

Prime Minister is a member of the House, he should always be the Leader of the House and not any other Minister."

अगर आप का कहना है कि हम को इंग्लैण्ड की पार्लियामेंट की तरफ जरूर देखना है, तो वहां पर भी हाउस आफ कामन्स का ही मेम्बर प्राइम मिनिस्टर होता है। मैं कहना चाहता हूँ कि यहां पर भी ऐसा दाखिला होना चाहिये कि जो लोक-सभा का मेम्बर हो वही प्राइम मिनिस्टर हो। इसमें अपोजीशन के लिए तो कोई बात नहीं है। कोऊ नृप होय हमें का हानी, लेकिन डिमाक्नेसी में यह बात नहीं चल सकती। इसलिये यहां यहां पर यह व्यवस्था होनी चाहिये, यह प्रिंसिपल कायम होना चाहिये कि जो लोक-सभा का मेम्बर हो वही प्राइम मिनिस्टर हो। श्री कामत ने कहा कि इस कमेटी ने कोई रूलिंग नहीं दी कि इस पार्लियामेंट में क्या होता है। वह कहते हैं कि वह उससे एग्री नहीं करते। क्यों एग्री नहीं करते इसके लिए कोई कारण नहीं, दिया है। आज श्री कामत ने जो रिजर्निंग दी है वह बहुत अच्छी है। श्री कामत का जो अमेंडमेंट है वह बहुत ठीक है और उसे मंजूर कर लिया जाना चाहिये।

**Shri Krishnamoorthy Rao** (Shimoga) : Mr. Speaker, Sir, as Dr. Singhvi has rightly pointed out, this motion is of a limited nature for the adoption of the Third Report of the Rules Committee. The Committee did not agree with the view of Shri Kamath, as he has suggested in his amendment, to fetter the discretion of the Prime Minister. If he is a member of this House, he may either be himself the Leader of the House or he may appoint any Minister he likes as the Leader of the House.

Regarding his second amendment, the Committee did not agree with the view that his or her discretion should be fettered by stipulating that only a senior Minister should be appointed as the Leader of the House. It is difficult to determine the seniority, as Dr. Singhvi put it.

Coming to his amendment on the ballot of Resolution, it has to be in conformity with rule 31(4) of the Rules of Procedure. So, the amendment suggested by Shri Kamath was not acceptable to the Committee.

As regards rule 374, the Committee decided that its reconsideration will be taken up at the subsequent meetings. The Committee is meeting from day to day and considering these amendments, one by one. What is now recommended is only a drafting amendment.

I submit that all these amendments recommended by the Rules Committee may be accepted by the House.

**Shri Hari Vishnu Kamath** : I would like to seek a point of information. The Rules Committee met during the last session on the 3rd of May and since then there have been several meetings during this session. I do not know whether there were any meetings during the recess. Is the House to understand that this particular amendment with regard to rule 374 has not been considered at all during these meetings?

**Mr. Speaker** : No, it has considered only the amendments suggested by Shri Madhu Limaye.

I will now put the motion to the vote of the House.

The question is :

"That this House agrees with the Third Report of the Rules Committee laid on the Table on the 14th May, 1966."

*The Motion was adopted.*

13.50 hrs:

DEMANDS FOR SUPPLEMENTARY GRANTS (GENERAL), 1966-67—contd.

**Mr. Speaker** : The House will now take up further discussion and voting on the Supplementary Demands for Grants in respect of the Budget (General) for 1966-67. Shri Krishnapal Singh may move his cut motions.

**Shri Krishnapal Singh** (Jaicnar) : I beg to move :

[**Shri Krishnapal Singh**]

That the demand for a supplementary grant of a sum not exceeding Rs. 80,00,000 in respect of Defence Services, Effective Navy be reduced by Rs. 100".

[*Deficiencies in the Navy (11)*]

(ii) "That the demand for a supplementary grant of a sum not exceeding Rs. 3,73,41,000 in respect of External Affairs be reduced by Rs. 100."

[*Need for economy (12)*]

(iii) "That the demand for a supplementary grant of a sum not exceeding Rs. 3,73,41,000 in respect of External Affairs be reduced by Rs. 100."

[*Need for better propaganda in foreign countries (15)*]

(iv) "That the demand for a supplementary grant of a sum not exceeding Rs. 3,73,41,000 in respect of External Affairs be reduced by Rs. 100."

[*Need to give promotion in the cadre of Officers on the basis of merit and seniority (14)*]

(v) "That the demand for a supplementary grant of a sum not exceeding Rs. 4,21,000 in respect of other revenue expenditure of the Ministry of Finance be reduced by Rs. 100."

[*Need for economy in civil expenditure (15)*]

(vi) "That the demand for a supplementary grant of a sum not exceeding Rs. 4,21,000 in respect of other revenue expenditure of the Ministry of Finance be reduced by Rs. 100."

[*Need for appointment of a Commission to examine the expenditure of different Ministries and Departments and to suggest reduction in expenditure (16)*]

(vii) "That the demand for a supplementary grant of a sum not exceeding Rs. 3,85,000 in respect of Ministry of Food, Agriculture, Community Development and Cooperation be reduced by Rs. 100".

[*Need to pay attention for agricultural extension and community development. (17)*]

(viii) "That the demand for a supplementary grant of a sum not exceeding Rs. 3,85,000 in respect of Ministry of Food, Agriculture, Community Development and Cooperation be reduced by Rs. 100".

[*Need for supply of tractors and fertilizers to farmers on cheaper rates. (18)*]

(ix) "That the demand for a supplementary grant of a sum not exceeding Rs. 3,85,000 in respect of Ministry of Food, Agriculture, Community Development and Cooperation be reduced by Rs. 100".

[*Need for making better arrangements for credit facilities to agriculturists by cooperative and Scheduled Banks. (19)*]

**Shri Hari Vishnu Kamath (Hoshangabad)** : How much time remains ?

**Mr. Speaker** : We shall try to finish them as soon as possible.

**Shri Hari Vishnu Kamath** : Three hours should be allotted for this. They cannot be disposed of in two hours. Three hours is the minimum.

**Shri Nambiar (Tiruchirappalli)** : We have many cut motions.

**Shri Hari Vishnu Kamath** : What time have we spent already?

**Mr. Speaker** : 25 minutes have been spent.

**Shri Narendra Singh Mahida** (Anand) : Mr. Speaker, Sir, yesterday I had referred to the need for opening of consumer stores scheme in rural areas and to the existing conditions of poverty in our country.

Though we have made all round progress in the last few years since independence, yet, there is still a mountain of poverty to lift. Poverty in the villages remains, in spite of some improvement here and there, much as it was before 1947.

We must now take serious note of our food situation in the country. We must remember that America cannot feed us for ever. Therefore, we must at all costs attain self-sufficiency in food at the earliest. A relentless programme of propaganda and education taking the specifics of scientific farming to our agriculturists will be the only answer to more food production. The current lethargy and pathetic reliance on wayward clouds is deplorable.

There are some indications that the Government will introduce a crop insurance scheme in the near future on wider scale. It is being experimented in Punjab, I learn. This will prove to be a great boon to stabilise the lives of our farmers. A similar insurance cover for cattle is also necessary.

Drinking water is also a serious problem in the villages. During the last 15 years, more than 7 lakh water wells have been dug to provide water to the villages. Yet, many more are required. The Fourth Plan proposes to allocate Rs. 125 crores in the next five years for the work of supplying drinking water to the villages. We have, fortunately, enough water in our rivers. We need to utilize them. The Narmada River Scheme, as proposed by the Khosla Committee, should be implemented without delay. Through this scheme even barren land of the Rann of Kutch can be made to bloom.

**Mr. Speaker** : Members should not take more than 10 minutes each.

**श्री मधु लिमये (मुंगेर)** : पन्द्रह मिनट तो होने चाहियें ।

**अध्यक्ष महोदय** : पन्द्रह ज्यादा है ।

**श्री दाजी (इन्दौर)** : आप चले जायेंगे तो दस के भी आठ ही रह जायेंगे ।

**अध्यक्ष महोदय** : पन्द्रह मिनट सही ।

**Shri Narendra Singh Mahida** : The task of supplying water to our agriculturists is enormous because it was neglected for 200 years and we have been working on it only after 1947. The current obstacles are mostly of money. As our economy grows, these obstacles will go.

80 per cent of our people live in the villages. Sir, I also belong to a village in Gujarat. According to the 1961 census, there are 5,59,000 villages and 36 crores of people live in them. We are the salt of the earth and the sheet anchor of democracy. Culture and civilization are nourished in the villages. The city is the place where we are exploited.

One could not build non-violence on a factory civilisation. It could be built in self-contained villages, for exploitation was at the root of violence. We see, with dismay, the behaviour of our present-day urban society. One could not build on this violence which is existing in our urban society and we must curb that.

Industrialisation is a priority to attain wealth, but our standard of life will not be raised until that wealth can be utilised to lift the millions of our villagers who still remain on a subsistence level of existence. If we can avoid war and escape the expenditure on defence, which the danger of war necessitates, we can within the next 10 or 15 years conquer poverty which foreign rule bequeathed us.

We are, Sir, the greatest democracy in the world. We are the test in Asia of the challenge to democracy to solve the problem of economic development so that our people may have the opportunity to reach upward to a full human life. Our way of life, democracy through this House, has given me confidence that we will triumph in this cause.

**Shri Nambiar :** Mr. Speaker, Sir, I have got my cut motions numbers 5, 6, 7 and 8. Through my cut motion No. 5 I have demanded that the Government should recognise the German Democratic Republic as a sovereign Government of East Germany. On the Supplementary Demand regarding foreign affairs and the expenditure that we are going to incur on that, I want to draw the attention of Government to the fact that our diplomacy abroad has not at all been satisfactory. I do not want to go into the details of it, but so far as diplomacy connected with the German Republic is concerned, it is very clear that we are not at all making up our mind to recognise the East German Democratic Republic which is a *fait accompli*. Everybody knows today and the world has agreed and accepted that it is a republic of its own and there is no justification for us not to recognise this Government.

We have got trade relations with East Germany and we have got other relations as such with the Communist world. I do not know why we should refuse to recognise this. If it is a question of following a non-aligned policy, it is all the more correct that we recognise East Germany. If it is a question of our joining with any group of imperialists, then it may be true that we can shut our eyes to the East German Government. Therefore to continue the policy of non-alignment and to see that we are friendly with all the countries, particularly with a country like East Germany which is so advanced and which is in a position to help us in industrial and other matters--East Germany is practically helping us in all our plans--there is no justification to deny recognition to that part of Germany.

The excuse given so far by government is that we do not want to enter into a new stage by recognised East Germany and West Germany will feel angry with us. We cannot decide our policy to satisfy West Germany. We may have trade and diplomatic relations with West Germany. That should not stand in the way of our recognising the East Germany which

is a fact. We cannot decide our policy to satisfy others. If that is so then let us say that we have no policy of non-alignment and that we are aligning with West Germany and the western world.

**Shri Narendra Singh Mahida :** We are recognising only one China.

**Shri Nambiar :** You can recognise two Chinas. That is different. I am speaking of Germany now. When we take up the question of China, we will decide it.

Therefore my submission is that our diplomacy abroad should be strengthened by a correct and proper policy. With regard to Germany it could be nothing but that of granting recognition to East Germany,

13.59 hrs.

[MR. DEPUTY-SPEAKER *in the Chair*].

Coming to my next cut motion regarding the setting up of the commission to review the question of grant of dearness allowance to Central Government employees, Shri S.M. Banerjee very strongly supported my cut motion but in regard to that I have to draw your attention to the fact that by setting up this commission for which we are going to spend Rs. 4.2 lakhs, we are not going to create a feeling of satisfaction among the 2 million employees of the Central [Government but on the other hand we are creating bitterness. They are justified in being bitter against the policies of the Government.

14 hrs.

You see the terms of reference. In the terms of reference, it is very very dangerously brought out that the entire edifice of the formula, which was evolved by the Second Pay Commission is going to be demolished. Here, in the 1st term of reference they say :

"to examine the principles which should govern the grant of dear-

ness allowance to Central Government employees in future having regard, among other relevant factors, to the repercussions on the finances of the State Governments, public sector undertakings, local bodies, etc."

That means, the purpose is to set the entire set of employees of the State Governments and local bodies against the Central Government employees, that is to say, if the Central Government employees are to be given more, then the other set of employees will have to be given more and therefore, it is better to give nothing to anybody. That is the line the Government wants to take and the Government wants to have a commission for that as to whether this can be justified.

Sir, independent of the fact that whatever was given by the State Governments or the local bodies, it was decided, after a long-range agitation throughout the country, that the Second Pay Commission should grant a particular level of dearness allowance and there was a formula evolved. Unless another Pay Commission comes and with the concurrence of the feelings of the Central Government employees, their representatives, the whole edifice is demolished, there cannot be a justification to bring in this thing in a back-door way and say that the whole edifice of the formula evolved by the Second Pay Commission is to be demolished. It is nothing but cheating the Central Government employees and creating a bitterness at this time when the situation is very critical both politically and economically in this country.

Then, the 3rd term of reference is :

"to review the existing formula for the grant of dearness allowance as recommended by the Second Pay Commission and to recommend what changes, if any, in this formula are desirable and feasible."

How could it be done? Is it a Pay Commission that you are appointing? How did you come to this conclusion that you could appoint a commission like this to see whether a change in the formula is required? You must be thankful to the Central Government employees if they have not declared a general strike in this country for bringing in this sort of a thing. How can you do it? If I were a Central Government employee, if I had a personal interest in that, I would have come forward only to declare a general strike. How can you do this thing? Any self-respecting employee—I am not agitating on that ground—will do that. You cannot bring in this thing in a back-door way; you cannot put in a term of reference, which is diametrically opposed to the recommendation of the Second Pay Commission. If the Central Government employees are angry, this is the reason why they are completely justified, if not more angry.

Sir, it is a criminal method by which the Government wants to revise even what little paltry thing was given by the Second Pay Commission. Therefore, I am completely opposed to this Demand. You are unnecessarily spending money and bringing the ex-Chief Justice of India, Shri Gajendragadkar, and others to contempt and with the help of these men you want to deny what little paltry thing was given by the Second Pay Commission to the Central Government employees. I do not know with what more vehemence I can express my feelings against this sort of a thing that is being done in a back-door way. The only thing that I would request the hon. Minister is to come forward to withdraw this Demand and to do away with this commission saying, "We will pay the Central Government employees according to the formula enunciated by the Second Pay Commission". If what was given by the Second Pay Commission is to be withdrawn like this, it is something unthinkable. All the Central Government employees will certainly give fitting reply to the Machina-

[Shri Nambiar]

tions of the Government who is planning not only not to give them justice but to take away what little they have got.

Again, you will find a very bad language used in the 4th term of reference which says:

“to what extent should Government give preferential treatment to that section of the community which is directly under its employ;”

This paltry dearness allowance which was given by the Second Pay Commission is termed as a preferential treatment. When the prices go up, every wage earner, and particularly the wage earner of the Central Government, has got the right to demand full neutralisation. Why is it not given full neutralisation? It is not the look-out of the Central Government employees to see that the prices are reduced. If the Government itself is increasing prices, how can the Government employees stop them. Once the prices go up, they have got every justification to demand full neutralisation. That was denied to them and now you want to withdraw whatever was granted to them and for that you want to have a commission and you want to spend money on that. The life of that commission may extend upto one year. You want this Parliament to vote for this commission another Rs. 4½ lakhs. It is ridiculous, it is nonsense, it is most stupid, that the Government with any sense of propriety with any sense of shame, should come forward in this manner. It is a very dangerous situation. Once they bring in all sort of things like this and a situation is created and if the Central Government employees or the State Government employees, as we find in U.P. and Maharashtra, go on strike, then the Government comes forward and says that there are anti-social elements, the politically interested people who are coming and controlling the whole thing and that they are instigating the strikes. Are the Members who are sitting on the Opposition Benches going to benefit by the Central Government employees getting more dear-

ness allowance? We have no interest in that. But we are fighting for a cause and that cause is just and to say that we are instigating them is nothing but nonsense. Who went to Maharashtra to incite the State Government employees to demand a day's casual leave *en masse*? Who went to U.P. and ask the State Government employees to go on strike? Mr. Madhusudan, whom I know, is the General Secretary of the Confederation of Central Government Employees and he used his good offices to settle the dispute of the U.P. State Government employees.

**Shri Hari Vishnu Kamath :** On a point of order, Sir. You will agree that when my hon. friend Mr. Nambiar is making a useful and interesting contribution to the debate, there must be a quorum for him.

**Mr. Deputy Speaker :** The bell is being rung... now there is quorum.

**Shri Nambiar :** My submission is this. If the revision of the formula enunciated by the Second Pay Commission is to give the Central Government employees a fairplay, *i.e.*, to link the increase in the cost of living directly to the dearness allowance automatically, then we can understand it. But from the way the terms of reference are worded, it is clear that the purpose of this Commission is not to do that; the purpose is to deny even what was given by the Second Pay Commission. If my presumption is in the wrong, let the hon. Minister explain and say that the revision sought is to improve the condition and if that is so, I am prepared to withdraw my Cut Motion.

Coming to the next question, *i.e.* No. 9 regarding the need to reduce the price of rice supplied through fair price and ration shops which is far above the procured price of rice and paddy, I submit that I have got concrete cases from my own State, namely Madras State: there, a bag of paddy is purchased by the Government at the rate of Rs. 25 from Tanjore or Tiruchirappalli, whatever the district might be....

**An hon. Member :** Kumbakonam also.

**Shri Nambiar :** Yes, Kumbakonam too. I can understand if it is sold at Rs. 30 per bag. But what is the price that is charged for the rice that is sold in the retail and wholesale shops by the Government? It is Rs. 63 and above per bag. The cost price must be Rs. 50. Why should sold at Rs. 63? I can understand a margin of 10%; it can be sold at Rs. 55. But why should it be sold at and Rs. 63 and above. The reason is that the Government wants to make a huge profit out of this deal. That is the reason why in the black market or in the other market whatever you might call it.....

**An hon. Member :** Super Market.

**Shri Nambiar :** ... the price still goes up. The Government purchases two bags of paddy for Rs. 50 and sells at Rs. 63 and above. That is why the blackmarketers sell it at Rs. 83. Therefore, the price of one bag of rice in Tiruchirapalli or Tanjore or Madurai district is Rs. 80. This has been caused by the exorbitant price increase done by the Government. If the Government would reduce the price of rice sold in their market, in their fair price shops, to that of cost price plus 10% more, I can understand. Then the price of rice will come down in Madras State. But now it has gone up beyond any recognition. It was Rs. 83 or 84 per bag when I was at Tiruchirapalli. Now I have got reports that rice is sold in blackmarket, or whatever market you might call it, in Coimbatore and other districts at Rs. 150 per bag. The situation is such that the Madras State, which is generally considered to be a surplus State, is undergoing such a famine condition that anything may happen in that State. If food riots are there in various cities, let the Government not come forward to put the responsibility on the Opposition parties.

**Shri Tyagi (Dehra Dun) :** Is he sure about the figures?

1370 (Ai) LSD-8.

**Shri Nambiar:** I am sure. Even for Rs. 150 you cannot get a bag of rice in Coimbatore district today. That means, it is still more. This is a very unfortunate situation. Therefore, my submission is that the price of rice sold by the Government through their fair price and ration shops must be reduced to that of procurement price plus 10%. Then the prices of essential commodities will come down so far as Madras State is concerned.

**Shri V. B. Gandhi (Bombay Central South):** Mr. Deputy-Speaker, I shall begin with Demand No. 117. This Demand refers to a supplementary provision of Rs. 203.61 crores which is required for the payment of additional subscriptions to certain international institutions. This payment of additional subscriptions has become necessary because of devaluation. The institutions in question are three international institutions, namely, the International Development Association, the International Bank for Reconstruction and Development and the International Monetary Fund.

In connection with these institutions and the subscriptions to these institutions, we have to remember a few things. In the first place we should remember that India has been an original member of all these three institutions. The subscriptions to these institutions are paid partly in gold or dollars and partly in rupees. The rupee portion is usually held in India in the accounts of these institutions in the Reserve Bank of India. The very fact that a part of the subscriptions is to be paid in gold, the very fact that the other part is expressed in terms of gold, makes it necessary or incumbent on India that, when there is any change in the parity of the rupee, we shall so augment our deposits, our subscriptions to these institutions, as to maintain the gold value of our subscriptions in terms of rupees. According to the Articles of Agreement with these institutions, we must maintain the gold value of the rupee securities that we give them. That would necessarily involve that we

[Shri V. B. Gandhi]

have to make fresh payments, additional payments, to the extent of something like 57.5% of the original amounts we had paid in the form of original subscriptions. There is a certain pattern in which these subscriptions have to be paid and the pattern is that a small portion is required to be paid in gold. For instance, for the International Development agency, we have to make a payment, in gold, of only 10% of our subscription. For the International Monetary Fund our quota is in the region of 15% and that amount has to be deposited in gold; the rest of it can be paid in Indian rupees which again, as I said, on devaluation we have to supplement and bring it up in value to the gold value of the subscription. In the case of the International Bank for Reconstruction and Development, the capital stock assigned to India is only one per cent, which has to be paid in gold, and since only about 10 per cent of the capital is called, we can pay the balance of 9 per cent in the form of Indian rupees.

**Shri Bade (Khargone):** The value of the gold will be Rs. 54 crores.

**Shri V. B. Gandhi:** Which gold is the hon. Member referring to?

**Shri Bade:** I am referring to the gold which we have to deposit with the IMF.

**Shri V. B. Gandhi:** Let me tell him the real position. The Demand here requires a grant of Rs. 203.61 crores for payment. That is a big amount, big by any calculation. It is something which gives some of us a jolt by its sheer bigness, but when we understand and see the purpose for which this payment is required, namely to make up the deficiency in the value of the rupee portion of our subscription and to bring it up to the gold value of the present rupee, then we understand that it is not as frightening as it looks.

Now, I turn to Demand No. 30. This Demand is in respect of a supplementary

grant of the order of Rs. 4.21 lakhs which is required to meet the expenditure connected with the setting up of the special commission of inquiry on dearness allowance. Let me first say that I welcome the appointment of this commission. I have been somewhat intimately connected with the question of the pay and dearness allowance and such other terms of payment to the Central Government employees, as I was one of the members of the Second Pay Commission. This is a question which has assumed an urgency, and I know that this House has to come to some decision quick enough and in a very generous spirit, because it is a problem that affects the welfare of millions of middle-class families in the country.

Something has been said about this question by Shri S. M. Banerjee and Shri Nambiar. I do not agree with both of them. In the first place, we should remember that a question of this intricacy and of this complex nature cannot be solved as wanted by Shri S. M. Banerjee by some kind of a direct talk with the Finance Minister. The Finance Minister cannot answer questions of this kind, questions which are of far-reaching economic consequences which affect the entire economy of the country. Shri S. M. Banerjee says that he would like to have the question settled directly between the Finance Minister and the representatives of the employees, as he says, here and now. That is not the proper way to consider this question in a satisfactory manner. Past experience has shown that a commission, whenever it considers the question of salaries and dearness allowances and other cognate matters has always considered these questions with a great amount of sympathy, and in every case, after the report of every commission, there has been a distinct improvement in the terms and conditions of salaries of our employees both in the Central government as well as in the State Governments. Now, why are we pre-

judging the issues. In the first place, as I believe, the commission which is going to be headed by a distinguished former Chief Justice of India has not yet announced the personnel or the composition or its membership, and, therefore, it is too early for us to prejudge the issue.

**Some hon. Members:** It has been announced already.

**Shri V. B. Gandhi:** I am sorry I did not know. I thank my hon. friends for the information.

**Shri Daji:** So, that point is withdrawn now.

**Shri Umanath (Pudukkottai):** That point has, therefore, collapsed.

**Shri V. B. Gandhi:** When there is an offer by Government to have the whole question considered by such an eminent commission, I do not see why it should be called a kind of back-door approach, as Shri Nambiar seems to think. I think that Shri Nambiar's vehemence was really misplaced in this matter.

**Shri Umanath:** If Government have got so much confidence in Shri Gajendra-gadkar, why should they put so many restrictions on him and intern him almost?

**Shri V. B. Gandhi:** I have very carefully studied the terms of reference. I am glad my hon. friend has referred to it. I for one was about to say that the author of those terms of reference deserved to be complimented, because from what little I know about this business of considering these questions, the terms as drafted here show a great comprehension of the problems involved.

**Shri Daji:** I agree with this statement that there is a comprehension of the issues involved; that is why the terms of reference are deliberately loaded against the employees.

**Shri V. B. Gandhi:** Here again I would say that the commission has yet to begin its work and there is nothing to

indicate that the commission will not come to a conclusion that perhaps in the case of the low-paid employees of the Central Government, the neutralisation could be as much as 100 per cent. Of course, it is up to the commission, but there is nothing for us to say that the commission will not do it. The commission is not preclude from granting neutralisation to the extent of 100 per cent if it so thought fit.

**Shri Krishnapal Singh:** It is an irony of fate that in these Supplementary Demands we should have a governmental demand for Rs. 80 lakhs for the Navy, that is, for the Defence Services, and Rs. 2.47 crores for external affairs.

We all know that our defences have been neglected for a long time. The sum of Rs. 80 lakhs is a paltry amount for improving the Navy. As we know, our ships are of an obsolete nature. We have practically no submarine and our weapons are not modern. Therefore, if we realise that the primary duty of a government is to protect the country from external aggression then we ought to be serious about it. If we think that the Armed Forces are not so important and the other things are more important then I venture to say that it will be proper to disband our Armed Forces and to enrol *satyagrahi* volunteers and put them in the charge of some specialists in that line.

But our navy needs a lot more money; it needs more ships; better ships. From what little I know about the navy, construction of modern ships has undergone a complete change. The fleet air arm has developed. The old notion about constructing a ship has completely changed and modern naval vessels are now designed to meet the threat from the air. I doubt if we have a single ship which can withstand such a test. Therefore, we need a lot of money for our navy. Unless we economise in other departments, it is very difficult to find money.

[Shri Krishnapal Singh]

I hope you will permit me to say that unless we wind up our planning business, we will never be able to have enough money for the two important subjects, defence and agriculture. I have said it before and I repeat it today that if we are serious about improving the condition of our country, we should concentrate on these two subjects, defence and production of food. Let other matters go as they are, but we should pay special attention to defence and to production of food.

My greatest grievance against the Finance Ministry is that they do not stop extravagance by Government. Every year we find that a new Bhavan is constructed in Delhi, a huge Bhavan. Government already have acquired all the house belonging to the Indian States in the capital and they are using them for their offices. They have constructed other buildings and yet we find that an expensive Bhavan goes up every year. Now after the Bhavans has come the Super Market. We have this market and that market. We should certainly have all the necessary things. But my complaint is that we are wasting money on buildings. We should not waste money on buildings.

**Shri Daji :** The biggest market is the black market.

**Shri Tyagi :** Government have taken a decision to that effect, that new buildings, unless they are very essential, will not be put up.

**Shri Krishnapal Singh :** I am glad to hear this from one of our former Ministers. I hope Government will stick to that decision.

Coming to the External Affairs Ministry, I would like to begin by saying that the proof of the pudding is in the eating thereof. We are spending a huge sum on the External Affairs Ministry. But what is the result? Where are we? We stand completely isolated. Pakistan, which is an aligned nation, can get armaments from the eastern as well as

western nations. We heard the other day that our Ambassador in America lodged a protest with the American Government against their decision to supply arms to Pakistan. We know that China has been supplying weapons to Pakistan. We know that Persia and other countries have been helping Pakistan which is an aligned nation. But we who claim to be non-aligned have not got a single friend who can come to our aid in time of real need. Yet we have a huge diplomatic establishment. I would take a little time to read out the list of embassies given in the Ministry's Annual report. We have 73 Embassies in different parts of the world, 21 High Commissions, 14 Commissions, 4 Legations, 16 Consulates-General, 17 Consulates, 3 Vice-Consulates, one Deputy High Commission, one Assistant High Commission, Trade Commissions and all the rest.

**Shri Daji :** What about roving delegations ?

**Shri Krishnapal Singh :** Yes, roving delegations and all that.

Are we justified in sanctioning more money for this Ministry which is responsible for such a colossal waste ?

The other point about this Ministry is concerning the system of promotion and appointments. Shri Dhameja, Chief of Protocol, has put up a note before the Pillai Committee in which he says ; as reported :

"In Mr. Dhameja's view, nepotism, laxity in maintaining standards and want of uniformity of justice has sapped efficiency and demoralised and corrupted the services. It is not exaggeration to say that most of the ills of our country are attributable to mal-administration, the blame for which we as civil servants should accept in sorrow and humility."

Again :

“Mr. Dhameja regrets that justice has now become so rare that one has to beg for it and is forced to use inconceivable means and methods, a process most humiliating for the giver and the receiver.”

Then he has given a catalogue of the irregularities in promotions and appointments in this particular Ministry.

I say that unless we can cut down expenditure in this Ministry and other Ministries responsible for colossal waste of our revenues, we shall never be able to put our finances right and probably we shall be faced with another devaluation.

I now come to my last point, namely, the growing of food.

**Shri Bade** : Devaluation of the Government or the rupee ?

**Shri Krishnapal Singh** : Devaluation of the rupee ? Did I say ‘Government’ ?

The first thing I would mention in this connection is about our method of financing the agriculturist. We have co-operative societies and we have the system of short-term, medium-term and other loans. Mostly it is short and medium-term loans. So it is so difficult for the agriculturist to obtain money that he has to spend quite a lot at the time of taking a loan and at the time of repaying it. That, I say, is almost a tyranny on him. If we are to put our agricultural financing on proper lines, we should have the same approach towards it as we have for industries.

That is to say, we should value each farm. After all, land is not the only valuable asset of the farmer. He has got cattle, he has got some machines, he has got implements and buildings etc. We must value his assets and then on that value advance a certain percentage to him. We should treat the agriculturists on the same footing as industrialists.

There are certain neglected areas both in the north and in the south, so far as irrigation is concerned. We should develop those areas, tap water resources, especially the underground water resources. There are vast drought areas in U. P., they affect the whole of Rajasthan, and in the south I am given to understand that in Andhra Pradesh, Rayalseem, and certain other parts there is dearth of water both for irrigation and drinking in the rural areas. I hope that our Ministry responsible for the development of agriculture will take this matter up seriously and at least provide sufficient water for irrigation and drinking.

Before I sit down, I would like to repeat again that if we want to put our house in order, we should concentrate on defence and on food, and not try to do too many things at a time.

**Shri Daji** : This book of Supplementary Demands for Grants is a self-speaking document. The policy of devaluation has come home to roost. Out of a total demand of Rs. 218.94 crores, more than Rs. 207 crores arise from devaluation. This is the first price, the *bayani* price we are forced to pay for our disastrous policy of devaluation and as time rolls on and as more and more of our liabilities get mature, more and more of our interest and loan payments get mature, the disaster of this devaluation will be visited on our heads and shall further deplete the depleted treasury.

**Shri Bade** : The whole supplementary demand is for that.

**Shri Daji** : Mainly .

In this connection of devaluation, I want to ask a question, through you of the Government. A few days back, the Chief Director of Foreign Aid of the USA, examined by the Foreign Aid Committee of the Senate, stated on oath, and it was reproduced by Mr. Parasuram of the *Indian Express*, that “whatever aid was given to countries by the USA was

[Shri Daji]

in furtherance of our political objectives". And he further said that the "recent devaluation of the Indian rupee and the import liberalisation introduced by the Government of India were the result of our persuasion and pressures to bring the Indian Government's policy.....

श्री हुकम चन्द कछवाय ( देवास ) :  
दार्जों का इतना अच्छा भाषण हो रहा है  
लेकिन सदन में गणपूर्ति नहीं है ।  
गणपूर्ति ता होनी चाहिये ।

**Mr. Deputy-Speaker** : The bell is being rung. ....Now there is quorum.

**Shri Daji** : I was dwelling on the effects of devaluation and stating that the Demands for Supplementary Grants show that more than Rs. 207 crores are required because of devaluation I was further putting this question to the Government.

The Director of Aid Programmes of the USA has stated on oath that devaluation was the result of the pressures put by the USA on the Indian Government to bring the policy of the Indian Government in conformity with the policies of the USA. Presuming that a responsible officer of the USA, speaking on oath before the Senate Committee, was not speaking an untruth, how far then is the claim of our Government true that devaluation was meant to boost our economy, because the very presentation of these Demands for Supplementary Grants shows and proves that devaluation at least in economic terms has no advantage for our country whatsoever.

The next point I would like to mention on these Demands is the appointment of the Gajendragadkar Commission. My hon. friend, Shri Gandhi, says the terms of reference are very well drawn up, that the person who drew up the terms of reference knew his job. I submit the appointment of the Commission and the present terms of reference are like adding insult to injury. On the one hand prices are skyrocketing. The Govern-

ment stands self-condemned and self-confessed in their inability to hold the price line. A few super markets and super bazaars can never make up for the necessities of life and the prices which are rocketing. To add insult to injury, a Commission is appointed headed by an ex-Chief Justice, circumscribed by the terms of reference to such an extent that no honest man, even if he wanted to give a finding in favour of the employees can find a way out of the net of the terms of reference. I submit the terms of reference are fully loaded against the employees, and that is why the employees are protesting against it. I further submit that the present terms of reference remind me of an adage in Hindustani :

मांगने गए थे पूत, खो आए खसम ।

The employees have been demanding a basic revision in the formula of the second Pay Commission which has been unjust and linking it with the cost of living.

**Shri Tyagi** : What is the objectionable terms of reference ?

**Shri Daji** : Whether favourable treatment of the Central Government employees should be continued when other depressed sections cannot be given relief. This itself prejudices the issue, saying because the State Government employees cannot be given more DA. You should give them, we do not protest, the Central Government employees do not stand in the way of more DA being given to the State Government employees.

**Shri Tyagi** : On the other hand, this also indirectly recognises the condition of the State Government employees.

**Shri Daji** : But it circumscribes the ability of the Commission to give relief only in terms of them. If the State Government employees cannot be given adequate dearness allowance, the Central Government employees do not stand in the way; if other depressed sections of the community cannot be helped, the responsibility is not that of the Central Government employees. The terms of

reference should have been : if the Central Government employees have to be given increased dearness allowance, why should not the State Government employees be brought on a par with them ? That would have been fair terms of reference. That is why the employees are protesting against this and unless the terms of reference are adequately changed, I am afraid this Commission will become like the last Commission, completely boycotted by the Central Government employees and their associations and no good purpose will be served by such a Commission loaded with truncated terms of reference. I am pained at certain whisperings going on in the high echelons of the secretariat service that there should be a salary freeze. The Finance Minister explained it the other day in the House saying that salary freeze does not mean DA freeze and that DA increase could be proceeded with, marginal increase. I feel strongly that the entire attitude is a shameful attitude because just a few days before devaluation the salaries of secretaries, joint secretaries, additional secretaries and deputy secretaries were enhanced from Rs. 100 to Rs. 350. After increasing their salaries, they come forward with this plea that the increase in the salary of the Central Government employees will have an inflationary effect. You cannot hold the price line; on the other hand you increase the salary of high officials and now, to add insult to injury, you say that you oppose an increase in the wages of the employees who barely get a subsistence level wage—it has been called subsistence level in the second pay commission report; Mr. Gandhi was perhaps a member of that body. Now they do not want to revise this subsistence wage. I warn the Government that if you are unable to satisfy the Government employees, Central and State, who are the very arteries, your very limbs, the Government will be paralysed. When the mass casual leave took place in Maharashtra, I recall that even the mace of the Chief Justice could not be carried in Court. I shall skip over to some other point....(Interruptions). Then take for

instance the meaningless gold control order. You can have gold of any carat in India; that is still exchanged at the time of marriages; you have reduced the market for gold into a black market. You have not been able to touch hoarded gold. Therefore, this policy requires radical revision.

**Mr. Deputy-Speaker :** The hon. Member's time is up.

**Shri Daji :** I will conclude in two minutes. I submit that something should be done to put our public sector undertakings in proper shape. Politics that is being played by the Government in the public sector undertakings should be done away with. Durgapur steel plant is an example. The Union of which the president is Mr. Atulya Ghosh does not command any influence with the workers because in the contest for ten seats, nine seats were lost by that union and still you recognise only the union of Mr. Atulya Ghosh.

**The Deputy Minister in the Ministry of Iron and Steel (Shri P. C. Sethi):** Durgapur Labour Union is recognised on the recommendations of the State Government according to labour law.

**Shri Daji :** Not the labour law but on verification of the labour officer who is influenced by the president of that union. You did not accept even the recommendation of Dhebar Commission. Is he a communist ? He recommended that unions should be recognised by ballots. You do not want to do it. The whole policy has to be revised.

**Lastly,** I would like to say one thing. Some days before we used to hear sometimes, timorously with coy blushing, about unearthing black money;

[Shri Daji]

was some talk but very little black money was unearthed. But even that talk has been given up. No one hears about that now. Black money is fast becoming white money. I do not know what has happened to the drive to unearth black money. Everything has been surrendered in the wake of devaluation because the logic of devaluation is black money. I recall that there were raids on a company of Mr. Kapur in Calcutta and the investigations of the income-tax department are revealing. It has been revealed that bogus hundis to the tune of Rs. 32 lakhs were recovered; bogus hundis in the name of 'Biju Patnaik Mines Limited, to the tune of Rs. 6.25 lakhs were recovered; bogus promissory notes in the name of Biju Patnaik to S. L. Kapur worth Rs. 3 lakhs at 6 per cent interest were recovered; another bogus promissory note dated 18-3-1960 by Biju Patnaik for Rs. 45,000 was recovered. That is the findings of the income-tax department but the case is being suppressed because Mr. Patnaik and Mr. Kapur happen to be high echeleons in the Congress.

**The Minister of State in the Ministry of Finance (Shri B. R. Bhagat) :** Mr. Daji is a lawyer; it is not the finding; this has been revealed as a result of the seizure and investigations. The income-tax people are going into this; it is not their findings; their finding is yet to come. They are still investigating.

**Shri Daji :** These are facts revealed.

**Shri Tyagi :** These are allegations only.

**Shri Daji :** Shall I read from the report of the income-tax investigating officer to the Government ?

"...The assessee has suppressed profits by setting up firms with wife, sons, daughter, daughter-in-law and employees to act as intermediaries

between manufacturers, Kalinga Tubes and ultimate purchasers to reduce the incidence of taxation." I am reading from the report.

**Shri Tyagi :** Do not read.

**Shri Daji :** Do not challenge it. Now you must have seen that when I speak, I speak with facts; I know the facts. There is then the scandal of the Kashmir Ceramics in which cases all things, such as cement, stainless steel corrugated sheets, machinery, etc. were given to Aminchand Pyarelal for Kashmir Ceramics, a semi-government undertaking. But all these had gone into the black market. One minister on the 11th or 13th August bemoaned here : we have been asking explanation from the Kashmir Government for two months; we have sent telephonic and telegraphic communications but there is no reply as to what Aminchand Pyarelal had done with these materials. It is with such black persons they have these black transactions. The Government should take immediate action lest people should say: action is being deliberately delayed. I want a reply to all these things.

There is also the other case where 100 kilos of gold were deposited by Mr. Goenka at Indore bank, subsidiary of the State Bank after filing a pre-dated declaration. That declaration was bogus; it has been cancelled but no action has been taken against the officials of the bank as to why they admitted a pre-dated declaration from Mr. Goenka. I want an investigation into all these affairs because by investigating and punishing the offenders the Government shall be vindicating its honesty but by suppressing and delaying, Government shall be liable to be charged that Government is supporting black money and black-marketers.

**श्री बड़ें :** उपाध्यक्ष महोदय, हमारे देश पर डीवैल्युएशन का क्या असर पड़ा है, यह इन सप्लीमेंटरी डिमांड्स फार ग्रान्ट्स को देखने से प्रकट होता है। श्री सुब्रह्मण्यम् ने "डीवैल्युएशन-सम इम्प्लीकेशन्ज" नाम की एक किताब लिखी है, जिसमें उन्होंने कहा है :

"One common fear is whether devaluation will increase our foreign debts. Suppose our debts before devaluation amounted to Rs. 4,760 crores in rupee terms. We contracted these debts in terms not of rupees but of units of foreign currency. This total does not get altered although the rupee measure gets changed to Rs. 7,500 crores. The change can be likened to what happened when we changed over from the foot-lb. system to the metric system. What was a mile before became 1.5 kilometres after the change. But the distance was the same."

मैं निवेदन करना चाहता हूँ कि यह कहना देश की जनता की आँखों में धूल झाँकना है कि डीवैल्युएशन से वास्तव में देश की अर्थ व्यवस्था पर कोई असर नहीं पड़ा है और केवल शब्दों में कुछ चेंज हो गया है। सप्लीमेंटरी डिमांड्स फार ग्रान्ट्स के शुरू में ही कहा गया है :

"The Supplementary Demands in this volume involve additional expenditure of Rs. 218.94 crores of which Rs. 9.60 crores relate to Revenue and Rs. 209.34 crores to Capital.

The main items of additional expenditure under Revenue are : Rs. 6.21 crores due to increase in expenditure, in terms of Rupees, in Indian Embassies and Missions abroad as a result of the devaluation of the Indian Rupee with effect from 6th June, 1966; Rs. 2 crores on account of subsidy

payable to the Railways on the steel imported by them during the period from 1st April, 1958 to 31st March, 1962".

इतना ही नहीं मानेदारी फंड में इंडिया को जो डीवैल्युएशन से ज्यादा पैसा देना पड़ेगा वह हमारे मित्र कहते हैं कि गोल्ड में देना पड़ेगा और कुछ सिक्कोरिटी देनी पड़ेगी।

**Mr. Deputy Speaker :** He will continue tomorrow.

15 hrs.

MOTION RE : THIRTEENTH REPORT OF COMMISSIONER FOR SCHEDULED CASTES AND SCHEDULED TRIBES

**Mr. Deputy-Speaker :** Shrimati Chandrasekhar.

**Shri Narendra Singh Mahida (Anand) :** What is the time allotted ?

**Mr. Deputy-Speaker :** No time has been allotted yet. We will go up to five and then we will see.

**Shri Basumatari (Goalpara) :** As I have to attend another meeting, I request I may be called soon ; I have already given my name to the Speaker.

**श्री बाल्मीकी (खुर्जा) :** उपाध्यक्ष महोदय, कितना समय निर्धारित किया गया है इसके लिए ?

**उपाध्यक्ष महोदय :** 2 घंटा।

**श्री बाल्मीकी :** 2 घंटा बहुत कम है। बहुत महत्वपूर्ण विषय है आठ घंटे कम से कम इसके लिए होना चाहिए।

**श्री गुलशन (भटिंडा) :** उस रोज संसदीय कार्य मंत्री ने भी माना था कि और वक्त देंगे। . . . . (व्यवधान)