to go into this question. In fact, we took up the matter immediately, as early as June-July and we appointed the Committee. The Committee has reported. We are examining this position. We must confess that there has been an increase in accidents this year. But we are taking steps

* Answering the question of Shri Satyasadhan Chakraborty about recruitment percentage of Bengal and Kerala.

to avert this kind of thing and we hope to take action in accordance with the recommendations of the Committee.

I am almost coming to the end of my rather marathon speech.

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I have to deal, lastly, with the points raised by Mr. Madhavrao Scindia. He raised a number of issues about amenities to the service personnel. The other points about the Army and Navy, I have dealt with, when I spoke generally about those various items. The most important thing which he has mentioned is about the amenities to the service personnel. I want to assure him that I am second to none in wishing to give to the army service personnel the best that we can afford. This is the first time in the annals of our defence history that a Rs. 31 crore packet was given in one instalment. At the same time we will go on further examining the various requests that have come from the Chiefs of Staff and by and by, gradually, we will implement so that it does not make a serious impact on the finances in any one particular year. The emphasis is on different aspects: Some people want a certain kind of benefits and some others want a different kind of benefits. One has to choose carefully the kind of benefits that should be given. The idea of giving free ration and the separation allowance came to me when I visited the forces in the border, the extreme border. When I was talking to those people, they said that what they would like to have most was the ration and the younger officers said that that was the most important thing. So, that gave me an idea of what would really go to help them in their general conditions of service. We will be looking into all these things. I assure the House that we will continuously keep a watch over their requirements.

The last point I want to deal with is the question of pensions. Unfortunately, pensions is not within my jurisdiction. It is a matter for the Finance Minister and it affects everybody in the Government and whatever decision is taken will have to be applied to all the people in the entire government. It is not to be applied only to the Defence Forces. There are very serious implications of the decision of the Supreme Court and they are being examined and I am sure you will have plenty of opportunity when you discuss and debate the Finance Bill to make your point more effectively than you have done during this debate.

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*The next item is Ex-Servicemen. I have got all those points. I will deal with them so that people may not get up and ask questions. One is Ex-Servicemen. (2) Naval Academy and then third is helicopter.....

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**On pensions I will not be able to say anything because this is a matter which affects the entire pension system and only the Finance Minister will be able to take a decision on this point (*Interruptions*) You can take it up. You are as good a Member of Parliament as I am.....

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Now, so far as the Ex-Servicemen are concerned, we have given them one very important concession which will go a long way to help them and that is that hitherto their pension was deducted from the salary which they got on re-employment. Suppose a person was getting a pension of Rs. 120 or Rs. 150 and he got employment on Rs. 400 then the pension was deducted and the balance of Rs. 280 alone he was getting. Nobody wanted to work for a pittance of Rs. 280 for 30 days. Therefore, this was a disincentive to them to work and also a disincentive for future employment. We have taken a decision that upto Rs. 250 there will be no deduction; that is that they will get their pension plus the amount which they will get on employment. This is a major concession.

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This was very much appreciated and I have received a number of letters appreciating this. This really covers upto Junior Commissioned Officers. The second thing is that we have held a meeting of the Kendriya Sainik Board. We have requested the State Governments to implement the policy which we have already enunciated namely that there should be reservation of 14%, 21% and so on, but, unfortunately, the States are not falling in line. We have set up a monitoring cell. My colleague, Rajya Raksha Mantri, Mr. K. P. Singh Deo made a full and complete analysis of the various things. In fact, he is more conversant ... I am told that JCOs and ORs' entire pension is exempted and this Rs. 250 is only for officers. The entire pension of JCOs and ORs is exempt.

* Replying the point raised by Shri Madhavrao Scindia about the Ex-Servicemen.

**Replying further on the point of the commutation of pension raised by Dr. Karan Singh.

In fact, my colleague has done a splendid job giving details of all the things which we have done for the welfare of ex-servicemen. He has rendered my job easier. I don't have to deal with the same subject again. In fact, he knows better than I do. His performance would have assured you that you do not lack another Defence Minister when time arises.

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*It is a Shakespearian expression—'The fault Dear Brutus is not in our stars but in us that we are under-lings'.

* * *

So far as the point regarding helicopter wing is concerned, Government has at present no intention of changing the present system. As I have said earlier the system which we have now is working satisfactorily. It is a matter for the three Chiefs to come to any arrangement and I have no say in the matter. I want to make it clear that so far as the strategy is concerned the Chiefs are supreme. So far as policy is concerned we come into the picture. Therefore, in respect of these things it is for the three Chiefs to come together and make a recommendation and we will accept. But if they don't come together and do not make a recommendation please do not put me into that embarrassing position of having to make a decision on a matter in which we have no competence, I must confess I have no competence.

Then I come to the last point about Naval academy. With all my effort I gave the Naval academy to Kerala. But I am getting innumerable telegrams saying that 'we do not want it'. There seems to be some local politics. But I want to tell you whatever they may say, my decision stands and, therefore, you don't have to say anything more on that.

* * *

**I can't do everything in one year. This is the first occasion when we have given Rs. 31 crores in one package. If you say because he is an ex-serviceman he must be given a different kind of treatment from others it will be difficult to put it through in a

* Reply Shri Madhavrao Scindia's observation that the Minister repeated the same thing earlier.

**Replying to the interjection of Shri Madhavrao Scindia that the rural ex-servicemen were being ignored.

democratic society but at the same time if you say that by virtue of the service that he has rendered he should be given certain privileges.....

For instance, in respect of pension, in respect of this, that and the other, I am willing to do whatever is possible. But to say that merely because he is an ex-serviceman the law should be different, he should be treated differently in law and soon is something which cannot be done.

Before I conclude, Mr. Deputy Speaker, Sir, I want to place on record the appreciation of Government for the excellent services rendered by the Chiefs of Staff and officers and the ranks. I have been to all the borders; I have been to areas where they serve under sub-zero temperature; I have seen them work in the Barracks and so on. They are doing a patriotic service of which the country must be proud. And I am quite sure that this unanimous approval which the House has given will strengthen them in the discharge of their duties and responsibilities.

* * *

Well* our experience is that there has been no fall in the standards. On the contrary, we have a large number of people, very qualified people, people up to the mark, we are unable to take them. It may be a reflection of the unemployment in the country, but to say that the quality is going down is not correct. In fact we get the best of them. In fact there is a certain tradition in certain things; persons who could go to the IAS and others do come only to the Services because their parents, their traditions, everything is there. They are the best of men; they have the qualities which the administrative officers have. And while these people are merely intellectually good, they are physically better and in fact they are put through a very difficult psychological test and they go through all of them. Therefore, I would not say that there is any semblance in the sort of suggestion that is made the quality of our officers is going down. It is very high and I am sure it will continue to be high. Thank you.

*Replying further to the point of Shri Indrajit Gupta, while concluding the debate whether the quality of people in Defence forces is going down.

(xiv) Finance and Banking

(1) Presentation of Budget

*Reply to General Discussion on the General Budget**

Mr. Speaker, I have heard with great interest and attention the contribution made by all sections of the House. In the concluding part of my address I invited the House to offer constructive suggestions for framing the regular budget for the year 1980-81. A large number of suggestions have been made on the floor of the House such as expanded expenditure on some of the projects like irrigation, industries, rural development, support to village and rural industries, etc. I am thankful to all the Members for the various suggestions they have made. I am sure that in the revamped budget which will come up in the course of the year these suggestions will be reflected and adequate provisions made therefor.

I did not naturally expect any suggestions with regard to increasing the taxes. Therefore, I am not disappointed. However, I expected that there may be some suggestions for reduction of taxes and singularly there was none. I am not going to draw any inference that the House does not want any reduction in taxes. Therefore, I will not presume that, nor will I go on the basis...

(Interruptions)

I only pointed out that I will not draw any inference that the House does not want any reduction in taxes. The relief in taxes will also be before the Government when it comes forward in regular Budget.

I propose to classify the criticism into several heads and then address myself to the items one by one.

A great deal of debate was devoted to the question whether the Congress Government in 30 years did better or the Janata Government in 33 months did better in the service of the country. In my opinion it is a sterile debate. In fact I should say that the debate has ended with the massive mandate which the people have given to the Congress, and

* Replying to General Discussion on General Budget 1980-81 etc. L.S. Deb. March 14, 1980, cc. 222-236

the matter has been set at rest for at least five long years. The people have endorsed the policies and programmes of the Congress (I) and have therefore....

* * *

At the time when this Government was called upon to shoulder the responsibility of administration, it was faced with the situation which was almost stagnant and this has not been controverted by anybody—a massive deficit of Rs. 2700 crores, a stagnant industrial production, the GNP declining by 1 to 2 per cent. and above all the price spiral which has been initiated by the last Government. Therefore, when I made the point before the House, I said I am not making it with a view to put a blame on anybody but to make the House and the country fully aware of the magnitude of the problem that we are called upon to face. Therefore, my submission to the House is that it is a purposeless debate to go on saying whether Janata Government did not do in the last 33 months this or that or whether the Congress did or did not do in 30 years. We have to put our shoulder to the wheel and see that the economy starts moving. In this connection I would even mention one or two things. It is possible to quote statistics and misquote them also. Statistics can be used and abused. In fact Shri Agarwal stated that during his period 1978-79, the price index had declined by 0.1 per cent, I can quote another figure that during the prime ministership of Shrimati Gandhi in 1974-76 the price index decreased by 11.6 per cent. What is the use of quoting these figures? (*Interruptions*). I am speaking extempore and not reading from a text. If you interrupt, my thoughts will get disrupted. If you want to do it you can do it, but if you want to hear me, please do not interrupt. I did not open my lips during the entire debate. Though many things were said during that time which hurt me, yet I did not open my lips. It is part of the game that you should also give me the same kind of courtesy, which I extended to you. I was not going to say that this period was a golden age and the other period is an age in which we all suffered. I only said, It is misquoting the figures and it is not proper to quote these figures. I can give you another instance. The prices had risen in the last week of February and that was also mentioned during the course of the Question Hour today. They said, it had risen by 1.1 per cent. But during the next week, it rose only by 0.3 per cent. These figures do not prove anything. What you have to take into account is the trend over a period, which you have to watch carefully and see how the prices behave, how the economy behaves and how the country develops. Therefore, I do not propose to spend time on controverting some of the statistics which were given by the other side. As I said, these figures can be controverted, but it will not take you or me or the country anywhere.

The second point of criticism levelled against the Governments that there is no direction, no statement or policy and no indication of what the Government proposes to do in many things. In my budget speech itself, I said that the budget statements do not reflect adequately the present Government's policies and programmes. This is an interim budget for carrying on the administration for another two or three months,

within which time we will come forward with a regular budget containing our policy statements. Our priorities and so on. In the interim budget you cannot give any indication of the policies without backing it up by proposals for fulfilling them with adequate provision in the budget in figures for carrying out those policies. If I merely enunciate the policies saying, "We are going to do this, that and the other", it would have been easy for anyone on the other side to point out, "You have said you will do all these things, but where is the provision for it in the budget?" Therefore, in the interim budget, we never give policies. It is an attempt to carry on the present administration until we come forward with a regular statement of our intentions and our programmes.

I am sorry I was not here when Shri Satish Agarwal spoke. I was caught up in the other House. I have great regard for his competence and I would have loved to hear him. But I have read his speech and have got the verbatim record of his speech with me. Mr. Agarwal said that the Government has not come forward with an Economic Survey, which should have preceded the presentations of the budget. In fact, he used some harsh words; I do not want to repeat them. I would like to remind him that when, he presented the interim budget in 1977, his Government also did not present an Economic Survey.

* * *

What is sauce for the goose is sauce for the gander*. At least, we should have common standards. We have nonetheless broadly indicated some of the priorities in the Budget speech. For instance, we have said that we will lay emphasis on the 20-point Programme and particularly its emphasis on the weaker sections of society. Fortunately, I have been able to take a meeting with the nationalised banks and able to secure their concurrence for the increase in the lending to the weaker sections of society from 33 $\frac{1}{3}$ % to 40 per cent. We have also mentioned that we will have an apex agricultural bank which will cater to the need of the agriculture as IDBI does for the needs of the industry.

Then the third point which really disturbs all of us is the price situation. Almost every Member irrespective of the side from which he spoke, mentioned about the continuing rise in the price situation in the country. I do not pretend that after this Government came, the prices have not increased. The trend is there but in my opinion, the trend is at a lower pace than it was in the last 7 or 8 months of 1979. Here we have to take some concerted measures for the purpose of containing prices. We proposed to do a number of things in this regard. It may be worth taking time of the House to detail some of the steps which we proposed to take in respect of the price situation. Firstly, as far as the money supply part is concerned, we propose to follow the restrictive credit

*Responding to Shri Indrajit Gupta's remark that all (are) in the same boat.

policy with a view to control the expansion of money supply. This is a very important tool in our hands. At the same time, I want to assure the House as well as the community outside that the credit control will be very discriminating. It will be applied only against those who are indulging in storing, hoarding and black-marketing. It will not in any way come in the way of productive enterprises and productive efforts. Already the Reserve Bank is taking action to see that the productive effort should not in any way be effected and they are seeing to it that the credit curb which is absolutely necessary in the circumstances, does not affect the expansion of production in the country.

Then with regard to supply management, we are also going to see that there is some kind of a public distribution system in which the controlled commodities and scarce goods will be supplied through the cooperatives, the fair price shops, the super markets and so on.

* * *

Well*, this is a suggestion which will be taken note of .

Unless there is a two pronged attack, one on the hoarders and black-marketeers and the other, to bring about efficient distribution, it will not really help the people of the country. Therefore, we are going to use rather strongly, rather severely, the Preventive Detention Act against the hoarders and the black-marketeers. In this, I hope, we will have the co-operation of all sections of the House because, once we take action under the Preventive Detention Act, there is likely to be a hue and cry from several quarters, particularly from the vested interests, saying that the personal liberties are affected. It is very necessary to remember that unless we take some severe action in this regard, we will not be able to unearth and bring into the market the scarce goods which are available within the country.

* * *

At the same time, we realise that the supplies in this country are not enough. So, in some vital areas we do propose to augment the supply by imports. We propose to import about 2 million tonnes of cement. We have already taken action to import edible oil. We have taken measures to tie-up the oil requirements of this country for the entire period of 1980-81, and this has been done after this Government came to power, taking advantage of the friendly relations that we have with some of the oil producing

*Replying to Prof. N.G. Ranga's suggestion that Village Panchayats also be included in Public Distribution System.

countries, we have been able to tie-up with them the oil supply, so that we may be assured that the oil supplies will reach us and we will not be starved of oil. But that does not mean that it will solve the problem. As hon. Members are aware, the price of oil is going up every day, and the price is not determined by us, but it is determined by the OPEC. This increased price of oil is going to cause considerable strain on the resources of the country. But, nevertheless, so far as supplies are concerned, I am very happy that we have tied up the needs of this country and we have been assured of the necessary supplies.

The fourth point which was raised by a number of hon. Members and which caused considerable concern in the House is with regard to planning. Many members said that we are ushering in another era of plan holiday. I want to dispel any such impression immediately. This Government is committed to the principle of planning. It has never accepted the concept of a rolling plan, where the targets are adjusted to achieve them. We are going to set the targets which we want to achieve and, if we fail, we will come forward and confess the failure to achieve the targets. We will not bluff, saying that the targets have been realistically adjusted to suit the needs of the country.

So far as the plan is concerned, even though it is an interim budget, we have made adequate provision to see that the plan process is not in any way affected. I will give some figures to reinforce this statement. So far as the Central Plan is concerned, the plan provision last year was Rs. 6,015 crores. As against that, we have made an outlay, even in the interim budget, of Rs. 6,573 crores, a step up of nearly 10 per cent. We feel that this will have to be revised upwards again, because there are certain vital sectors which need a heavier investment, like coal, transport and power. All these areas do require more investment, and we may have to revise this upwards. But even as it is, the 10 per cent step up must clear any possible misapprehension that the Plan is being given up, or there is going to be a Plan holiday.

* * *

If taxes are also raised at the same percentage would, the hon. friend support it? After all, the Plan is according to the resources. If you say that the cost of living index has gone up and therefore the Plan requires greater amount, then the taxes also will have to be indexed in the same way and if it is indexed and collected, would the Members support it?

* * *

Therefore, we will have to go by a yardstick and money is the yardstick in which we function. And according to the present yardstick, namely, money, we are saying that

we have stepped up central plan outlay by 10 per cent already and we are going to do it further.

So far as the State budgets are concerned, there has been a phenomenal step up of 17 per cent in this interim budget itself. As against Rs. 5,738 crores in 1979-80, the proposed outlays are Rs. 6,723 crores and this will clear any misapprehension in the minds of anybody that either the plan is being slowed down or that there is going to be any plan holiday.

I would also take this opportunity to mention that the current year's plan will be dovetailed into the total plan which we will form for the years 1980-85 and it will form an integral part of the total plan that we envisage. Naturally our priorities differ and the Plan which has now been framed does not reflect the priorities which we have before us or the programmes which we have set before the people in the Election manifesto. So, we will have to re-vamp the Plan to suit our priorities and our election manifesto and when this is done, we will dovetail the 1980-81 Plan into the Five-Year Plan which will be framed. I want to disabuse the minds of people that there is any remote chance of the Plan either being given up or holiday being declared in respect of Plan and so on.

I now come to the next one or two points. Mr. Aggarwal in his speech has said—in fact he taunted me—that:

“You have adopted the same customs revenue, you have adopted the same excise revenue. You, as a Member speaking from the other side, attacked the surcharge on income-tax and also the excise duties. Now you have adopted the same thing, and it shows, therefore, that you have adopted the Janata Budget.”

Well, I do want to tell him that if he wants to have some temporary satisfaction until I bring the regular budget. I will not grudge it. But I want to know from this criticism whether he now wants that the excise duties should be reduced. That is a Budget which he himself put forward and pushed it very hard in the House against our opposition. I would like to know what his attitude is because at that time Mr. Aggarwal very stoutly defended the same excise proposals and in spite of the very strong criticism which was levelled by the other side he got it through. Now he seems to say that this is wrong. If he has second thoughts on it, I welcome it.

Now, I cannot really say what is going to be the shape of the taxation. But Mr. Aggarwal is also a very clever man. He might have thought of taunting me. He was sort of taunting me by saying, “Oh, you have adopted the same thing. Now come forward with your new proposals.” If he thought that I would disclose my mind before the regular Budget is brought forward merely because he taunted me, he is very much mistaken. It is not going to come out till the regular Budget is framed and till we present it to the House. Therefore, I do not attach great value to that kind of statement.

He also defended the gold auctions. Therefore, I am sorry he did something which is indefensible. All the time we have said that this is a pernicious policy, that we are squandering away the national assets. This is a view which we had taken when we were on the other side. This is the view which we have taken now and we have said there will be no gold auctions at all. Mr. Aggarwal, on the other hand, did defend the gold auctions, but since they themselves gave it up, I think wiser counsels prevailed and perhaps wisdom dawned, though a little late in the day. But I want to make it clear to the House that our policy with regard to gold auctions is that we will not have any auction, we will not sell any gold.

A point was made by my esteemed friend, Shri Indrajit Gupta, and also by a number of other hon. Members including the elder statesman, Shri Charan Singh, and that is that the monopoly houses have been growing in this country, that the rich have become richer. Here I want to point out some facts. Not that I am going to say that they should grow, not that I say that they must develop, but certain facts must be brought to the notice of the House and the country. The major part of this so-called growth in assets is due to the inflationary price rise in the country. If somebody in 1956 had Rs.258 crores and now has Rs.1,100 crores, it is largely due to that.

Secondly, a significant part of these assets are in the form of share-holdings in these companies by the public sector enterprises like the IDBI, IFC etc.

* * *

Therefore, when you* say that they have increased their assets, actually it is the IDBI, IFC and other public sector institutions which have increased their assets. I will not say you, but your party has a congenital opposition to the classes. We do not share that, and we cannot go the whole length that you go or that you want us to go.

Credit** or discredit, the people have decided on whose side credit is. We are saying what we are. It is for you and for the country to judge, and they have judged. We have said what we are and I say now that the greater part of the assets are held by the Government, by the public sector institutions. Therefore, do not use it as a whipping boy for everything, saying that in this country the assets of some people have gone up and so on.

* * *

*Shri Indrajit Gupta.

**Replying to Shri Biju Patnaik's interruption, "Is that a credit?"

Yes,* we have on the Board of Directors, wherever funds have been given by the IDBI, IFC, etc., Directors named by them; and therefore you cannot say we have no control. Therefore, this is an argument which is put forward to hoodwink the public, to give the impression that 'Tata or Birla has become rich. On the other hand, what has become rich is the corporation in which the Government holds a substantial interest the company in which the IDBI, IFC and all these public sector institutions have increased their investments and assets. Therefore, please do not create a false impression that individuals have become richer. The corporations have become richer partly because—I would not say wholly—of the investments that we have made the financial institutions have made in those institutions.

* * *

There are some very valid points made by our elder statesman, Shri Charan Singh. He said that the rural poverty should be removed. Yes, it is. But all that we say is that not only the rural poverty, but also the urban poverty should be removed. Poverty, whether it is in rural areas or in urban areas, wherever it is, must be removed. There is as much poverty in the urban areas as in the rural areas and there is as much distress among the urban middle-class as in the rural middle class. Therefore, any policy that we want to frame should be one to relieve the distress among the lower and middle class whether they are in the rural areas or in the urban areas. To the extent that there must be emphasis on the rural areas there is quarrel between us. We have not said that we are not in favour of eradicating poverty in the rural areas. On the other hand, a bulk of our 20 point programme is intended to benefit the rural poor. Therefore, I do not know why he should have made it a charge against this Government that the rural sector has been neglected. On the other hand, our emphasis is equally on the urban and the rural areas.

* * *

Just** because it is 20 per cent, you cannot ignore them. You cannot say that it is 20 per cent and therefore poverty in the urban areas should be ignored.

There is another point which he made about the statement I mentioned in my budget speech viz. that we left a considerable volume of food and foreign exchange, which together gave a good start for the Janata Government as against a very poor start for us in 1980. I made a comparative statement. I did not want to take credit for all that we

*Replying to Shri Indrajit Gupta's query as to how the funds are controlled?

**Responding to Prof. N.G. Ranga's remark that one is 80 per cent and the other is 20 per cent.

had done in those days. It was only a comparative statement of the situation in which they came to power and the situation in which we have come into power. Mr. Charan Singh said that the buffer stock in food which we had left behind was due to the import of foodgrains which we made. Yes, nobody denies it. Facts are facts. In the past we had imported foodgrains and consumed them. But during that period, that Government had only husbanded those imports and they saw to it that a sizable buffer stock is built so that when the next Government came, they could start with a favourable buffer stock of 18 million tonnes. That was the point I was making and the fact that we imported does not detract from our performance and the fact that we husbanded those resources very carefully and left it as a legacy is a matter for which we should get at least some credit. That is all I am saying.

The last point I will now deal with is about the Asian Games. Choudhry Sahib was rather unhappy that we should spend Rs. 33 crores on Asian Games. I do not know if all sections of the House share that view.

But I must point out that it was the Janata Government which first accepted to hold the Asian games in Delhi and then they wanted to go back on that. This Government thought that it would be quite improper, having accepted to hold the Asian Games here, to go back on that, for if we did so, we would cut a very sorry and a poor figure in the international world. Therefore, we thought that we should have the Asian Games in Delhi.

I have not touched upon all the points raised by hon. Members. But I will have a fuller opportunity to deal with them when the regular Budget is presented and then there will be more mean for you to attack than now.

(2) *Finance Bill, 1981*

(a) *Moving the Motion for Consideration**

Sir, I beg to move

"That the Bill to give effect to the financial proposals of the Central Government for the financial year 1981-82, be taken into consideration."

Sir, I had outlined the main features of the proposals embodied in the Bill in my Budget Speech. The Explanatory Memorandum circulated to hon. Members, along with the Budget papers spell out in greater detail these proposals. I do not, therefore, wish to take the time of the House in covering the same ground.

It is over seven weeks since I introduced the Finance Bill in the House. During the General Debate on the Budget, hon. Members had, among other things, made several suggestions in regard to the provisions contained in the Bill.

I have also received a number of representations from members of the public, Chambers of Commerce, professional associations and economists on the proposals contained in the Bill. While there have been the usual pleas for further concessions and reliefs, I am heartened by the general welcome accorded to the Budget by all sections of the people. I am grateful to all those who have made constructive suggestions for further improvement of the Bill.

I am glad that my proposals in regard to Direct Taxes have in particular been welcomed by all sections of the society. The raising of the exemption limit in the case of the generality of non-corporate taxpayers from Rs. 12,000 to Rs. 15,000, as also the reduction of Income-tax liability in the case of taxpayers with taxable income upto Rs. 30,000 will give considerable relief to middle classes in these difficult times. The reduction of the rate of surcharge on income-tax in the case of companies from 7.5 per cent to 2.5 per cent has been welcomed by industry. The other proposals in the Bill have also generally been appreciated. I do not, therefore, propose to make any modifications in these proposals.

*Speech made while moving the motion for consideration of the Bill to give effect to the financial proposals for 1981-82, L.S. Deb., 22 April, 1981, cc 422-28.

I shall now briefly explain the principal changes that are proposed to be made in the provisions of the Finance Bill.

To encourage the establishment of export-oriented industries in the Free Trade Zones, the Bill contains a provision to allow complete tax holiday in respect of units set up in these zones for an initial period of five years in lieu of other concessions. As hon. Members are aware, the Income-tax Act contains several provisions for encouraging the establishment of new industries, such as investment allowance, partial tax holiday, export markets development allowance and special concessions in the case of new industries set up in backward areas.

It has been represented that the new Scheme may prove to be less advantageous in the case of some capital-intensive units with long gestation period as compared to the benefits available in the case of new industrial undertakings in the rest of India. I accordingly propose to give an option to tax-payers deriving income from industrial undertakings in the Free Trade Zones to choose between the complete tax holiday proposed in the Bill and the existing tax concessions, whichever they find more attractive.

At present, resident individual and Hindu Undivided Families incurring expenditure on medical treatment of handicapped dependents are entitled to a deduction of a specified amount in the computation of their taxable income. The deduction specified in the behalf is Rs. 2,400 in a case where such dependent has been hospitalised for not less than 182 days during the previous year and Rs. 600 in any other case. The Finance Bill seeks to raise the monetary limits from Rs. 2,400 to Rs. 4,800 and from Rs. 600 to Rs. 1,200. The Bill does not, however envisage any modification of the existing conditions that the quantum of deduction would be reduced by the income of the handicapped dependent in the previous year and that the deduction will be admissible only with reference to one chosen handicapped dependent in a case where the taxpayer has to maintain more than one such dependent. I propose to liberalise the provision in order to secure that the quantum of deduction for medical treatment of handicapped dependent will not be reduced by the income of such dependent and the expenditure for hospitalisation of all physically handicapped dependents will be admissible as deduction. In the Bill I have provided for one person. If there are more than one person, they will also be entitled to deduction. Under a provision made in the Bill, the Central Government has been empowered to relax or modify the provisions of the Income-tax Act with a view to enabling the Government to make an exemption, reduction in rate or other modification in respect of income-tax in favour of certain classes of persons including those rendering technical services in connection with any business consisting of the prospecting for or extraction or production of mineral oils carried on by that Government or any person specified by that Government in this behalf by notification in the Official Gazette.

It was originally considered that the activities of the persons in connection with the business of prospecting for or extraction or production of mineral oils in the off-shore

areas partake of the character of technical services. It has now been brought to the notice of the Government that some of the services rendered by them will not fall within the well understood connotation of the expression 'Technical Services'. Since it is intended to make the provision applicable to all types of contracts entered into with the authorised persons operating in the off-shore areas, it is proposed to extend the scope of the relevant provision in the Bill so as to cover persons providing any services or facilities or supplying any ship, aircraft, machinery or plant, whether by way of sale or hire, in connection with the business consisting of prospecting for or production of mineral oils carried on by the Central Government or any person specified by that Government in this behalf by Notification in the Official Gazette. A similar amendment is also proposed to be made in the provision relating to the Companies (Profits) Surtax Act, 1964.

On many occasions hon. Members have voiced their concern about the problem of black money and its investment in immovable property. The Income Tax Act already contains provisions empowering the Central Government to acquire immovable properties in certain cases of transfer to counteract evasion of tax. These provisions are, however, applicable only in cases of transfer of immovable properties by way of sale or exchange and do not cover cases of other types of transfer. It is proposed to introduce a Bill to extend these provisions to cover transfer of flats or premises owned through the medium of cooperative societies and companies, agreements of sale followed by part performance as visualised in Section 53A of the Transfer of Property Act, 1882 and long-term leases. Sir, I understand that copies of the Bill have already been placed on the Publications Counter for circulation to the hon. Members. These provisions will curb the widespread practice of understating the value of immovable properties in case of transfer with the purpose of avoiding proper tax liability and check the circulation of black money.

As regards Indirect Taxes, as hon. Members will recall we had not virtually proposed any significant change in the excise duty structure for raising revenue. It has been sought to mobilise resources mainly through increased levy of auxiliary duties of customs. In framing our proposals we had kept uppermost in our mind the imperative need to avoid hardship to the middle and poorer sections of society and to provide a largemeasure of relief to the small scale sector of our industry.

The levy of 15 per cent custom duty on newsprint has understandably attracted a good deal of comment both within the House and outside. As it has been explained in the Budget Speech, this levy is intended to promote a measure of restraint in the consumption of imported newsprint and thus help in conserving foreign exchange. In the light of observations made by the hon. Members in the course of the General Debate on the Budget I had assured the House that I would try to work out a scheme of providing relief to small and medium newspapers about which Members had voiced—their special concern. We have now worked out the modalities of a scheme for affording relief to small and medium newspapers. Under this Scheme, the State Trading Corporation would sell imported newsprint to small newspapers at a price

which would not include any amount relatable to import duty. Medium newspapers will get their newsprint at a price which would include an amount relatable to import duty of 5 per cent *ad valorem*. Big newspapers would, however, pay a price which will reflect the full duty burden of 15 per cent *ad valorem*. There is a definition of small, medium and big newspapers in the Press Council. At the moment the present definition is that those which have a circulation of 15,000 or less are classified as small; those with a circulation of more than 15,000 but less than 50,000 are classified as medium and those with a circulation of over 50,000 are called big newspapers. Therefore, the small newspapers with a circulation of 15,000 and less will not pay any customs duty; those with a circulation between 15,000 and 50,000 will pay customs duty of 5 per cent and with a circulation of over 50,000 will pay 15 per cent. Suitable financial arrangements will be worked out as between Government and the State Trading Corporation to enable the STC to give effect to these concessions. As hon. Members are aware the categorisation of newspapers as small, medium and big in terms of circulation is already well understood in the industry and is being followed by the Ministry of Information and Broadcasting for purposes of determining initial allocation of newsprint and for setting the rates of growth of consumption of newsprint by various newspapers from year to year. The State Trading Corporation will, for purposes of the present scheme, follow the same categorisation of newspapers into small, medium and big. These arrangements will, in effect, provide a relief of about Rs. 5.86 crores to small and medium newspapers.

As part of the Budget proposals, we had sought to bring into the Excise Duty net units producing goods assessable to duty under Item 68 of the Central Excise Tariff if they did not come within the purview of the Factories Act when their production exceeded the exemption limit of Rs. 30 lakhs per year. In response to representations made to Government against the change, Government have with a view to avoiding any hardship to the small entrepreneur, decided to restore the position as obtaining prior to the presentation of the Budget. In other words, units producing goods of classifiable under Item 68 which do not fall within the definition of Factories under the Factories Act will not have to pay any Excise Duty.

The changes, both substantive and procedural, which we have made in the proposals outlines in the Budget should demonstrate that Government is responsive to all reasonable demands and would be ever ready to redress genuine grievances. I request Hon. Members to lend their support to the Finance Bill with the modifications now proposed.

(b) Intervening by Way of Reply to the Debate*

Mr. Deputy-Speaker, Sir, my esteemed colleague, the Minister of State for Finance will be replying to the debate at the conclusion of all these speeches. As I have to leave for an urgent meeting of the Asian Development Bank, I thought I would crave the indulgence of the House to make a few observations on the points made by the Hon. Members. I will confine myself largely to the general observations made by Members and my colleague who is very competent and very able, will be able to deal with the individual points raised by Members.

One of the points raised in the course of the debate related to the general economic condition or the state of the economy.

The Budget presented by my predecessor Mr. Charan Singh provided lot of grist to the mill when I was sitting on the other side. But the Budgets which I have presented on the last two occasions have, to a large extent, disappointed the Opposition. I did not provide them with any material on which they could attack. In fact, if you look at all the speeches made either during the general debate on the Budget or even during this debate on the Finance Bill, you will find that there is very little criticism of the measures which I have introduced in the Budget or in the Finance Bill. The criticism generally relates to things which I have not done or which, according to Hon. Members, I should have done to improve the economy of the country.

So far as the state of economy is concerned, I never claimed that it is in a very good shape. At all times, I have only claimed that the economy is taking a turn for the better from the morass into which it had fallen during the year, 1979-80.

Two reasons mainly contributed to the very lower level of our economy. One is the Budget presented by my predecessor Mr. Charan Singh who levied an indiscriminate excise duty of over Rs. 650 crores recklessly and thoughtlessly on every item. The other was the natural circumstance of drought which affected this country. Together, they

*L.S. Deb., 27 April 1981, cc 399-412.

had turned our economy into shambles and I had to do my utmost to see that the economy is revived.

All that we could achieve in the first year, 1980-81 was to arrest this tendency of inflation and to moderate the inflationary pressure. In the calendar year, 1979, for which I should take the figures because that is the comparable figure of the previous Government, the inflation rate was 22 per cent and in the calendar year, 1980, the inflation rate was only 13 per cent. All I said was that though a poor country like India cannot really afford to have an inflation of even 13 or 13.5 per cent, the rate of inflation at 22 per cent has been arrested and the rate of inflation has been moderated.

The strategy that we followed in respect of the handling or controlling of inflation was something different from what classical economists have always followed, namely of trying to deal with the demand management by increasing taxes, by curtailing credit, and by mopping up liquidity in various ways. On the contrary, as I said, we are offering incentives and by reducing taxes, we will follow a policy of supply management whereby the goods and services produced in the country will be able to mop up the liquidity in the economy.

We have been assured of a moderate success of this philosophy and we are encouraged to go in the same direction.

That is why we gave tax reliefs to the middle classes.

We also gave tax relief to the industrialists in the corporate sector who are engaged in production of goods and services.

We gave also certain facilities and incentives for saving. And I am again happy to say that the events of the last few weeks after the presentation of the Budget justify the line that we have taken. As has been pointed out by my esteemed friend, Shri Kamal Nath, the rate of price rise four weeks after the presentation of Shri Charan Singh's Budget was 2.9 per cent, and the rate of price rise four weeks after the presentation of this Budget was only 0.8 per cent. Therefore, I want to submit for the consideration of this House that the policy that we are now pursuing promises to bring about a measure of control over the inflationary spiral. I would also like to urge on the Members the fact that we are not living in isolation. All over the world, prices are rising. There is not a single developed country or developing country which, during the year 1980, had a lower rate of inflation than in the year 1979 except India. All the other countries had in 1980 a higher rate of inflation than the rate of inflation in 1979. Therefore, we are encouraged to pursue this policy, largely in the interest of the people of the country and in the interest of the economy of this country.

My esteemed friend, Prof. Madhu Dandavate, has said that all these concessions appear to be directed towards the well-to-do classes and not in favour of the weaker sections of the society. To the charge that some of these concessions are towards the

better class of the society, I plead acceptance because, according to our philosophy, as I have explained time and again, the duty of providing goods and services to the economy rests not only on the public sector but also on the private sector. Therefore, if the private sector should play its legitimate role, it has to be given the necessary incentives to play that role. Unless we come to the conclusion that we have no need for a private sector in this country, we must continue to give that kind of incentives to the private sector. The reason why we gave a 5 per cent concession in the corporate tax was to encourage savings and reinvestment. It is an elementary principle of the economics that without reinvestment there can be no production and without further production, there can be no decrease or lowering of prices. So it is a part of the strategy of increasing production that we have said that we will give incentives. Whether they live upto the expectations or not is a matter on which I have a quarrel with them and I have been talking to them about it. But that does not mean that we should not give the necessary incentives for the purpose of enabling them to reinvest to save and invest in further production of wealth in the country. That is why I said that we had to give this 5 per cent reduction in the surcharge.

My hon. friend, Shri Banatwalla said that I have increased the rate of tax to 30 per cent and it is very heavy. I am quite sure that he has read page 4 of the explanatory statement. Even after raising the rate to 30 per cent on account of the fact that I have brought the nil slab rate to Rs. 15,000, a person who earns Rs. 16,000 will gain about Rs. 990, right upto say Rs. 220 by a person earning Rs. 24,000. It is not the rate of tax it is the amount of tax that one pays should be taken into consideration. He pays less. He pays less because instead of reducing the tax at one level, I have increased the nil slab rate to a very high level of Rs. 15,000 with the result that he pays tax only on the margin between Rs. 15,000 and Rs. 24,000 whereas in the past he had to pay on incomes between Rs. 8000 to Rs. 24,000. So it is wrong to compare the rate of tax. You must compare the amount of tax paid by a person. If the deficit is large, then it is difficult to contain the prices. In fact my predecessor reached the level of Rs. 2700 crores of deficit in the year 1979-80. Now, so far as this Government is concerned, in spite of the adverse circumstances in which it took office, it was able to contain the deficit to Rs. 1975 crores in 1980-81 and I have this time said the deficit would be of the order of Rs. 1540 crores.

Shri Dandavate and a number of other friends said that we have taken credit for the Bearer Bonds to the tune of Rs. 800 crores and, 'Therefore, you say that' what you have to judge is not how I make up the revenue but what I make up at the end of the year. The Bearer Bond is one of the schemes and if it had been allowed to run its course, according to me, it would have fetched the anticipated revenue receipt. Nevertheless, I may point out that the Bearer Bonds is just one other kind of borrowings like any other borrowings that I am doing in the country. I borrow at 9 per cent in a certain case and I borrow at 6 per cent in certain other cases. Do I not borrow tax-free in certain cases?

I was told that the West Bengal Government has been very clever and said that the Government of India must give Rs. 100 crores because of the Bearer Bonds I have given

up the tax. I do not know why they did not raise it earlier because I have been borrowing and the earlier Governments have also been borrowing tax-free. On the National Savings Certificates, we give 6 per cent and 7 per cent tax-free. On National Savings Certificates, it gives 6 per cent or 9 per cent tax-free. Could not the Government then say "Oh, you have borrowed tax-free. If you had levied the tax, it would have been so much and our share, of 80 per cent of it, would have come to us." So this is all trying to be too clever without having commonsense.

Government has a right to borrow on various terms — it borrows on terms with reference to certain cases. In the case of bearer bonds, it went to the public to borrow a certain amount of money on certain terms, it is not taxation. If anybody said that it is taxation, it is a perversion of mind. It is just another kind of borrowing, under Art. 292 of the Constitution, the Executive power of the Union extends to borrowing on such terms and conditions as they think fit subject only to the condition as may be prescribed by Parliament about the amount. That is all. (*Interruptions*). I can borrow from robbers, I can borrow from dacoits, I can borrow from the honest men. I can borrow from anybody. Can anybody say that we should borrow only from 'X' and not from 'Y'. (*Interruptions*). Unfortunately, people do not even look at the precedents. You look at the Gold-Bond issued in 1965. We gave the same terms. We said: whether it is smuggled gold or tax-evaded gold or any gold, we will not ask any question if you tender this gold and that gold-bond will be free from Wealth Tax or from any other tax. The 1965 bonds were being cleared in 1980. (*Interruptions*).

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Therefore, it appears to me that people who want to oppose this have no legal or moral or legitimate grounds and they are now trying to invent grounds which do not stand scrutiny. For the last three days, the bonds have picked up to such an extent that we have not been able to meet the demand of these bonds in certain Centres. One or two Members of Parliament even came and asked me (*Interruptions*). The bonds were not available they were exhausted in Chandigarh, in Madras and in certain other parts. The Reserve Bank has rushed the bonds to the other places and the hon. Members have come and represented now that the time should be extended.

I want to make it categorically clear* that according to the notification which we have already issued, Government can suspend the sale of those bonds, on any date but not earlier than the 30th of April. And Government have decided to suspend the sale of these bonds at the last working hour of the 30th of April. We will suspend the sale of these bonds. The one result, will be that the bonds will be at a premium very soon.

*Replying to the query of Prof. N.G. Ranga regarding the duration of bearer bonds.

It is only a suspension. We have now decided that it will be suspended at the expiry of the last working hour of the 30th of April. It is not as if we have been soft on the tax evaders. I have given figures repeatedly in this House about the number of raids that have been carried out in this year and in the previous year as against the number of raids which have been carried out in the past.

In the first year of the Janata rule the total number of raids carried out was 617. The total number of raids which we have carried out during the last year is 3,400. Nobody can say that we have been softer than the predecessor Government if figures mean anything at all.

Sir, we have also brought forward the Bill giving powers to the Government to acquire the flats which are now passing hands at a premium and in black-money. If the Government are satisfied about the ostensible value of the flats being lower than that of the real price at which it is transferred. Government is empowered to acquire these flats and this Bill we have introduced. So, you cannot say that we have been soft to anybody. The number of raids which have been carried out throughout the country will bear testimony to it.

In fact, I want the House to give fullest support to the officers who carry out this very difficult and very risky operation. I am very sorry that some of the officers who went to Srinagar for the purpose of conducting these raids have been mal-treated and have been beaten up. It is very unfortunate and I am quite sure the House will join with me in paying tribute to the officers who have been able to stand up to it. I repeat once again to the benefit of this House that the raids, searches and seizures are carried out by officers on receipt of information which after scrutiny they consider credible and no interference of any kind occurs either from the top or bottom or anywhere. In fact, we do not even know where they are going. I honestly tell you that I did not know that there was going to be a raid in Srinagar or anywhere else...

* * *

And the searches prove that the information is correct. These were the things seized there: about two lakhs worth of foreign exchange, 20 lakhs worth of jewellery—all unaccounted. And what do you want the government to do? To sit quite and watch and then say that the Government is soft to the tax evaders and tax dodgers. Government does not have X-ray eyes. They do not know who exactly has what. They can only go by the information they get and if the information is checked and double checked and found to be credible then they have to carry out otherwise there will be dereliction of duty on the part of the officers.

Therefore, I wish to again emphasise that we will give no quarter whatsoever to the tax dodgers and we will certainly carry out these searches and seizures for the purpose of

unearthing black-money. Not only that we will take stringent measures also which will come out in due course to control this money circulating outside the banking system.

* * *

The point really is this. Government have to protect the honest man and they do everything possible to see that the honest man is not harassed. In my last address to the Income-tax Commissioners I said "it is very difficult for people to tax and please, but do not by any chance go and tax and tease". We do not want to harass anybody. But at the same time where we have credible information about the possession of black money, of unaccounted money of these transactions, Government have to take the action and I want every support from every section of this House. Otherwise, Government will not be able to carry out its work.

A point was raised that if you do not get this amount of Rs. 900 crores or Rs. 800 crores, how will you make up? Government can make up in a number of ways and I will not say how I will make up. But I can say the ways in which it can be made up. The ways in which it makes up is: (1) higher taxation, and (2) larger borrowings. There are so many things which we can do and I still hope that I would not be driven to the extreme necessity of having to raise taxes. But if it becomes unavoidable or inevitable, I want to assure the House that I will not shrink from it, I will not back out from it.

Now, a few points have been made, namely, that supply of some of these commodities is not equitably distributed and they are not adequate to the needs. Sir, I will concede that so far as the pulses are concerned, there is a short supply and pulses are produced only in this country and they cannot be imported. If any commodity goes into short supply and as a result thereof it is not possible to give adequate quantities, particularly to the weaker and vulnerable section of the society, I give this assurance that I will import it and have it distributed in the country. Edible oil, for instance, is one where we are hopeful that we will be able to manage with the oil that we have, but if the prices still persist, it may be one of the items which we have to consider. Even in case of sugar where we have about 10 per cent more production over the last year—our expected production is about 52 lakh tonnes—and if this proves inadequate, the prospect of importing is not ruled out. But we will try as much as possible to have more equitable distribution system to meet our needs with the stocks that we have. But at the same time, I want to assure the House that when it becomes necessary, we will not shirk or shrink from importing it to meet the needs of the people.

A point was made by Mr. Kosalram that Appellate Tribunal has been delayed. The Appellate Tribunal is almost ready. For this institution, the only question which delayed it was the question of the Chairman. My view has always been that it should be presided over by a judge of the High Court sitting or retired and I am happy to say that that has been accepted and we will be constituting it very soon.

So far as Excise Notification is concerned, which my esteemed friend Mr. Jyotirmoy Bosu wanted that it should be discussed before notified, I have to point out that it is impracticable. There are occasions when we have to raise the export duty in order to preserve the commodity within the country. There are occasions when we have to suddenly impose duty in order to prevent dumping of certain goods from certain other countries. And this has to be done without the knowledge of the commercial community otherwise they will fabricate contracts of having been entered into earlier and then try to get the benefit of a lesser tax and so on. All that we do is, as soon as the notification is made, it is laid on the Table of the House and the hon. Members have according to the rules, the right to move for any modification thereto, within thirty days. Even if they do not succeed, the matter could be discussed by giving a notice and it has been discussed in our House on several occasions. Therefore, I do not think it would be possible to accept the suggestion made by my friend.

Shri Banatwalla said that the additional excise duty on textiles was a harsh levy. Apparently, he did not know the legislative history of this levy. At one time, the textile mills were obliged to produce a certain percentage of their goods as controlled cloth for distribution to the weaker section of the society. The textile mills themselves represented that they would rather pay an additional excise duty than produce this cloth because it interferes with their general scheme of production. Thereupon, a 10 per cent additional excise duty was levied and this amount was transferred to the account of standard cloth and the price was reduced to that extent. Today, the cost of production of the controlled cloth has gone up and if I do not levy this additional 15 per cent excise duty, then the weaker section, the poorer section, will have to pay that additional cost from their pocket.

* * *

I have absolutely no objection; if the textile industry will agree to produce the controlled cloth. I will take away the excise duty*.

* * *

Yes**, they failed to do it, and that is why, we have to levy it and give it as subsidy to the consumers.

*Replying to the request of Shri G.M. Banatwalla that Finance Ministry also should strive for the supply of controlled cloth by even forgoing some revenue.

**Replying to Prof. N.G. Ranga's remark that they failed to do it last year.

The second thing is that when the cost of the standard cloth goes up, it is the duty of the textile industry which wanted to escape the liability of producing the standard cloth to bear the additional cost of the standard cloth. It is not for the society to bear it. If I do not levy this 15 per cent additional levy, which comes to 32 crores, it would be added to the deficit and it will be borne by the average citizen in the country. Why do you want the textile Industry which has an obligation to produce a certain quantity of standard cloth for the benefit of the community to be relieved of the obligation to pay the excise duty. I do not think, even the textile industry has made that representation which Shri Banatwalla has made.

Now Sir, one or two more points.

There was a general statement that Budget does not show much concern for the weaker and poorer sections. Mr Dandavate also mentioned this, but he will agree with me that this National Rural Employment Programme is an improvement on the old Food for Work Programme. It is not a different programme. It is an improvement. It is an improvement in the sense that while the Food for Work gave only food and nothing else, the National Employment Programme gives food and cash for the purpose of meeting some of the expenses which will go to the creation of durable assets. For instance, if you wanted to lay a road, if you gave only food, then they will lay mud road, but if you give food and some cash, they will lay a metal road. Similarly, if you want to build a culvert, they will not build it, because there is no cash component in it. Now, if you give food and cash component, they will build culvert. Therefore, this is a refinement and improvement of the old Food and Work Programme and the National Employment Programme is intended to give work for nine million man days.

I will tell you* this. In 1980-81, the Centre met the whole thing. In 1981-82 the allocations between the Centre and the States were made and it became 50-50. Fifty per cent is met by the State and 50 per cent by the Centre. Therefore, while it was Rs. 340 crores last year, it is Rs. 380 crores this year. Centre makes calculation of the State Plan and then makes calculation of the resources that States are able to raise, then it makes up the balance for carrying out the Plan. As a result of it, it has gone up by another Rs. 40 crores. That is why in the Central Budget you will find half the figure and half the figure in the State Budget. Together it comes to Rs. 380 crores.

Secondly, in the Integrated Rural Development Programme we have also enhanced the allocation this year and we have provided Rs. 110 crores for the Rural Water Supply Scheme and thirty-six thousand villages are going to be provided with water supply. A number of schemes have been added. If you total them up, you will find that Rural sector will get adequate funds for the purpose of providing employment not only to the unemployed, but also the under-employed in the entire area. That is the scheme and I have no doubt that if the States utilise the various funds, which have been allocated

*Prof. Madhu Dandavate

under these heads, the National Rural Employment Programme, the Integrated Rural Programme and the Water Supply Schemes, all these things, will be able to provide a large amount of employment to the rural population.

Sir I do not want to take away all the points. My esteemed friend, Shri Sisodia, is going to deal with rest of the points that have been raised by the Members. I thank the Members for the patient hearing.

(b) Nationalisation of More Banks— Banking Companies Bill*

I beg to move:

“That the Bill to provide for the acquisition and transfer of the undertakings of certain banking companies, having regard to their size, resources, coverage and organisation, in order further to control the heights of the economy, to meet progressively, and serve better, the needs of the development of the economy and to promote the welfare of the people, in conformity with the policy of the State towards securing the principles laid down in clauses (b) and (c) of article 39 of the Constitution and for matters connected therewith or incidental thereto, be taken into consideration.”

As Hon'ble members are aware, 14 major commercial banks incorporated in India each with deposits exceeding Rs. 50 crores were nationalised by Government with effect from 19th July, 1969 in order to gain control over the commanding heights of the economy for the attainment of national and economic objectives. It was then visualised that public ownership of these banks would help in more effective mobilisation of savings and their channelisation for productive purposes.

Since nationalisation, bank services have grown rapidly particularly in the hitherto underbanked rural and semi-urban areas. The number of branches of public sector banks has risen from 6, 596 in June, 1969 to 25,028 (including those of Regional Rural Banks) as at the end of December, 1979. Out of these, as many as 18,051 branches of the public sector banks are located in rural and semi-urban areas. The deposits of the public sector banks rose from Rs. 3,871 crores to Rs. 25,977 crores during this period. Progressive increase was also registered in the deployment of Banking resources for the neglected sectors and weaker sections of society. Advances of the public sector banks to the priority sectors as a percentage of their total credit has risen from 14.9 per cent in June, 1969 to 33.5 per cent in September, 1979.

Government are committed to implement the 20-point programme vigorously. In pursuance in this objective, the public sector banks have undertaken to increase their

* Speech made while Moving the Motion for consideration of the Banking Companies Bill, L.S. Deb., 13 June and 16 June 1980, cc 313-316, 16 June, 1980, cc 310-319.

credit to priority sectors to 40 per cent of their total advances over a period of five years. It was felt that Indian Banking Companies in the non-nationalised sector which have registered a rapid growth during the recent past should also be subject to a more effective and meaningful direction and control so as to make them an integral part of the development effort.

As Parliament was not in session and immediate action was necessary, the President promulgated an Ordinance on 15th April, 1980 to provide for the nationalisation of six Indian private sector banks having demand and time liabilities exceeding Rs. 200 crores each as on March 14, 1980. These banks were:—

1. The Andhra Bank Ltd.,
2. Corporation Bank Ltd.,
3. The New Bank of India Ltd.,
4. The Oriental Bank of Commerce Ltd.,
5. The Punjab and Sind Bank Ltd., and
6. Vijaya Bank Ltd.

The total demand and time liabilities of these banks aggregated over Rs. 2,356 crores as on March 14, 1980. The present Bill seeks to replace this Ordinance by an Act of Parliament.

The Bill provides for the payment of amount totalling Rs. 18.50 crores to the six existing banks on the basis adopted in the past when the 14 major commercial banks were nationalised in 1969. This amount will be payable at the option of the existing banks in cash in three annual instalments with an interest at the rate of 5.5 per cent per annum, or by issue of Government securities of 10 years carrying interest rate of 6 per cent or of 30 years with interest rate of 7 per cent or a combination of the two. With the incorporation of the six largest private sector banks in the public sector, the total deposits of the public sector banks would be about 91 per cent of the deposits of all scheduled commercial banks.

While commending the Bill for consideration, I may mention that it follows closely the provisions of the existing Nationalisation Act passed by this House in 1970. As in the earlier Act, the present Bill provides for the management of the new banks each by a board of directors to be constituted by government after consultation with the Reserve Bank in accordance with the provisions of a nationalisation scheme to be framed by government under the provisions of the proposed enactment. The broad-based boards of these banks providing for the representation to be given to various interests such as employees, depositors, farmers, artisans and other experts will accordingly be constituted by government after the nationalisation scheme is framed. Employees of the acquired banks would automatically become employees of the corresponding new banks. It is our fervent hope that with the inclusion of these six banks in the public sector, the implementation of the 20 point programme will become more fruitful and effective.

Sir, I would not like to take more time of this House on the other provisions of the Bill. I move.

* * *

Mr. Deputy Speaker,* Sir, I am grateful to this House for the support they have given to the measure. On an occasion like this, one would like to review the working of the nationalised bank in the last ten years. Several suggestions have been made for improving the working of the nationalised banks and also for improving their services to the weaker sections as well as rural and agricultural population. Broadly speaking, there was suggestion that there should be an evaluation of performance of the nationalised banks. I wish to point out that, so far as the results of the banks are concerned, they are available, and there does not seem to be any need for a separate evaluation. If you look at their performance in the last ten years, it has been very creditable. If you take the number of branches, it has increased from 6596 to 25028. What is more, during this period, the number of branches in rural areas came to 46.9 per cent, in semi-urban areas 24.6 per cent, in urban areas 15 per cent and metropolitan areas 13.5 per cent. Therefore, the emphasis that we want to place on rural development is amply borne out by the fact that a number of these branches have been established and developed in the rural areas.

The other function of the bank is to mobilise resources. Even here, the performance of the nationalised banks has been very creditable. From a total deposit mobilisation in 1969 of Rs. 4,000 crores.

* * *

No, 4,083 crores.** The total deposit mobilised by these nationalised banks and the State Bank has increased to Rs. 25,977 crores, a performance of which one should be really proud.

If you take the assistance rendered to the priority sector, that is, the weaker sections of the society a sum of Rs. 6,000 crores has been given to this sector and the break-up of this is: in agriculture, direct assistance is Rs. 1,997 crores and indirect assistance Rs. 590 crores; small scale industries Rs. 2,347 crores; transport and other things go to make up Rs. 6,000 crores. Therefore, I want to point out that, so far as the banks' performance is concerned, it has been of a very remarkable order.

* Continuing his speech in reply to the points of member.

**Rebutting the figures of Shri Satish Agarwal; that it was Rs. 4800 crores.

I will now proceed to answer some of the points raised in the debate. I will take up Mr. Satish Agarwal's points first because some of them were repeated by a number of members.

The first question that he asked was why it was necessary for us to fix 14 March when we were going to nationalise them on the 15th April. The reason is very simple. You must get data with regard to deposits with the bank and you cannot get it on the previous day. You fix a prior date by which you can get the correct data about the banks which you are going to nationalise. Therefore, we fixed a date, one month before the date of nationalisation, and those banks having a deposit of over Rs. 200 crores on a date, one month prior to the date of nationalisation, were brought under the nationalisation scheme. My friend will also realise that, even in 1969 when 14 banks were nationalised, the same procedure was followed. The banks were nationalised on July 19, 1969, but the date fixed for the purpose of ascertaining the 50-crore figure was the last Friday of June, 1969. So, this was only for the purpose of certainty, and there was no sanctity about 14 March.

The second point which he raised was why we fixed Rs. 200 crores for nationalisation. At the point of the banks having Rs. 200 crores we were practically controlling 91 per cent of the entire deposits of the country. We did not want to take up everything. For one thing it will be difficult to take all the banks at the same time and nationalise. We are not committed to the principle of nationalising all the banks...

* * *

Sir, he must make his* presence felt in the House always. Sir, it used to be said of Churchill that he must always make his presence felt. So, if he went to a wedding, he must see the bridegroom and if he went to a funeral, he must see the corpse.

* * *

Therefore the point is that since we did not want to have a very large number of banks in the scheme of nationalisation and since we wanted to allow 10 per cent of the deposits in other private hands, it was decided to nationalise those banks which had more than Rs. 200 crores as deposits.

* * *

* Replying to the interjection of Shri Jyotirmoy Bosu that he is going to speak on the Third Reading of the Bill.

The third point was: why was this urgency? If this criticism had come from any other member I would not have been surprised, but that a former Minister should have raised it, really caused me a real shock, not a surprise. You know in case of nationalisation of banks, if the information had leaked out an hour or so before they could play such ducks and drakes with the account to manipulate it in such a way that it would have caused a great deal of harm to the nationalisation itself. On the other hand, I expected Mr. Agarwal as well as others to compliment me on the way the six banks were nationalised without a whisper being known outside.

The next point was that there have been some regional imbalances. I concede that there are regional imbalances. But they are brought about the conditions which had existed already even before the nationalisation scheme was brought in.

For instance, in West Bengal where I myself noticed that the development of rural banking was not on par with that in the other areas, I arranged for a meeting of the bankers in Calcutta and took steps to see that some effective action was taken to increase not only the number of branches but also the credit facilities in those areas. In each area there has been one or the other of some handicap or a sort of hurdle for expansion of rural credit. For instance, in West Bengal, the hurdle was that the agricultural population there did not have the correct record of rights. Without the proper record of rights, it would be difficult for the banks to lend. Now that is being rectified. With proper record of rights being created, it is possible to increase the flow of credit to the people of that area.

In fact, I have created a group under the Chairmanship of the Reserve Bank Governor with a representative of the State Government and the lead banks of that State to go into that question to see how best that can be rectified. It was also pointed out by my esteemed friend, Shri Satish Agarwal that in Rajasthan also there are regions in which there are imbalances. I shall certainly take that into account and try to rectify that. I shall do that whenever it is brought to my attention that there are imbalances in credit distribution and I shall see to it that that is rectified. Shri Agarwal also pointed out that the profits made by the nationalised banks were low while those made by the private banks were high. That is obvious. The nationalised banks rather owe a duty and an obligation to see that a certain percentage, namely, one per cent, of their total lending should be given under the differential interest rate system under which they will have to lend at 4 per cent. And nearly 33 per cent goes to the priority sector at concessional rate of interest. Naturally, when 40 per cent of their lending goes to the priority Sector, they cannot earn profit like the private banks who are not compelled to do that. Therefore it is no wonder that some of these banks have been making profits. In order properly, in order that the weaker sections may be served adequately, it has become necessary for us to take over all these banks which have just now been nationalised so that the credit facilities might be available to the priority sector at concessional rates of interest.

Then Sir, the next point which was made by my friend, Shri Agarwal is that a lot of black money passed through the banks. Well he had been a Minister before and he must have got a lot of information on the subject. I wonder why no action was taken during his period. I shall take this information and try to see how best the banks can be prevented from being an instrument in the investment of black money. I shall see that the banks are not misused for that purpose.

There are other suggestions made which are under consideration. I shall certainly see how best we can prevent the banks' being misused for this purpose. One suggestion which has been made by Shri Agarwal, Shri Daga and Shri K.T. Kosalram and a number of others is that Members of Parliament should be represented on the Board of Directors of the Banks. The present composition of the Board of Directors is this. There is one representative of the farmers, one representative of the artisans, one representative from the depositors, two from the workers, one from employees and one from employers and five representatives taken from the public who have expert knowledge in the field of banking economics, industry, business etc. Well I know the traditional answer which is being in cases like this saying: 'No'. No. There should be no political interference from the Members of Parliament in the banks. I am not going to give that answer. I shall have this suggestion examined afresh and shall give my best consideration to this idea.

Sir, the point was that the regional rural banks had not developed very fast. I wish to point out that the pre-drive for the regional rural banks but then the Janata government when it came to power questioned the wisdom of the regional rural banks and they wanted it to be evaluated and practically put a stop to it. They appointed Dantwalla Committee. Until Dantwalla Committee reported about two years later the development of regional rural banks was practically held up. The Dantwalla Committee ultimately came to the conclusion that the rural banks are really to the advantage of the people and now we are taking it up with a measure of vigour and we shall but through a number of regional rural banks.

Sir, the question was raised by a number of hon'ble Members as to why foreign banks are not nationalised. I may inform the hon'ble Members that there are 127 branches of various foreign banks in India and we have 128 branches of our banks abroad and on the policy of mutuality if we nationalise these banks we will have to close down our banks abroad. *(Interruptions).*

It may be the policy of some of the people in the Opposition to have the foreign banks nationalised but we have given no such commitment in our election manifesto and we are not going to adopt your election manifesto. Our policy is not to nationalise the foreign banks. Our policy has been endorsed by the electorate and your policy has been rejected and as such, I do not want to endorse your policy.

I may inform the hon'ble members* that when the nationalised insurance we were asked to close down own branches in other parts of the world. Then we had to negotiate. (*Interruptions*)

This is not possible. We are not committed to that policy and therefore, we cannot accept it.

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**I have stated repeatedly about the policy of the Government. We have been returned by the electorate on the basis of certain programmes which we have advocated. Our policy is not nationalise foreign banks for the simple reason that we want to carry on with our branches of banks which are functioning in the foreign countries. Therefore we want to have this mutuality. And I think you can wait till you get a mandate from the people to do it!

Now, Sir, the next point which has been raised is about the advances to the agriculturists. Here again I want to show to you how certain increases have taken place which are remarkable. The amount which was advanced to the agriculturists at the time of nationalisation of banks in 1969 was only Rs. 162.33 crores and as on June, 1979 it is Rs. 2244 crores. While I do not say that we have reached our aim of covering almost 60 per cent of the agricultural population, what we want to assure the House is that we will ensure that Government would spare no effort to see that the advances given to the agriculturists goes on increasing to that we may reach the target which we have set before ourselves.

The other point which has been raised is that we should have statutory commissions like the Public Service Commission for recruitment and that we should have also some other body to oversee their functioning and so on. Well, I do not think that it is necessary because we have now already a Regional Recruitment Board and it seems to be functioning satisfactorily.

I think I have covered all the points which have been raised. Thank you.

* Replying to an Hon. member's request that why the Government should be compelled to close down our branches outside.

**Replying further to the observation of Prof. Rup Chand Pal that the foreign banks operating in our country are able to accumulate huge assets here.

(c) *Compulsory Deposit Scheme — (Income Tax Payers) Bill**

I beg to move:

“That the Bill further to amend the Compulsory Deposit Scheme (Income-tax Payers) Act, 1974, be taken into consideration”.

This Bill seeks to replace the Compulsory Deposit Scheme (Income-tax Payers) Amendment Ordinance, 1981 which was promulgated by the President on 11th July, 1981.

The circumstances which necessitated recourse to legislation by Ordinance have been explained in the statement placed on the Table of the House. However, with the indulgence of the House, I shall briefly explain the background and the provisions of the Bill.

This is a short and simple Bill. As the Hon'ble members know, the Compulsory Deposit Scheme was started in 1974 as a part of the anti-inflationary measure. The Compulsory deposit is required to be made by individuals who are citizens of India; Hindu undivided families and trustees of discretionary trusts. The liability to make compulsory deposit arises only in cases where the current income of the tax-payer exceeds Rs. 15,000.

The Finance Act, 1981 has considerably reduced the tax burden on the middle class by raising the exemption limit to Rs. 15,000 and by realignment of the rates of income-tax in respect of persons having income upto Rs. 30,000. The rates of compulsory deposits have, however, remained unchanged at all levels of current income. In the context of the prevailing inflationary conditions, it is considered necessary to restrain conspicuous consumption.

I wish the hon. member** to kindly hear. It has nothing to do with the black money or anything of the kind. It is considered necessary to restrain conspicuous consumption of

*Speech made while moving the motion for consideration of the Bill. L.S. Deb., 25 August, 1981, cc. 380-82, cc. 404-414.

**Shri Satyanarayan Jatiya.

persons in higher income brackets. The Bill accordingly seeks to raise the rates of compulsory deposits on the income slab of Rs. 50,001 to Rs. 70,000 from 12½ per cent....

*I will explain all that from 12½ per cent to 15 per cent and on income exceeding Rs. 70,000 from 15 to 18 per cent. This will also improve the ways and means position of the Government to some extent.

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This will also improve the ways and means position of the Government. I am sure the hon. members of the House will give unanimous support to this Bill. The account year of certain persons ends on 31 March. In respect of certain other persons they have different dates. The compulsory deposit has to be paid before the date on which the last instalment of advance is due or in any case before the financial year ends.

In order to take care of these things we have introduced by way of Ordinance and not by way of Bill.

Mr. Chairman, Sir, we had a very interesting discussion on all subjects, like black money, workers' provident fund and then generally about the economy and so on; but not very much related to the Bill under discussion.

As far as the Bill is concerned, the short statement by Shri Dandavate epitomizes the principle of the Bill. It was made in the best traditions of parliamentary democracy under which even the opposition agrees with, or supports the principle of a Bill. This has a very simple object, viz. of bringing about a certain measure of disinflationary effect on circulation, and improving the ways and means position. And it was brought at a time when several other measures were brought together.

The only criticism which I have to answer is: why was it brought in as an ordinance, and not as a Bill. I was wondering whether, when we brought so many other ordinances which affected the poor people, if we had brought this measure as a Bill, Prof. Madhu Dandavate would not have told me: 'You brought other things as ordinances; and because this affects the richer and bigger people, you have brought it in as a Bill. You did not have the courage to bring it as an ordinance.'

This was part of a package, and this was done. No serious damage or harm is done to anybody.

*Answering a question raised by Shri Jyotirmoy Bosu.

On the contrary, it might, I am not sure, have had an effect or bringing into a taxation net certain people whose accounts were closing around this period. Otherwise, if the accounts are closed before that date, then they would not be bound by the compulsory deposit. That is why this was brought as a measure Government have taken note of the various points raised and we had a fuller opportunity to discuss the points about the rise in prices, about the black money, about the importance of levying a higher tax rate on upper income and so on. I thank the House for the support it has given and I request the House to accept the motion.

* * *

Mr. Chairman, Mr. Jyotirmoy Bosu is a very experienced member of Parliament. Many things he said. In fact, he is so much in the habit of differing that even when I say he is a good man, he will differ.

So far as his first question that it has been brought because there has been a failure of the Bearer Bond is concerned, I deny that Bearer Bond schemes that have been put forward has been a failure. Out of all the so far, this is the only scheme which has netted Rs. 387 crores and no other scheme has come anywhere near it. And I do not want to go further into it.

So far as his other questions are concerned, I would invite him to put question whether it relates to the taxation arrears or whether it is assessment of certain individuals or whether it relates to National Grindlays Bank, I will get a collective answer and give it to his satisfaction.

So far as the Bill is concerned, I thank him for the support he has given and I hope the House will pass it.*

* After some interventions by some members, the Bill was passed.

*(d) Creation of a New Bank —
Export Import Bank of India Bill**

SIR, I BEG to move:

“That the Bill to establish a corporation to be known as the Export Import Bank of India for providing financial assistance to exporters and importers, and for functioning as the principal financial institution for coordinating the working of institutions engaged in financing export and import of goods and services with a view to promoting the country's international trade and for matters connected therewith or incidental thereto be taken into consideration.”

Hon. members are aware that the question of setting up a specialised institution for financing our international trade has been considered by a number of committees. The setting up of an Export Import bank was earlier considered somewhat premature and instead the international financing wings was established within the Industrial Development Bank of India to help discharge the functions of an export bank. In view, however, of the growing import bill and the need to expand our exports in the face of keen international competition, it was recognised that the time had come to establish an institution which, apart from coordinating the activities of other institutions engaged in financing exports could also adopt innovative approaches necessary to meet the needs of the contemplated expansion in our foreign trade and the growing needs of the exporting community. The Government, therefore, decided to set up an Export Import Bank.

Hon. members would have read detailed notes on various clauses of the Bill explaining the provisions regarding the general set up of the bank, its management, resources and functions. I would only like to draw their attention to some of the more salient features of the Bill.

The Export Import Bank is being set up as a statutory corporation fully owned by Government so that the Bank has the necessary status, operational flexibility and

*Speech made while moving the motion for consideration of the Bill, LS Deb. 17 & 18 Aug., 1981, CC 377-380 and 391-422.

acceptance in the international trade and finance community and at the same time, the Government is able to provide effective direction to the policies of the Bank.

The general direction and management of the Bank shall vest in the Board of Directors of the Bank which would have nominees not only of Government, the Reserve Bank and the Financial Institutions but also of the exporting community.

The Export Import Bank will concentrate on grant of deferred payment, credit of medium and long term duration and on issue of guarantees either by itself or in consortium with commercial banks. It would also extend refinance facilities to commercial banks in respect of the export credits granted by them. Short term export credit will continue to be handled by commercial banks and the Export Import Bank will handle such transactions only when specially enquired. The Bank will also undertake merchant banking and development banking functions as considered necessary finance promotional activities and undertake counselling services.

Care has been taken to see that adequate resources are available to the new institution for the performance of its several activities. Thus, apart from its paid-up capital, its resources would include loans from Government and market borrowings by sale of bonds and debentures. The Bank will be able to enter the international money market and raise foreign exchange loans as and when required subject to an overall control by Government. It is also proposed to allow the Export Import Bank access to the short term and long term funds of the Reserve Bank of India.

The Bill further provides for the establishment of a special fund to be called the Export Development Fund. This Fund will be used mainly on research, training, survey, market intelligence etc. in connection with India's international trade.

* * *

As I have said before, the management of credit and investment finance for export promotion in an increasingly competitive international market is becoming more and more complex. It is, therefore, our intention to establish the Export Import Bank as a flexible and a strong institution capable of responding quickly and effectively to the legitimate demands of the exporting community, particularly in the field of project exports. I am confident that the new Bank will achieve the objectives for which it is being set up and I would request the hon. Members to extend their full support for the setting up of this new organisation.

I now request that the Bill may be taken up for consideration.

* * *

Mr.* Chairman, I am sorry I was not here, but my colleague the Deputy Minister has really given a very satisfactory reply to this debate, as I see.

Now, the point which has been raised by Mr. Satish Agarwal is whether after establishment of this Export Import Bank all cash assistance. Subsidies etc. for the promotion of exports will be done away with. My answer is...

* * *

We cannot do away with cash assistance and subsidies for own export because our balance of payment position is so difficult that unless by a concerted effort at improving the exports we reach a sort of balance in our payment position, the country's progress will be retarding. Therefore taking into account the overall needs of the country, it is very necessary to promote exports and that promotion will have to be done by giving a certain amount of subsidies and certain amount of assistance.

This cash assistance and subsidies are paid in two ways:

1. To compensate for the various taxes and excise duties which go into the manufacture of exported articles.
2. To make these articles competitive in the international market, otherwise it will be difficult for our goods to compete in the international market where there is sophisticated methods of production and very sophisticated instruments of production like machinery, etc. Therefore, it is not possible to do.

The second question is if it is not possible now and it has got to be continued, would you route it through the Exim Bank? We are just starting on an experiment. We are going to start this for the first time. Immediately the functions which we will undertake is to finance the exports. Even the imports will not be taken up immediately. We will do it in a slow way. All our exports will be financed. This will be the main purpose. But we have provided in Clause 10 the power to do some of these things—carrying out surveys, carrying out marketing, intelligence and all these things. As this institution grows in momentum and experience, then at that stage we will consider to what extent these other functions can be transferred to the Exim Bank.

*Clarifying the points raised by Members and on amendments moved, the Finance Minister continued on 18 Aug. 1981.

So far as the question put by Shri Kodiyan is concerned—in America it is being scrutinised—he is, I thought one person who never wants to follow America. Why does he want me to follow America in this regard, I do not know.

* * *

Now I come to the real answer. After all I must also score a few debating points, otherwise things become dull.

The point really is that this institution is to function like IDBI. IDBI is financing all the internal industries. It is subject to the audit and control of the Reserve Bank. This is naturally another institutions which will come under the supervision of the Reserve Bank and if this institution is subject to a greater amount of scrutiny than any other institution, then the functioning of this institution will be hampered. Therefore, I do not think this should be subject to scrutiny of the kind which the member wants. At the same time, I can assure the House, on any matter the House will be entitled to get information by putting an interpellation and it will get answer just as they get in the case of IDBI and other nationalised banks.

* * *

Hon. member* may know that at the present time there is separate Section of the IDBI which is looking after export and import financing. This function is going to be taken by Exim Bank. Our present experience is that IDBI's functioning, financing and export obligation is not in any way hampered by the Foreign Exchange Banks. I do not think Foreign Exchange Banks finance the capital outlay or the long term financing of the institution. They only finance trade and commerce. Here, we would go a little further and give a person or an institution export machinery or equipment. The cost of machinery will be given to the exporter and the money will be recovered from him in instalments. This kind of 10 year or 5-year financing will be done by this Bank. The commercial banks will just finance trade and commerce aspect of it.

* * *

Sir, the amendment is not** acceptable. We have said that it will be wholly controlled by the Government. There is no advantage in giving representation in the capital to the

*Shri T.R. Shamanna.

**Replying to an amendment to the Export Import Bank of India Bill moved by Shri T.R. Shamanna.

nationalised banks. The nationalised banks will be nominated in the Board of Directors. There is no need for them to subscribe to the capital. In any event, the money comes from the same kitty, whether it is nationalised banks or the Central Government.

* * *

So far as Mr. Shamanna's amendment is concerned, Government proposes to have a combined Chairman-cum-Managing Director at the initial stage so that there may be a unified control. Later on, when the functions increase and the work of the Export Import Bank becomes large, then, at that stage, it will have the option to appoint two different persons, one as Chairman and the other as Managing Director. But, Mr. Shamanna wants that there must be, even at the initial stage, two people. I do not think it is necessary.

So far as Mr. Daga's point is concerned, the word "guided" shall mean that it would be guided by the instructions and directions from the Government. It is the appropriate word and language. To say that one should be bound is to make it appear as if they are the subordinate authority to whom the Government is giving a direction and it is bound to act in obedience.

This is the language which is used and I do not think he envisaged any possibility in which the Export Import Bank will not abide by the directions given by the Central Government. Therefore, I am unable to accept the amendment.

* * *

I will tell you.* I will take Mr. Daga's amendments first. It is easy to give a series of amendments saying that 'four' should be changed into 'three' or 'two' should be changed into 'five' and something like that. After all, Government, when it brings forward a legislation about the number of Directors, goes into the question of representation of various interests. Persons who have no knowledge and who have no involvements can go on suggesting that it may be changed from 4 to 3 or from 2 to 1...

* * *

*Replying to the query of Shri Mool Chand Daga as to what is the pleasure of the Government?

The second point which he raised was that the Bill says that some Directors will hold office during the pleasure and some people will hold office for 2 years. I am afraid Mr. Daga has not read the Bill at all..

* * *

Directors representing Ministries and Departments are liable to be transferred from time to time and if a man in the Commerce Ministry is transferred to Works and Housing Ministry and he is there as a Director in the Exim Bank, then the Government will have the authority to change him and appoint some other person. Therefore, he holds office during the pleasure of the authority appointing him, that is, the Government and this is the normal language used whenever an official who represents office *ex-officio* or when an official is appointed for a particular representation. In the case of other people, they are appointed for 2 years because they are representatives of trade interests. And we want to give as much representation as possible to the trade interests by changing them once in two years. This is the principle involved. He has confused the whole thing and he did not see the distinction between the nominees of the Department and the representatives of the Trade and has argued and made fun and cut jokes at the Government and the draftsmen and I am surprised that this kind of a speech should have been made.

The next point is the one which is raised by Mr. Shamanna. Here also the Commerce Ministry will be represented in the Board and it is left to the Commerce Ministry to either appoint a person from the MMTC or STC or anyone of the organisations which they think is necessary to be represented in the Board and we cannot tie down the freedom or the discretion of the Commerce Ministry or the Government by saying that so and so alone or STC alone should be appointed. That is why I am unable to accept the amendment.

* * *

For the functioning of the Board, they constitute sub-Committees. They can also constitute Standing Committees. The sub-Committees are constituted for the purpose of dealing with the *ad hoc* issues while the Standing Committees will be constituted for the purpose of dealing with the recurrent issues or permanent issues. Therefore, the discretion for the appointment of the Standing Committees and the Sub-Committees, *ad-hoc* committees—should be left, to the Board. So, that cannot be prescribed in the law. Therefore, I am unable to accept the amendment.*

* * *

*Replying to certain amendments moved by Shri Mool Chand Daga.

Sir, the question posed by him* was: why should they meet once a month and not more than once a month? Whether it should meet once in a month or once in two months or once in a fortnight that should be left to the Board itself and for the Chairman to decide. It will depend on the kind of work. If there is no work, why should the Board meet? Why should they pay travelling allowance to the members? Therefore, it is not necessary to prescribe it.

* * *

Government will appoint the Board of Directors after taking into account certainly the qualifications as well as the disqualifications of the persons.

Sir, Mr. Daga's suggestion is very welcome to me as a Finance Minister because I will earn some interest. But if the object is to promote exports and make the institutions function successfully giving facilities for export of commodities from India you cannot burden that institution with a heavy rate of interest. That is why we have given concessional rate of interest.

* * *

The lending rate will be fixed by the Chairman/Managing Director in consultation with the Board.

The Exim Bank is not thinking of indulging in commercial bank activities. In fact, it is intended to give only support and credit assistance to the exporters. There are a number of nationalised banks which issue drafts as well as cheques and so on. There is no need to make the Exim Bank also do commercial transaction. It should not be burdened with tasks of commercial banks. It should confine itself to the special task of promoting exports and financing exports. That is why I am unable to accept it.

* * *

Sir, I can explain the principle.**

*Shri T.R. Shamanna.

**Replying to the speech made by Shri Ramanna moving some amendments to the Bill.

In respect of institutions like the IDBI, the purpose is to promote the objects, namely, exports, development of industries, development of agriculture etc. And the surpluses which they earn should go to build up adequate reserve.

That is why we have not said that they should be liable to pay Income-tax. That is the reason for not charging Income-tax.

* * *

It is not necessary to publish the half-yearly profit and loss account and the balance sheet. It will only add to the expenditure. It is enough if an annual account is published. But so far as the preparation of account is concerned. Every bank prepares internally for its own use half-yearly accounts. For the question that it should publish half-yearly accounts. I would say that it is not necessary to publish it.

* * *

I am unable to accept his amendment.* Normally all the nationalised banks are audited by Auditors appointed by the Reserve Bank of India and whenever this Government appoints the auditor, it can consult the Reserve Bank and the Reserve Bank of India is the proper authority to advise us in this regard.

So far as the second amendment is concerned, if any special audit has got to be done, it can be specified at any time; it is not necessary to put it in the Bill.

* * *

As regards his amendment No. 32 again my friend Shri Daga is under a misconception. He has not understood the section and he complains about the drafting. Exim Bank advances loans to other institutions and on those institutions to which the Bank advances loans, it has a right to nominate directors. And therefore it nominates Directors on the Boards of those assisted companies. That is exactly what the language says:

“Where any arrangement entered into by the Exim Bank with a company providing for the appointment by the Exim Bank of one or more directors of such company.”

*Amendments moved by Shri Mool Chand Daga.

The word 'such company' means 'assisted company'. I hope you will understand it now.

* * *

There are some people, Mr. Chairman, who are vanquished, but they argue still. It is like the village school master of Goldsmith growing rich on £40 a year. Though vanquished, you argue a lot still. This is the position you have. So, I am unable to accept this amendment.

* * *

Sir, I have a clarificatory amendment to this Clause. I beg to move:

Page 17, line 40,—

for "date of commencement of this Act" *substitute—*

date on which this Act receives the assent of the President." (15).

Sir, Clause 41 reads as follows:

"If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order, do anything not inconsistent with such provisions, for the purpose of removing the difficulty:

Provided that no such order shall be made after the expiration of three years from the date of commencement of this Act."

Now the Act provides that some provisions can be brought into force at one time or one date and some can be brought into force on another date. In order to avoid any confusion and to clarify the situation, I have moved this amendment that for the words 'date of commencement of this Act', "the date on which the Act receives the assent of the President" may be substituted, so that the date is definite. Within three years of the date on which this Bill receives the assent of the President, change can be made to remove the difficulties. Thereafter it cannot be made.

* * *

Mr. Chairman, Sir, I cannot agree more with Shri Sunil Maitra when he said that it is the economic strength of the country and not an instrument like Export Import Bank that will help to build the economy as well as export. That I agree with him; and in order to do that, we are trying our best to increase our export to pay for the imports which are so vital and necessary. If we do not have an instrument of this kind, then it will be difficult to promote our exports through adequate finance, concessional finance and also taking into account the various needs that the export promotion require that we have to take measures which are very necessary; and this is one of them. Now I only want to say that the Government are fully alive to the problems of improving economy, and it is for that purpose, as one of the instrument for improving the economy, we have put up the Export Import Bank.

The next point that he made is about the joint ventures which are costing this country a lot; and he wanted that an assessment should be made of the export of capital from this country. Joint ventures, though initially involve export of certain capital, in the long run they bring back not only the capital invested but return on the investment which we made in other countries. We get dividends; we get repayment and that is how the joint venture abroad has been helping us. I am not aware of any joint venture in which the country has lost its capital and has not got anything in return. On the contrary, it is the joint ventures which have helped to some extent, not to a very great extent, in earning a little more of foreign exchange through export of our capital goods. For instance, the hon. Member Shri Maitra may not know, when we engage ourselves in a joint venture, we do not send capital from here in the shape of foreign exchange. We supply machinery and equipment produced in India as part of the capital which we export to other countries. And to that extent, we are exporting, or helping in the export of our products from the country and we are also incidentally exporting technology and know-how alongwith the machinery. Suppose we open a textile mill, paper mill, or sugar mill in any other country as a joint venture we send sugar machinery, textile machinery, or paper machinery along with it and we also send the technical know-how for establishing it as well as for running it. Therefore, I do not think that my hon. friend is right when he says that joint ventures cost the economy.

The next point which he said is that we are spending three hundred rupees to earn one hundred rupees of foreign exchange. This is an exaggeration on the face of it. Certainly, we do spend certain amount of money in some cases. Income-tax deduction up to 130 per cent is given for expenditure for exports up to one hundred. Some of these things we do give. But if we take the totality, what we spend on the export promotion is far less than what we get by way of export earning. In fact, our export earnings are very much higher than what we spend by way of export promotion expenditure. I, therefore, want to assure the House that this instrument, this Bank, when it comes into being, will accelerate our foreign trade and will also help our exports. I am happy that there is no criticism of this Bank as such and some members have suggested improvements; they will be taken note of and will be passed on to the Bank for adoption as and when necessary. I thank the House once again.*

* Thereafter, the Bill as amended was passed.

(e) Establishment of African Fund — African Development Fund Bill*

Sir, I beg to move:**

“That the Bill to implement the African Development Fund Agreement and for matters connected therewith, be taken into consideration.”

Hon. members are aware of our long and close political and economic association with the developing countries of Africa. To show our solidarity with the aspiration of the developing African countries we have, within our limited resources, been giving them assistance and co-operation in areas where the Indian experience is of relevance to them. In order to further strengthen these links, it is necessary to supplement bilateral relationship by association through a multilateral framework. Such an approach would help to develop our contact with all the African countries to the fullest extent possible.

A possible way for achieving this was for India to join the premier multi-lateral development institution of Africa, namely, the African Development Bank and Fund. The African Development Bank and Fund is an institution set up on the same lines and principles as the World Bank, the Asian Development Bank and the Inter-American Development Bank. Its main objective is to help further the economic and social development of the member countries by providing financial assistance in the shape of low interest loans. The Organisation has two separate entities namely the Bank, which gives loans at a some what higher rate of interest to the more developed members and the Fund, which is its soft loan window, similar to IDA. At present India has become a member of the African Development Fund. We intend in the future, to also join the African Development Bank itself but there are some organisational changes which have to be made by the Bank before non-regional countries can be considered for membership. There are no such regional and non-regional criteria in respect of membership of the Fund.

A good example of economic cooperation between developing countries is through the strengthening of trade ties between them. It is our view that Indian merchandise and

* Speech made while moving the motion for consideration of the Bill L.S.Deb. 23.12.1981, cc. 333-335 and 366-369.

**Leave to introduce the Bill was moved on 30 November, 1981.

Some members said that we should take action to expedite the establishment of a new economic order. My friend, Mr Falerio, has brought out very clearly how the Prime Minister took a very leading role in the Cancun Conference pleading for the establishment of a new economic order and I may say with pardonable pride that, but for the emphasis that a person of the eminence of the Prime Minister laid in the Cancun Conference, this may have been relegated to a lower place.

There are very few points which have been made. One was that trade with Africa should be developed. In order to develop trade, the first precondition is that they must produce goods and this Fund really helps to produce goods. We are interested in exchange of goods, in trade between the African countries and ourselves. We are very keen about it, and we have established a number of Joint Commissions with the African countries who are developing trade.

My esteemed friend, Mr. Vyas, I am afraid, misunderstood the whole scheme of the Bill. What the Bill does is to confer immunities on international institution from being sued in local, civil domestic courts. They are also given immunity from being taxed by the domestic institutions and domestic authorities. This is nothing new. We have conferred the same rights on the United Nations, we have conferred the same rights on the Asian Development Bank, we have conferred the same rights on the World Bank and its affiliate, the International Monetary Fund. This is nothing new and there is no question of anybody having the right to sue those international bodies. On the other hand, the international bodies themselves have a procedure for enforcement of rights through their own negotiations and in their Articles. So, there is absolutely nothing which calls for this Government making by-laws or any thing of that kind.

One of the suggestions made by some hon. members is that we should place the report of the African Development Bank on the Table of the House. Sir, this is not our Bank. We are only subscribing to the Fund's resources. The Fund, is being administered by the Africans and they are going to submit their report to the Fund authorities. So, there is no question of our placing it on the Table of this Parliament. We have no responsibility in the matter. We cannot be called to defend the Fund in its administration.

Sir, I thank the House for the cooperation they have extended.

(D)

RULINGS GIVEN AS CHAIRMAN
RAJYA SABHA

*Privilege Issue—
Alleged Distortion of House Proceedings By
A.I.R., Doordarshan— Not Allowed**

Mr. Chairman: Honourable Members, on July 29, 1985, Shri Satya Prakash Malaviya gave notice of breach of privilege against the Minister of State in the Ministry of Information and Broadcasting and Directors of A.I.R. and Doordarshan for allegedly distorting the proceedings of the House of July 25, 1985 wherein the Prime Minister had referred to the support given by Shri Charan Singh to the Emergency. Shri Satya Prakash Malaviya averred that even though the Prime Minister did not refer to any letter having been written by Shri Charan Singh in support of the Emergency, the A.I.R. and the Doordarshan in their transmissions at 9 and 10 p.m. respectively stated that Shri Charan Singh had also sent a letter supporting the Emergency. This, according to Shri Malaviya was done with the intention of deliberately misleading the public regarding Shri Charan Singh.

After verification of the facts, the matter was taken up with the Minister of State in the Ministry of Information and Broadcasting, Shri Vithal N. Gadgil. Shri Gadgil in his comments admitted that the A.I.R. and the Doordarshan misconstrued the Prime Minister's observations on July 25, 1985 and that Shri Charan Singh's name was inadvertently included amongst those who had written letters to the former Prime Minister supporting the Emergency. Shri Gadgil has, however, disclaimed any intention to lower the prestige of Shri Charan Singh. Shri Gadgil also drew attention to the fact that in the very same English and Hindi news bulletins the media broadcast Shri Charan Singh's denial. In view of this, I think that no further action is necessary. I am sure the House will agree with me that the whole matter should now be closed with the observation that media men should be careful in reporting the proceedings of the House.

*Text of the ruling by Chairman on 12.8.1985 regarding breach of Privilege Motion against Minister of State in the Ministry of Information and Broadcasting and Directors of A.I.R. and Doordarshan given notice of by Shri Satya Prakash Malaviya. R.S. Debate 12.8.1985 cc-235-3 (6)

***Privilege Issue—
Alleged Defamatory Statement against some
Members made in a Chargesheet filed in an
Espionage Case—Consent Withheld****

Just before the current session commenced, I had received privilege notices giving by Shri P. Upendra, Shri M.S. Gurupadaswamy, Shri Pyarelal Khandelwal and Shri S.P. Malaviya pointing out that their names were mentioned in the charge sheet in the Ram Swaroop espionage case which had been given wide publicity thereby tarnishing their public image and deterring them from discharging their duties as Members of Parliament. Referring to certain excerpts from the chargesheet, Shri Khandelwal and Shri Malaviya stated that their conduct as Members was sought to be questioned by implying in the charge-sheet that they have been putting questions in Parliament at the behest of certain foreign powers and had thus succumbed to extraneous influences in the discharge of their parliamentary duties. Shri Upendra and Shri Gurupadaswamy contended that there was "a clear motive to defame and bring down their reputation" and this had "adversely affected their rights and privileges. Prof. C. Lakshmanan and Shri B. Satyanarayana Reddy also supported the contention of these Members in their separate notices.

I have given most anxious consideration to the matter. It is well settled that in order to constitute a breach of privilege any libel or charge against a Member of Parliament must concern his character or conduct in his capacity as a Member of the House and must be "based on matters arising in the actual transaction of the business of the House." Similarly, vague charges against Members without imputing any *mala fides* are not treated by the House as a contempt or breach of privilege. In this context I feel that the mere mention of names of Members in the charge sheet in the Ram Swaroop Espionage case explaining the *modus operandi* adopted by the accused Ram Swaroop for establishing contacts for furtherance of his dubious pursuits, *per se* does not involve any *mala fides* on the part of the Members concerned.

*Text of the ruling by Chairman on 18.3.1986 on Privilege notices given by Members in Ram Swaroop case. R.S. Deb. 18.3.1986, cc 210-212.

Moreover, these Members have neither been implicated as co-accused persons nor even cited as witnesses.

The Prime Minister himself is reported to have stated on this issue as follows:

“One point to bear in mind regarding--(I am omitting reference to Members of the other House) all those whose names have been mentioned in the case--is that none of these people have been charged with anything. There is no charge as such.”

The Home Minister, in a communication addressed to me has confirmed that in the relevant case the only accused persons are Shri Rama Swarup Sabharwal and Shri Javed Siddiqui and no charges have been laid against any other persons.

Since it is apparent that no charges have been made against the Members of this House, no question of breach of privilege arises and I withhold my consent for raising the matter as an issue of breach of privilege either of the House or of its Members.

I wish, however, to add that though I have withheld my consent to the raising of the issue either as a privilege or otherwise, I am not oblivious to the feelings of the concerned Members in the matter. As public men and political leaders, they are quite naturally exercised and concerned over the newspaper reports about them. I, therefore, afforded them an opportunity to make personal explanations in the House which is the highest forum available to its Members. The Members concerned have clarified their positions before the Parliament and the country. I feel that the matter should be allowed to rest with these remarks.

***Privilege Issue—
Purported President's Letter to
Prime Minister—Principle of Confidentiality
between the President and Prime Minister—
Discussion on the subject—not allowed****

On the morning of March 13, 1987 a certain Delhi based newspaper published what purported to be the text of a letter written by the President of India to the Prime Minister of India.

Shri Jaswant Singh obtained the permission of the Chair to read in the House a communication addressed by him to the Chairman which *inter alia* sought a clarification on issues which, according to him, arose as follows:

- (a) The veracity of this purported letter;
- (b) The manner in which the newspaper gained access to such correspondence between high officers of State;
- (c) Vital questions relating to the security of information and confidentiality of governance;
- (d) The question arising from the Prime Minister having made a statement in Parliament, which the text of the purported letter appeared to refute.

Describing the issue as “not merely a privilege issue” but one that had Constitutional aspects to it, Shri Jaswant Singh appropriately concluded his remarks with the statement that Parliament should do nothing that might bring it in conflict with the office of the Head of State. Sarvashri Gopalsamy and Nirmal Chatterjee were permitted to associate themselves with the observations of Shri Jaswant Singh.

*Text of the ruling by Chairman on 20.3.1987 regarding letter appearing in *Indian Express* of 13.3.1987 purported to have been written by the President to the Prime Minister. R.S. Deb., 20.3.1987, cc. 259-266.

Shri Gopalsamy had earlier sought to raise this matter as an issue of privilege.

On being apprised of the relevant rules in this regard, he however withdrew his notice reserving his right, if any, to raise it again.

I also received, later, notices of Breach of Privilege against the Prime Minister from Sarvashri Jaswant Singh, Upendra and Lakshmana. Shri Jaswant Singh supplied me his view point in regard to interpretation of Articles 74 and 78. Shri Upendra again raised the matter on March 17, urging upon me to expedite my ruling.

After hearing their explanations, I informed them that I would go into the matter in depth. I also received on March 19, 1987, a letter signed by Shri Samar Mukherjee and eight other leaders of the Opposition seeking to discuss various issues relating to the matter.

The issue is one in which two of the highest offices under the Constitution are involved. What is more, it concerns a nexus which is at the very heart of governance under the Cabinet system which we have given to ourselves. I have, therefore, felt it essential that such consideration be given in my study to the issues involved as this constitutionally pivotal matter calls for. Having done so, I now proceed to give my ruling.

The first and essential question that arises for consideration is whether any matter communicated or purported to be communicated by the Head of State to the Head of Government and *vice versa* may be raised in the Houses of Parliament. The answer to this question rests on the nature of the relationship that governs the President and the Prime Minister under our Constitution. I shall attempt such an answer by means of (i) reference to the discussions on the subject in the Constituent Assembly; (ii) by reference to the relevant conventions in Britain; and (iii) by a discussion on the scope of Articles 74 and 78 of our Constitution.

While introducing the Draft constitution as settled by the Drafting Committee in accordance with the decision of the Constituent Assembly and on the basis of report of various Committees appointed by it the Chairman of the Drafting Committee, who is rightly regarded as the architect of our Constitution, Dr. B.R. Ambedkar made certain important observations on the role of the future Head of the Indian Republic. Dr. Ambedkar said (and I quote)

Under the draft Constitution, the President occupies the same position as the King under the English Constitution. He is the Head of the State but not of the Executive. He represents the nation but does not rule the nation. He is the symbol of the nation. His place in the administration is that of a ceremonial device on a seal by which the nation's decisions are made known. (unquote).

It was clear that the office of the President of India was to enjoy a unique and special relationship with the Council of Ministers headed by the Prime Minister, a relationship based on inviolable trust. Other eminent jurists like Sir Alladi Krishnaswami Aiyar, who were in the Constituent Assembly, also opined that under the Constitution, the President of India had to go by the advice of the Cabinet.

The decision embodied in the Constitution provided for a Cabinet form of Government of the Westminster type with a President as Head of the State and the Prime Minister as Head of the Government, based on conventions as well as the provisions of the Constitution. Herein lay the pith and substance of parliamentary democracy. The people's will is embodied in Parliament, the Parliament expresses itself through the Cabinet and the Cabinet transacts its business in the name of the Head, namely, the President. One preserves and protects the other. Articles 53 and 74 of our Constitution enshrine this living principle of democratic articulation. Article 53 of our Constitution states that the executive power of the Union is vested in the President, all executive action being taken in his name. The scope of this executive power has been defined in Article 74 which states that the President has to discharge all his functions in accordance with the advice of the Council of Ministers, which is responsible to the Lok Sabha.

The fact that the Cabinet system of Government has been introduced into the Indian Constitution is universally acknowledged. Another distinguished member of the Drafting Committee of the Constituent Assembly, Dr. K.M. Munshi, said in that Assembly:

We must not forget a very important fact that during the last one hundred years Indian public life has largely drawn upon the traditions of the British constitutional law. Most of us, and during the last several generation before us, public men in India, have looked up to the British model as the best. For the last thirty or forty years, some kind of responsibility has been introduced in the governance of this country. Our constitutional traditions have become Parliamentary...

The Supreme Court of India in its judgment in *Ram Jawaya versus the State of Punjab* upheld the principle of the President-Cabinet relationship and Justice Mukherjee clarified therein as follows:

The President has thus been made a formal or constitutional head of the executive and the real executive powers are vested in the Ministers of the Cabinet.

In this context, I turned to the practice in the House of Commons to see if the conventions of that Parliament made room for a discussion on issues such as the one at hand. A set of relevant queries was posed to Sir Kenneth Bradshaw, Clerk of the House of Commons, on the subject. The answers are revealing. To a question as to

whether correspondence between the Queen and the Prime Minister is confidential and whether it is ever debated in the House, the Clerk of the House of Commons has replied that the correspondence "is confidential and never debated." The position as obtains in the House of Commons showed that the only occasion in this century when discussions between the Monarch and the Prime Minister were shared with the British Parliament was during the course of a substantive debate of a legislative nature, namely, on the Abdication Bill, 1936.

Again, in the recent matter of the reported "leaking" of the Queen's private opinions on the subject of Sanctions against the Pretoria regime, the Clerk of the House of Commons was asked if any discussion took place in the House of Commons. He has replied that "no debate took place in the House of Commons and no questions were tabled." The British Prime Minister, Mrs. Margaret Thatcher, refused to answer supplementary questions relating directly or indirectly to the Monarchy.

It has been feebly suggested that under Article 74(2) only questions relating to the advice tendered by the Council of Ministers to the President shall not be enquired into by any court and that since the Parliament is not a court of law, Parliament is entitled to enquire into it. Such a contention will lead to illogical conclusion as follows: Firstly, the confidentiality between the President and the Prime Minister cannot be looked into by courts but can be looked into by Parliament and other institutions. This conclusion would negate the very principles of confidentiality of communications between the President and the Prime Minister. Secondly, a literal construction of this kind would mean that only advice tendered by the Council of Ministers to the President shall not be enquired into but that the reverse process, namely, advice tendered by the President can be made public by the Council of Ministers. Under the conventions of our Constitution, the President is in the same position as the Monarch of England and has the same right to encourage, to warn and offer counsel to the Ministers, even though he is bound to accept the advice of the Council of Ministers. It would be absurd to suggest that the Council of Ministers can disclose such advice. Occasions may arise when the President's wise counsel may be against some popular emotions of the time and if the President's advice is publicised the office of the President will get discredited.

It is, therefore, of the utmost importance that the confidentiality of communication between the President and the Prime Minister is maintained in the larger interest of democracy and the nation.

It was suggested that under Article 105 of the Constitution the freedom of speech in Parliament entitled Hon'ble Members to discuss any matter regardless of confidentiality. But the Article itself states "Subject to the provisions of this Constitution and to the rules and standing orders regulating the procedure of Parliament, there shall be / freedom of speech in Parliament.

Rule 238 of the Rules of Conduct of Business of the Rajya Sabha prohibits the use of the President's name for the purpose of influencing the debate. There are several

precedents in our Parliament where reference to the President's personal opinion or even letters from the President to the Members have been barred from discussion in the House.

This House is also aware of the well known difference of opinion between the first President of India, Dr. Rajendra Prasad, and the first Prime Minister of India, Shri Jawaharlal Nehru, on the subject of the Hindu Code Bill. It may be of interest to Hon'ble Members to know that a certain "leak" of correspondence occurred then also. Dr. Prasad noted in his diary which has since been published:

I received two letters from the Prime Minister in reply to my letter and the note on the Bill. In one he had expressed pain and surprise over the fact that even though he received the letter at 3 P.M. he had heard that newspapers had been talking about it at 1 p.m. to the Members of Parliament, saying that the President had written a strong letter to the PM on the question of the Hindu Code Bill. My letter was marked *Top Secret* and the information might have probably leaked out from my Secretariat. In the second letter he referred to the fact that I had indicated my views on the Bill and also that I intended to send a message to Parliament that even after it passed the Bill I would have to see whether it would be proper for me to give my assent to it. This was an important constitutional matter on which the President, on the one hand, and the Government and the Parliament, on the other, may become involved in a serious controversy. The PM was of the view that the President does not have the power to send such a message to the Parliament, nor does he have the right to reconsider the principles of a Bill submitted to him for assent. He also wrote that the Government had decided that only that part of the Bill be passed which concerns marriage and divorce. He has given his views also on the other clause of the Bill. I was surprised at the first letter and I have started making enquiries about it...

I have quoted this record in some length only to show the degree of importance that the very first incumbents of these two high offices in our country attached to the inviolability of their mutual communications. The pain and surprise of the then Prime Minister was matched by the anguish of the then President at the violation of the inviolable communications.

In view of the express provisions, background, philosophy and provisions of the Constitution, the corroborative position in the House of Commons, and the evolution of conventions in this regard, I do not consider that any case has been made out requiring me to permit the charge of breach of privilege being laid against the Prime Minister or permitting any discussion on the issue on the floor of the House. Moreover, I am conscious of the fact that our decisions today will shape the future of constitutional governments in India. This Chair will only be fulfilling its sacred trust if, in disregarding the heat of the passing moment it adheres to the path charted for it by the framers of our Constitution. I, therefore, disallow the requests for any discussion in any manner on the subject.

*Inter Relations in a Starred Question—
Alleged Favourtism Shown to Private
Company in a Contract for Road Construction—
No Irregularity or Impropriety Involved**

The House may recall that on March 3, 1987, during the last Session, Starred Question No. 87 relating to the award of a Highway contract in Jordan to Messrs Som Datt Builders, a private company, and the MMTC was raised in the House. The main thrust of the interpellations was that the Ministry of Commerce and MMTC had favoured a private company at the cost of a public sector undertaking, namely, the NBCC, in regard to the contract for road construction in Jordan. Since the Minister of Commerce and other Members desired to have the matter looked into by me, I had promised that I would go into the whole matter.

I called for the records from the Minister of Commerce as well as the MMTC and the NBCC.

Shri Bir Bhadra Pratap Singh, the Member who put the main question, also supplied me a statement of facts in regard to the Question. I gave a personal hearing to Shri Singh and Chairman of MMTC and NBCC together on April 14, 1987. At the hearing, Shri Singh offered to adduce further evidence to support his contention in regard to the Jordanian contract. I had then given two weeks' time to Shri Singh to do so. Shri Singh has not furnished me any additional evidence.

The facts of the case are as follows:

The MMTC had been importing Rock Phosphate from Jordan to the tune of approximately 120 million dollars. As against this, the exports from India to Jordan were only of the order of approximately 5 million dollars. The MMTC has been taking up with the Jordanian authorities the question of correcting the imbalance in trade and a delegation from the Commerce Ministry visited Jordan in February, 1986, to

*Text of the ruling by Chairman on 6.5.1987 regarding Starred Q.No. 87 answered on March 3, 1987 alleging favouritism shown to a Private Company in regard to a road construction contract in Jordan. R.S. Debate, 6.5.1987, cc 279-283.

discuss the matter. The Jordanian side pointed out that since they have only a small population of 2.5 million people, it was not possible for them to bring about a parity of trade with India. However, the Jordanian side agreed that they would try to award a few major projects to India in order to reduce the adverse balance of trade of India. Early in June, 1986, a private firm Messrs Som Datt Builders approached the MMTC with a proposal that they were in a position to obtain a major road construction project in Jordan, provided the MMTC agreed to take fertilizers from Jordan as part payment for the project. This was finalised between the Jordanian Government on the one side and the consortium of Som Datt Builders and MMTC on the other.

It is contended by Shri Bir Bhadra Pratap Singh, Member of Parliament, that the MMTC should have made a consortium with the public sector undertaking, viz. the NBCC, and the arrangement with Som Datt Builders was made contrary to the interests of the public sector and for extraneous considerations. In support thereof, Shri Singh relies on a letter dated 23rd June, 1986 from the Indian Ambassador at Jordan to the Joint Secretary, Ministry of Commerce, stating *inter alia* that a 180 km. road contract costing approximately 100 million US dollars was proposed to be issued to India on a negotiated basis and that India should get an offer prepared urgently from our companies and sent to the Jordanian authorities for their action. The hon. Member contends that at this stage the Commerce Ministry should have brought in the public sector undertaking, viz. NBCC, for negotiation with the Jordanian Government and that the Commerce Ministry had failed to propose the NBCC.

The hon. Member also relies on the minutes of the meeting from 20th to 23rd September, 1986 between the Joint Secretary of the Urban Development Ministry, the Chairman of the NBCC and another with the Under Secretary, Public Works Department, Government of Jordan,—wherein it was stated *inter alia* that the Public Works Department of Jordan would welcome an offer from the NBCC for this road project. The hon. Member draws the conclusion that it was the MMTC and the Commerce Ministry which preferred Som Datt Builders over the public sector undertaking, viz. the NBCC.

It appears from the letter of the Indian Ambassador at Jordan dated 23rd June 1986 that even on that date the Jordanian Minister informed the Ambassador that “the details about this project have been obtained by one of the Indian companies. He was not very clear about the name. He said that it was probably the NBCC”. It is clear from the record that at this point of time the NBCC had not approached the Jordanian Government with any offer, since the letter from the Union Minister of Urban Development to the Minister of Commerce dated the 20th August, 1986 states that he learnt about the MMTC-Jordanian contract only from a newspaper dated 17th August, 1986. During the discussions between the Indian delegation headed by the Joint Secretary, Ministry of Urban Development, with the Under Secretary, Public Works Department of Jordan, between the 20th and 23rd September, 1986, the Indian delegation was informed that there was another company, Messrs. Som Datt Builders, who had submitted their offer and they were in the process of negotiating with them.

but that the negotiations with that company was continuing and they had not arrived at any conclusion.

Thereafter, the Jordanian side appeared to have selected Som Datt Builders for the Highway project. This is seen from the record of discussions held on 8th October, 1986 between the Foreign Trade Minister of Jordan and the Commerce Minister of India. I am quoting the relevant paragraph:

"JAFFAR-AQABA HIGHWAY PROJECT: It had been decided to award this project to an Indian company by negotiation. It was emphasised that Jordanian authorities had, after negotiations, already given their firm commitment in writing for acceptance of offer of Messrs. Som Datt Builders. Only the details of the contract terms need to be worked out. The Minister emphasised that they had looked into the track record of various companies and on this basis have selected Messrs Som Datt Builders. It was emphasised that the Jordanian side were fully satisfied that the company was qualified to do the job and had been chosen on merits. They had also considered companies but had found this company was most suitable. He also stated that the commitment was as strong as possible and in fact it was a firm understanding on their side and formal signing of contract was only a formality."

It appears from the foregoing quotation that the decision to choose Som Datt Builders was that of the Jordanian side and not of the Indian side and that the charge that the Indian side deliberately preferred a private contractor to a public sector undertaking is not sustained. It is true that at the earlier stages of the negotiation the Jordanian side had an open mind. But at the stage of giving the final contract the Jordanian side has clearly preferred a private builder to other competitors.

I, therefore, find on the material placed before me that there has been no irregularity or improper motivation on the part of the MMTC and the Commerce Ministry in winning the contract for the Jordan Highway Project along with Som Datt Builders.

Privilege Issue— Alleged Misleading Statement by Prime Minister — Consent Withheld*

On April 30, 1987, I had announced in the House that I had received a notice of breach of privilege signed by Shri L.K.Advani and others (Shri K. Mohanan, Shri Nirmal Chatterjee, Shri Satya Prakash Malaviya, Shri Chitta Basu, Shri P. Upendra, Shri J.P.Goyal, Shri Gurudas Das Gupta, Shri Nagen Saikia and Shri Jagjit Singh Aurora) against the Prime Minister in respect of his statements made in the Rajya Sabha on 28th April, 1987, to the effect that while finalising the deal relating to the Swedish Howitzer guns, Government had secured a confirmation from the Bofors Arms Company as well as from the Swedish Government that there would be no middlemen in the deal.

These statements are sought to be objected to by the Members as misleading on the basis of remarks purported to have been made by the Minister of Foreign Trade, Swedish Government, at her press conference on April 29, 1987. The Minister is reported to have said that the late Prime Minister Mr. Olof Palme had only conveyed the assurances from Bofors to the Indian Prime Minister Shri Rajiv Gandhi, and that there were no assurances on behalf of the Government.

I had referred the notice to the Prime Minister for his comments. The factual position relevant to the issue under consideration was conveyed to me as under:

On 18th April, 1987 (10 days before the Prime Minister's intervention in Rajya Sabha), the Ambassador of Sweden to India sent a signed Aide Memoire reproducing the following statement of 17th April, 1987, by the Under Secretary of Foreign Affairs of the Royal Swedish Government:

“The Prime Minister of India, Mr. Rajiv Gandhi, demanded himself in talks with Mr. Olof Palme in the autumn of 1985 that one of several conditions for Bofors in order to get the Howitzer contract would be

*Text of the ruling by Chairman on 12.5.87 regarding notice of Breach of Privilege against Prime Minister. R.S. Debate, 12.5.1987 cc 15-18.

that the Company eliminated all possible middlemen. The Contract was to be made up directly between Bofors and the Indian Defence Ministry.

The Company declared in the autumn of 1985 to Representatives of the Swedish Government that no middlemen existed and that the Company was negotiating directly with the Indian Defence Ministry. This was transmitted by Mr. Olof Palme to Mr. Rajiv Gandhi in a personal talk in January of 1986."

A press statement issued by the Royal Swedish Government on 29th April, 1987, as transmitted by the Swedish Embassy in India on that day, stated as follows:

"An important question during the negotiations for a contract between the Bofors and the Indian Defence Ministry was the request of the Indian Government that the Howitzer deal should be concluded directly between the parties, without middlemen. This question was also raised in talks between the Prime Minister Mr. Rajiv Gandhi and Prime Minister Olof Palme. In January of 1986, Prime Minister Olof Palme informed Prime Minister Rajiv Gandhi that Bofors have declared, it wished to conclude the business directly with the Indian Defence Ministry thus, without any middlemen. Bofors also wrote directly to the Defence Ministry in March, 1986, stating that no middlemen would occur in the transaction.

There was no official reconfirmation of the Swedish position in the previous week (Monday, 20th to Sunday, 26th April, 1987)."

In his statement before Parliament on 28.4.1987, the Prime Minister stated, "I talked to Mr. Olof Palme--I think it was in December, 1985, if I remember rightly, though I do not remember the date precisely but it will be on the records of the House--and he confirmed back from Bofors. Bofors told the Swedish Government that there are no middlemen." If the Swedish Minister for Foreign Trade referred to this in her purported statement that "Olof Palme merely conveyed the assurance from Bofors" there is no contradiction.

The Prime Minister of India had a second meeting with Mr. Olof Palme in New Delhi in January 1986. The Prime Minister in his statement before the House said and I quote, "Then in January, 1986 Prime Minister Olof Palme told me that there are no middlemen." Obviously the Swedish Minister for Foreign Trade has no personal knowledge of the conversation that took place in January, 1986 at New Delhi between the Prime Ministers of India and Sweden and therefore the purported statement, namely, "late Olof Palme merely conveyed the assurance from Bofors" cannot be accepted as a contradiction of what the Prime Minister said about the meeting in January, 1986.

It has therefore not been established that the Prime Minister made an incorrect statement in this regard on 28.4.1987.

The statement dated 28.4.1987 before Rajya Sabha is consistent with the Aide Memoire presented by the Swedish Ambassador on behalf of his Government on 18.4.1987.

The second contradiction cited by Shri Advani and others relates to the Prime Minister's statement "the Swedish Government has told as recently about a week or ten days ago before the debate in the House that there are no middlemen as confirmed by Olof Palme to me and that Bofors have reconfirmed this to them." Shri Advani and others rely on the purported statement from the Swedish Minister for Foreign Trade, namely, "We have not reconfirmed it last week" in order to contradict the Prime Minister's version.

The statement of the Prime Minister refers to the Aide Memoire dated 18th April, 1987, and this is borne out by the reference to the 'week or ten days'. It should be noted that the Aide Memoire was on 18th April, and the Prime Minister's statement in the Rajya Sabha was on the 28th April, exactly ten days before the statement in Rajya Sabha. The Prime Minister's statement does not say that there was reconfirmation from the Swedish Government between 20th to 26th April, 1987, which is the period referred to by the Swedish Minister for Foreign Trade.

According to Kaul and Shakhder, Third Edition, Page 234, "in order to constitute a breach of privilege or contempt of the House, it has to be proved that the statement was not only wrong or misleading but it was made deliberately to mislead the House. A breach of privilege can arise only when the member or the Minister makes a false statement or an incorrect statement wilfully, deliberately and knowingly". In view of the fact that the first part of the Prime Minister's statement is based on the Aide Memoire, an official document from the Swedish Embassy and the second part that "Prime Minister Olof Palme told me that there are no middlemen" has not been contradicted by any one with personal knowledge of these talks, the Prime Minister's statement is neither incorrect nor deliberately made to mislead the House.

I, therefore, hold that the charge of breach of privilege against the Prime Minister is not sustainable. I withhold my consent to raising the question as a breach of privilege.

(E)

MEETINGS WITH FOREIGN PARLIAMENTARY DIGNITARIES



Turkish Parliamentary Delegation led by H.E. Mr. Kaya Erdem, President of the Turkish Grand National Assembly called on the President (21 February, 1991)



H. E. Dr. Khalil Ahmed Abawi, President of the House of Representatives of Afghanistan and Leader of the Afghan Parliamentary Delegation called on the President (24 March, 1992)



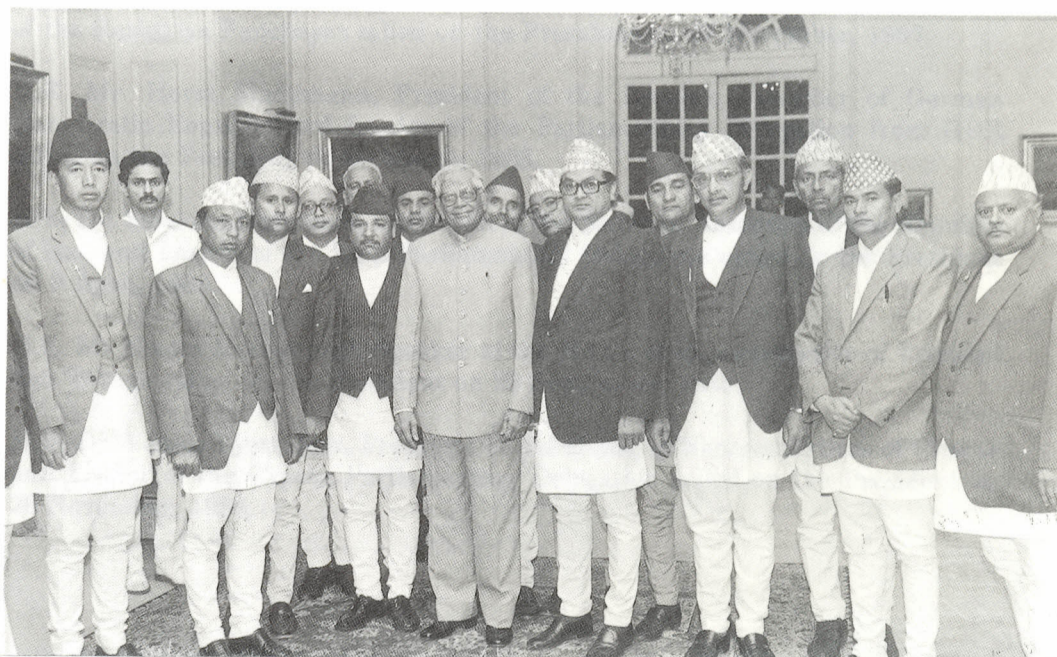
Austrian Parliamentary Delegation led by Her Excellency Dr.(Mrs.) Marga Hubinek, Second President of the Nationalrat of Austria called on the President (13 February, 1989)



H. E. Jean-Jacques Cevey, President of National Council and Mr. Jean Mare Sawant, Secretary General of Federal Assembly of Switzerland calling on V. P. (3 April, 1987)



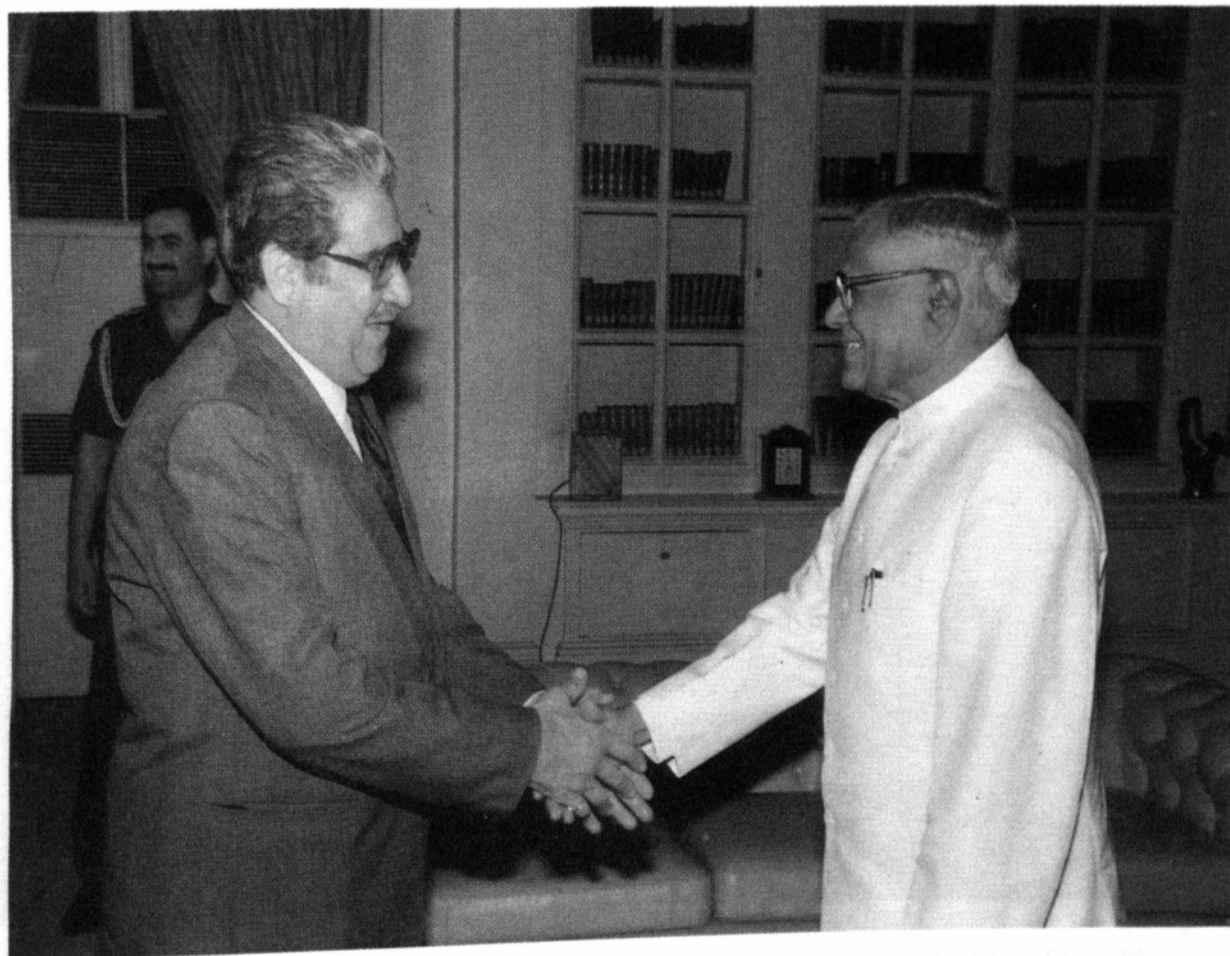
H. E. Dr. Vassos Lyssarides, President of the House of Representatives of Cyprus and Leader of the Cyprus Parliamentary Delegation called on the President (29 November, 1988)



Nepalese Parliamentary Delegation led by H.E. Mr. Nava Raj Subedi, Chairman of the Rashtriya Panchayat called on the President (27 November, 1987)



Turkish Parliamentary Delegation led by H.E. Mr. Kaya Erdem, President of the Turkish Grand National Assembly called on the President (21 February, 1991)



H. E. Dr. Khalil Ahmed Abawi, President of the House of Representatives of Afghanistan and Leader of the Afghan Parliamentary Delegation called on the President (24 March, 1992)



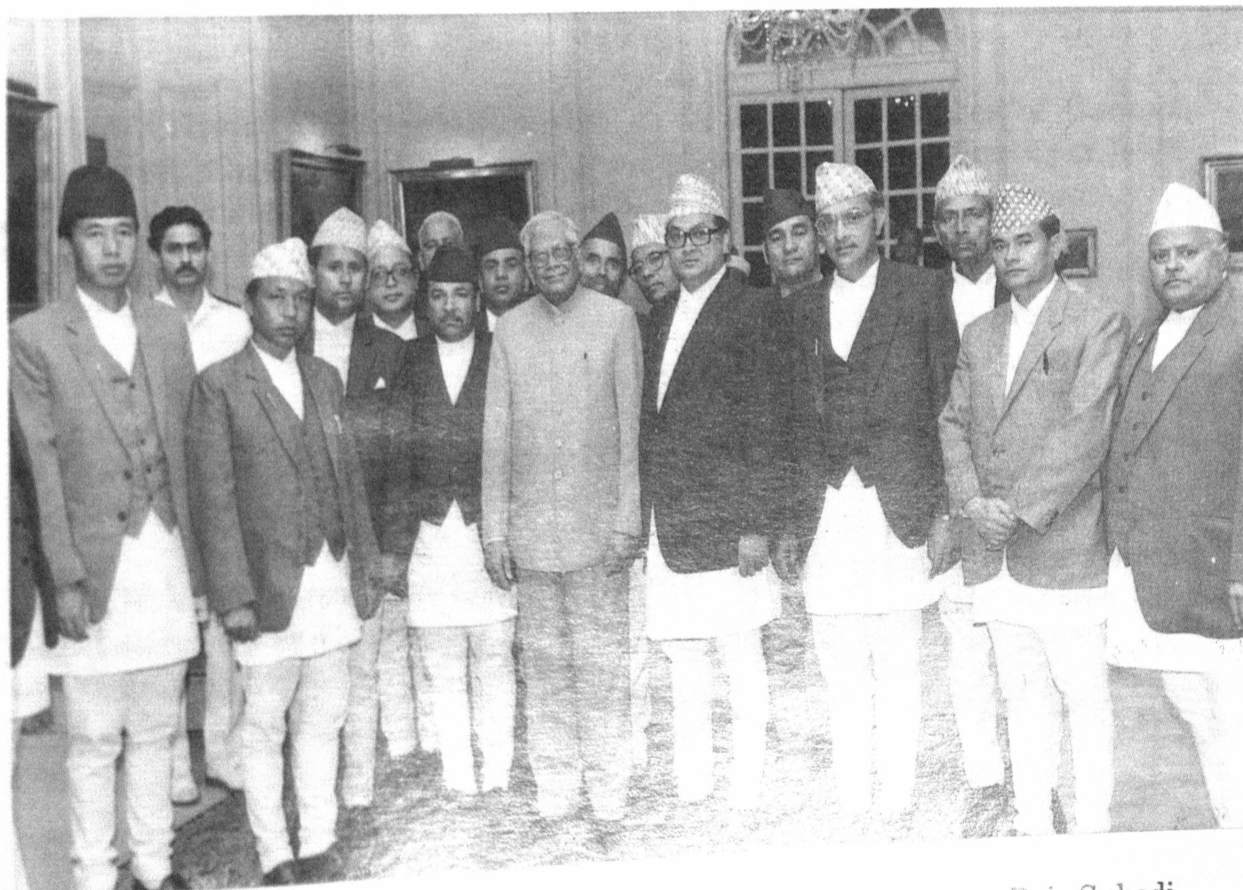
Austrian Parliamentary Delegation led by Her Excellency Dr.(Mrs.) Marga Hubinek, Second President of the Nationalrat of Austria called on the President (13 February, 1989)



H. E. Jean-Jacques Sawant, Secretary of the National Council and Mr. Jean Mare Assembly of Switzerland calling on V. P. (3 April, 1987)



H. E. Dr. Vassos Lyssarides, President of the House of Representatives of Cyprus and Leader of the Cyprus Parliamentary Delegation called on the President (29 November, 1988)



Nepalese Parliamentarian Mr. Raj Subedi, Chairman of the Nepalese Parliament called on the President (27 November, 1988)

Meeting with Foreign Parliamentary Dignitaries

Exchange of Parliamentary Delegations takes place periodically among the Parliaments of the world and the Indian Parliament has also had the proud privilege of extending welcome to several parliamentary delegations from various countries over the years. While on visit to India, it is customary for the visiting dignitaries to call on the President and the Vice-President. The following Parliamentary Delegations and dignitaries had meetings with Shri R. Venkataraman while he occupied the office of President (1987-92) and Vice-President (1984-87):

LIST OF FOREIGN PARLIAMENTARY DELEGATIONS/DIGNITARIES WHO CALLED ON SHRI R. VENKATARAMAN, PRESIDENT (1987-92)

1. Czechoslovak Parliamentary Delegation led by H.E. Mr. Alois Indra, Chairman of the Federal Assembly called on the President 24 November, 1987.
2. Nepalese Parliamentary Delegation led by H.E. Mr. Nava Raj Subedi, Chairman of the Rashtriya Panchayat called on the President on 27 November, 1987.
3. H.E. Mr. Horst Sindemann, President of the People's Chamber of German Democratic Republic and Leader of the Parliamentary Delegation from GDR called on the President on 30 March, 1988.
4. H.E. Dr. Saadoon Hammadi, Chairman of the National Assembly of the Republic of Iraq and Leader of the Iraqi Parliamentary Delegation called on the President on 9 April, 1988.
5. H.E. Mr Nizam Mohammed, Speaker of the House of Representative of Trinidad and Tobago called on the President on 28 September, 1988.
6. H.E. Dr. Vassos Lyssarides, President of the House of Representatives of Cyprus and Leader of the Cyprus Parliamentary Delegation called on the President on 29 November, 1988.

7. Austrian Parliamentary Delegation led by Her Excellency Dr. (Mrs.) Marga Habinek, Second President of the Nationalrat of Austria called on the President on 13 February, 1989.
8. Rt. Hon. Bernard Weatherill, Speaker of the House of Commons of UK called on the President on 14 August, 1989
9. Finnish Parliamentary Delegation led by H.E. Mr. Kalevi Sorsa, Speaker of the Finnish Parliament called on the President on 25 February, 1990.
10. Turkish Parliamentary Delegation led by H.E. Mr. Kaya Erdem, President of the Turkish Grand National Assembly called on the President on 21 February, 1991
11. H.E. Dr. Khalil Ahmed Abawi, President of the House of Representatives of Afghanistan and Leader of the Afghan Parliamentary Delegation called on the President on 24 March, 1992.

*Calls on the Vice-President and Chairman,
Rajya Sabha by foreign Parliamentary
Delegations/Dignitaries during 1984 - 1987*

1. Venezuelan Parliamentary Delegation led by H.E. Dr. Leonardo Ferrer, President of the Chamber of Deputies of Venezuela called on 2 April, 1985.
2. H.E. Prof. Dr. Ukrit Mongkolnavin, President of the National Assembly of Thailand called on 4 April, 1985.
3. H.E. Mr. Ibrahim Shihab, Speaker of the Citizens' Malis of Maldives called on 6 August, 1985.
4. Parliamentary Delegation from Federal Republic of Germany led by Mr. Dieter Julius Cronenberg, Vice-President of the Bundestag called on 18 November, 1985.
5. USSR Supreme Soviet Delegation led by H.E. Mr. V.V. Kuznetsov, First Vice-Chairman of the Presidium of the Supreme Soviet of USSR called on 24 January, 1986.
6. Hungarian Parliamentary Delegation led by H.E. Mr. Istvan Sarlos, President of the National Assembly of Hungary called on 12 March, 1986.
7. European Parliamentary Delegation led by Mr. Paul Verges, Chairman of the Delegation for relations with the countries of South Asia called on 28 April, 1986.
8. Netherlands Parliamentary Delegation led by H.E. Dr. D. Dolman, Speaker of the Second Chamber of Netherlands called on 21 November, 1986.
9. Australian Parliamentary Delegation led by Hon. Mrs. Elaine Elizabeth Darling, MP called on 17 November, 1986.
10. Panama Parliamentary Delegation led by H.E. Mr. Ovidio Diaz, President of the National Assembly called on 23 February, 1987.

11. Polish Parliamentary Delegation led by H.E. Mr. Roman Malinowski, Marshal of the Sejm called on 26 February, 1987.
12. Bulgarian Parliamentary Delegation led by H.E. Mr. Atanas Dimitrov, Deputy Chairman of the National Assembly called on 23 March, 1987.
13. Mongolian Parliamentary Delegation led by H.E. Mr. Bat-Ochiriin Altangerel, Chairman of the Great People's Khural called on 20 April, 1987.
14. H.E. Mr. Jean-Jacques Cevey, President of the National Council of Switzerland called on 3 April, 1987.
15. Parliamentary Delegation from Republic of Korea led by Mr. Joong-Dong Kwon, MP called on 9 April, 1987.
16. Colombian Parliamentary Delegation led by H.E. Dr. Jorge Cristo Sahiun, Vice-President of the Senate called on 8 May, 1987.
17. Egyptian Parliamentary Delegation led by H.E. Dr. Rifaat El-Mahgoub, Speaker of the People's assembly called on 17 July, 1987.

(F)

FELICITATIONS AND TRIBUTES BY MPs

Birthday Felicitations and Farewell by Members of Rajya Sabha

FELICITATIONS ON THE OCCASION OF 75TH BIRTHDAY*

Several Hon.Members: Happy Birthday to you, Sir.

Mr. Chairman: Thank you all very much.

Shri M.S. Gurupadaswamy: With your permission, Sir...

Mr. Chairman: Leader of the House first.

The Leader of the House (Shri Vishwanath Pratap Singh): Sir, let me on behalf of myself and also on behalf of the House congratulate you and wish you the best on your Birthday.

Sir, your life has been a symbol of excellence in public life and you have brought grace and dignity to whichever post you have held. You have led a full and rich life and every year of yours enriches the life of the country and the nation. I do not know how much here in the House we draw upon your ears, but certainly your patience, your magnanimity imparts life to the house. With these words, may I wish that the years be bountiful.

श्री रामचन्द्र विकल: आज तो इसी पर बहस होने दो, मन्त्रियों की चाँदी हो जाएगी जैसे आपने कहा था।

Shri Ram Chander Vikal: Today, let it be the topic of debate it would be a delightful day for the ministers as you have said.

Shri M.S. Gurupadaswamy: I wholeheartedly associate myself with the Leader of this House in giving you the best wishes of the day. Sir, you are 75 today, if I am correct.

*R.S. Deb., 4 December 1985, cc. 1-6.

Shri Hari Singh Nalwa: He seems to be thirty.

Shri B. Satyanarayan Reddy: He is 75, but he looks like 35.

Shri M.S. Gurupadaswamy: Though you are 75, I agree with my friend that you look like 35. Sir, you have held a number of positions in your long career. More than that you have served the nation and the people to the best of your capacity. The whole nation remembers you today for what you have done in the past, for the people in Tamil Nadu and people all over the country.

Sir, I wish you a very long life. It is my wish that you should live for 100 years.

Shri J.K. Jain: And over.

Shri M.S. Gurupadaswamy: And over. And I wish you also that you live a more fruitful, meaningful and rewarding life in future, and a more fruitful life associated with us.

Shri J.K. Jain: We can say 100 working years.

Shri R. Mohanarangam: I associate myself wholeheartedly with the Leader of the House. Sir, you have reached your 76th Birthday today, having already completed 75 years. Just as a week back I completed 51 years. You have completed 75 years today and I am going to see you when you reach 100 years.

Mr. Chairman. You can fairly be my son.

Shri R. Mohanarangam: You have developed our Tamil Nadu as far as industrial development is concerned and you are here to not only develop this country economically but also to give advice to the whole world. You are in such a position. I had the opportunity of supporting you twice—first in the year 1977 and then in 1980 because you had contested from my constituency. But, the entire country is your constituency now. Whatever task was entrusted to you, you have done to the satisfaction of all. I wish you a very long life. I hope Sir, next year, after two to three years, after five years, you will definitely be associated with us, with MPs. leading the entire nation, I hope, Sir, this is only a beginning, and we will greet you again when you reach hundred.

Shri K. Mohanan (Kerala): I am happy to associate myself with the Leader of the House and my other colleagues in congratulating you and wish you a happy, healthy and long life, Thank you.

Shri S.W. Dhabe (Maharashtra): On behalf of the United Association of Members comprising of different parties and myself, I associate with the Leader of the House and

my other colleagues in wishing you happy birthday and many more years of prosperous and fruitful life in the service of the country.

Shri Parvathaneni Upendra (Andhra Pradesh): Sir, I join the Leader of the House and my other colleagues in wishing you many happy returns of the day. You have already completed three quarters of a century, and definitely, we are sure that you will finish the century. And we hope you will reach greater heights in the service of this nation. Thank you.

Shri Ghulam Rasool Matto (Jammu and Kashmir): Sir, I associate myself with the Leader of the House. On behalf of Jammu and Kashmir National Conference and myself I extend to you heartiest congratulations and wish you many happy returns of this auspicious day. Sir, you are an embodiment of humility and alertness, and we pray for your long life.

Shri Suresh Kalmadi (Maharashtra): Sir, on behalf of the back benchers on both sides, I wish you a long and prosperous life. Your august presence brought dignity to the House. We on our part have been behaving ourselves since last year and we promise to behave ourselves next year also.

श्री धर्म चन्द्र प्रशान्त: (जम्मू और कश्मीर): सभापति महोदय, आपने थोड़े समय में उपराष्ट्रपति के नाते और सदन के अध्यक्ष के नाते, न कि इस सदन से बल्कि, सारे देश में अपनी कीर्ति स्थापित की है उसके लिए मैं आपको बधाई देता हूँ और मेरी मंगलकामना है "जीवेत, शरदशतम" आप सौ वर्ष जीएं, और वे सौ वर्ष मंगलकारी रहें, यह मैं कामना करता हूँ।

(**Shri Dharam Chand Prashant** (Jammu & Kashmir): Mr. Chairman Sir, within a very little span of time you, or the Vice-President of India and also are the Chairman of House, have brought a good name to your life not only in this House but in the whole country as well and for this I extend you my heartiest congratulations and this is my benidiction that may you reach hundred, "Jivet, Sharad-shatan" I wish a hundred years of fruitful and auspicious life.)

Shri M. Kalyanasundaram (Tamil Nadu): Sir, I have great pleasure in congratulating you on this happy occasion of your seventy-sixth birthday. On behalf of my party and on my behalf I wish you a long life. I have been with you in jail, I have been with you in the Assembly and now I am happy to be here. My joy is all the greater that I am here on this day to congratulate you. You have added to the dignity of the Chair which you are occupying now. That has been your life always, and I am sure you will contribute more for the cause of our country. Thank you.

Shri Sankar Prasad Mitra (West Bengal): Sir, on behalf of independent Members of this House I associate myself with the sentiments expressed on your birthday. May I wish you a long and useful life in the service of the nation.

Mr. Chairman: I hope it is a judgement.

Shri V. Gopalsamy (Tamil Nadu): Mr. Chairman, Sir, I associate myself on behalf of DMK Party with the sentiments expressed by the Leader of the House. Right from the days of the Constituent Assembly your voice is being heard in the country. You are a pride of South Indian intelligence which is an asset to India. I wish many, many happy returns of the day, and also I wish the country gets many more years of your yeoman's service.

Thank you, Sir.

श्री प्यारेलाल खण्डेलवाल (मध्य प्रदेश): सभापति जो, आपकी 76वीं वर्षगांठ के उपलक्ष्य में मैं अपनी ओर से और अपने दल की ओर से आप को बहुत बहुत शुभकामनाएं अर्पित करता हूं और ईश्वर से प्रार्थना करता हूं कि देश की सेवा के लिए आपको लम्बी, दीर्घायु प्रदान करें।

(Shri Pyare Lal Khandelwal (Madhya Pradesh): Mr. Chairman Sir, on behalf of my party colleagues and myself I wish you many many returns of the day on this auspicious occasion of your 76th birthday. I pray God to grant you many more years of fruitful life in the service of the country.)

Shri Mahendra Mohan Mishra (Bihar): Sir, we wish you on your birthday a happy prosperous life and many more years of service to the nation.

The Minister of State in the Departments of Education and Culture (Shrimati Sushila Rohatgi): Sir, women have always been associated in our country with all auspicious occasions. Today being an auspicious occasion, on my behalf and on behalf of other lady Members here, I pray to God that He may grant you long, useful and healthy life.

Prof. (Mrs.) Asima Chatterjee (Nominated): On behalf of nominated Members I associate myself with the sentiments expressed by my honourable colleagues and I wish you a long, peaceful and active life giving us guidance in the right direction.

संसदीय कार्य राज्यमंत्री (श्री सीताराम केसरी): मान्यवर, आज मुझे आपके 76वें जन्म दिवस पर बधाई देते हुए इसलिए भी गर्व हो रहा है कि आप स्वतंत्रता संग्राम के बहुत बड़े सैनानी रहे हैं और आज भी देश के सर्वोत्तम स्थान पर आकर उस रोशनी को प्रज्वलित रखे हुए हैं। इसलिए मैं आपको बधाई देता हूं।

(The Minister of State for Parliamentary Affairs (Shri Sita Ram Kesari): Sir, I feel proud to congratulate you on your 75th birthday also because you have been one of the foremost freedom fighters and today when you are taking over the topmost position in the country, you would continue to uphold the same values.)

श्री राम चन्द्र विक्रम (उत्तर प्रदेश): सभापति महोदय, मैं भी देश के समस्त किसानों की तरफ से आपके दीर्घजीवी, यशस्वी, तेजस्वी होने की शुभकामनाएं करता हूं। मैं जानता हूं कि ज्यादा उमर बताना पोलिटिक्स में

आजकल खतरनाक है फिर भी मैं आपकी लम्बी आयु की कामना करता हूँ। इन शब्दों के साथ फिर मैं चाहता हूँ कि आपका यश दिनों-दिन बढ़ता रहे और इस सदन का यश भी आपके साथ होगा।

(Shri Ram Chander Vikal (Uttar Pradesh): Mr. Chairman, Sir, I also convey my best wishes for your long illustrious and chequered career on behalf of all the farmers of the country. I know that it is dangerous to remain in politics for long. However, I wish you a very long life and to attain the pinnacle of glory which would inturn enhance the glory of this House.)

Mr. Chairman: I thank you all very much warmly and sincerely. I think everyone of you would wish that I had a birthday every day, because I have been liberal in calling everybody which I do not do otherwise.

Shri M. Kalyanasundaram: Otherwise, nothing will go on record.

Mr. Chairman: Today everything said will go on record. It is good to remember a person of my age of the balding pate, tottering legs, diminishing vision and hearing. I am very grateful to all of you for the very nice things you have said about me. All that I can say is that, I shall try to deserve what you have said.

FELICITATIONS ON THE OCCASION OF 76TH BIRTHDAY*

Shri B. Satyanarayan Reddy (Andhra Pradesh): Sir, wish you many Happy Returns.

Shri M.S. Gurupadaswamy (Karnataka): I also wish you, Sir.

Shri Atal Bihari Vajpayee (Madhya Pradesh): I also wish you, Sir. *Jeevema Sharada Shatam.*

Dr. (Shrimati) Najma Heptulla (Maharashtra): Sir, I also wish you many Happy Returns.

Shri M.S. Gurupadaswamy: Sir, May I say a few words?

Mr. Chairman: All right. All rules are suspended today.

Shri M.S. Gurupadaswamy: Mr. Chairman, Sir, it is a happy occasion indeed not only to you but to all those who are your well-wishers and friends. Today, you are 76 years...

Shri Jagesh Desai (Maharashtra): Or 67?

Mr. Chairman: Appearances are deceptive.

*R.S. Deb., 4 December, 1986, cc. 1-2.

Shri M.S. Gurupadaswamy: Seventy-six years are milestones in your life. I have been in the happy position of being your friend for decades.

Shri Nirmal Chatterjee (West Bengal): Others did not get that opportunity.

Shri M.S. Gurupadaswamy: We have worked together and I know you so intimately and, therefore, I am familiar with the good things that you have done, with what you have done and with what you have stood for. The secret of your success in public life is that you have no malice towards anybody and you have always carried the quality of goodwill throughout. Therefore, wherever you are, whichever position you occupy, you have encouraged friendship, love and affection. I am personally happy that you are leading a very useful and a meaningful life and a life which is dedicated to the nation and a life which is worthy of emulation by all.

Sir, you know I am not a flatterer. These words come from a friend of yours. I wish you a very long life—76 years are not very long—and you should live longer still and I wish you a very long, healthy, but not wealthy, but prosperous life.

Mr. Chairman: Yes, Mrs. Najma.

Dr. (Shrimati) Najma Heptulla: Sir, today, on the occasion of your birthday, while I wish you many Happy Returns of the day, I remember a few lines which I had read some time ago:

“Age is a quality of mind.

If you have left all your dream behind,

If hope is cold,

If you are looking longer ahead;

Then you are old.

If in life you keep zest,

And if from life you take the best,

If love you hold.

No matter how the days go by,

No matter how many birthdays fly,

You are not old.”

Sir, I think you hold the love of all of us in this House and I take this opportunity to wish you many more things, Thank you.

Mr. Chairman: I thank You very warmly for your kind words. But don't make me blush at this age of my life (*Interruptions*).

*Farewell Address Presented to
Shri R. Venkataraman, Chairman of the
Rajya Sabha by Members of Rajya Sabha*

Esteemed Mr. Chairman,

We, the Members of the Rajya Sabha have assembled here this evening to bid farewell to you on the eve of your relinquishing the office of the Chairman, an office which you have held with singular distinction for nearly three years. Parting is always sad and it is more so when hearts drawn together by love and affection have to part. However, taking comfort from the fact that you are proceeding to a still higher position in response to the call of duty, we take this opportunity of wishing you, Sir, sound health and many more years of dedicated service and guidance to the nation in the new and exalted office which you are going to adorn in a few hours from now.

Sir, yours has been a distinguished career from the beginning to this day. After doing your post-graduation and Law from the Madras University, you enrolled as an advocate of the Madras High Court in 1935 and as an advocate of the Supreme Court of India in 1951. You were drawn into the struggle for India's freedom when the clarion call of Gandhiji, 'Do or Die', inspired tens of thousands of freedom fighters to take part in the Quit India Movement of 1942. Your legal acumen was not confined to courts of law. You took keen interest in all matters pertaining to labour in the early years of your legal career. You were thus actively associated with the trade union activities of plantation workers, dock workers, railway workers and working journalists. You took a particular interest in improving the lot of agricultural workers in your home district of Thanjavur.

Yours has been a unique career in the service of the people. Few leaders have occupied so many varied public offices as you have done. Your active political career started when you were elected to the Provisional Parliament in 1950 and to the Lok Sabha in 1952. Between 1957 and 1967 you served the Government of Madras in various capacities as Minister of Industries, Labour, Cooperation, Power and Transport and as Leader of the House in the Madras Legislative Council. Then from 1967 to 1971, you served as a member of the Planning Commission. You were also the Chairman of the Public Accounts Committee of the Lok Sabha and were associated in various capacities

with a number of prestigious institutions of national importance like the Major Ports Commission, National Research Development Corporation, Indian Institute of Foreign Trade, Indian Council of Cultural Relations, Indian Institute of Public Administration, Jawaharlal Nehru Memorial Fund, Indira Gandhi Memorial Trust, just to mention a few. You were Minister of Finance in the Union Cabinet from 1980 to 1982 and Minister of Defence from 1982 to 1984. On 31st August, 1984 you were elected Vice-President of India and only a few days back you have been elected to the highest office of the President of the Indian Republic. From the "Loghut to White House" was said of Abraham Lincoln. From the "Lawyer's chamber to Rashtrapati Bhavan" may be aptly said of you, Mr. Chairman.

Sir, you came to assume the office of the Chairman of Rajya Sabha in no normal times. These were extraordinary years marked by unprecedented developments in the country. Yours was a difficult job by any reckoning. But your unruffled temperament, soft-spoken manner, innate fairness, persuasive qualities, subtle sense of humour and above all your disarming smile helped you harmonise the conflicting viewpoints in the House and conduct the proceedings in a fair and dignified manner, endearing you to one and all. As Chairman of the House, you have given rulings which will go a long way in enriching parliamentary traditions and practices.

Wisdom and humility, in our view, are two sterling qualities of your character. Sir, without knowledge there is no wisdom and without wisdom there is no knowledge, for as the poet says—"Knowledge is proud that he has learned so much, wisdom is humble that he knows no more." Sir, in your life we find the Sanskrit aphorism **भवन्ति नम्रास्तखः फलोद्गमै** truly brought into practice. The Bible says: "He that shall humble himself shall be exalted." Your life is a shining example of this edict. Your abiding concern for the under-privileged and your solicitude and kind-heartedness are widely acclaimed. In this age of declining values, you are a radiant example of impeccable integrity and rectitude.

May we assure you, Sir, that we shall all cherish great affection and reverence for your noble and dedicated life. While bidding you this affectionate farewell, may we also wish you fruitful years of dedicated service as the President of the Republic.

Parliament House,
New Delhi
July 24, 1987

We remain,
Yours respectfully,
Members of Rajya Sabha