

Advisory Committee must consider this matter very carefully and allow sufficient time for the discussion of this taxation measure.

Mr. Speaker: I will send a special invitation to Mr. Kamath to be present at the meeting of the Business Advisory Committee.

The question is:

"That leave be granted to introduce a Bill further to amend the Central Excises and Salt Act, 1944."

The motion was adopted.

Shri T. T. Krishnamachari: Sir, I introduce **the Bill.

DEMANDS FOR SUPPLEMENTARY GRANTS, 1956-57

Mr. Speaker: The House will now take up discussion of the Demands for Supplementary Grants, 1956-57.

There are a number of cut motions to the various Demands. Hon Members may hand over the numbers of the selected cut motions which they propose to move at the Table, within fifteen minutes. I shall treat them as moved, if the Members in whose names those cut motions stand are present in the House and the motions are otherwise in order.

Does the hon. the Finance Minister wish to say anything regarding these Demands, in general, giving an idea to the House as to what they are; if any new services have been undertaken they may be explained *in extenso*?

The Minister of Finance and Iron and Steel (Shri T. T. Krishnamachari): Sir, I am rather new to this particular task. I am given to understand that in a matter of this nature, no preliminary statement is made and it is for the House to raise any issue. I shall be present, as far as it is possible for me, to give such assistance to the House to make up its mind and also to present to hon. Members the Finance Ministry's point of view. But the details have been given, to the extent it is possible, in the notes and if the House asks me to explain any portion at any time I shall be available.

Mr. Speaker: I leave it to the hon. Minister. But if he thinks that any particular matter is so important, he can even at the outset explain it in a few sentences to the House. That will be better. Anyhow I leave it to him entirely.

Shri T. T. Krishnamachari: I could not pin-point any particular item here as being of special importance about which I would like to tell the House. I have gone through the Demands and I find there is no radical departure from the custom that has been laid down. As I said, if any points occur to hon. Members on which they think that an explanation is necessary, I shall be available.

Mr. Speaker: We shall then take up the Demands.

As already announced in the Bulletin the demands of the Ministry of Home Affairs will be taken up first, that is Demands Nos. 52, 52A, 53, 53A, 54, 57A and 61.

Shrimati Renn Chakravartty (Basirhat): Demand No. 9 will come up later.

Mr. Speaker: Demand No. 9 will come next.

For these Demands two hours are allotted, with special reference to Demand Nos. 53, 53A and 57A. That is the recommendation of the Subcommittee.

Shri K. K. Basu (Diamond Harbour): Are we to send you the No. of our cut motions, or try to catch your eye?

Mr. Speaker: They may be sent and I shall treat them as moved. Meanwhile if any hon. Member wants to speak, he may refer to those cut motions.

DEMAND NO. 52—CABINET

Mr. Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 4,56,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Cabinet'."

**Introduced with the recommendation of the President.

[Shri T. T. Krishnamachari]

DEMAND No. 52A—ZONAL COUNCILS

Mr. Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 2,55,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Zonal Councils'."

DEMAND No. 53—DELHI

Mr. Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 3,34,09,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Delhi'."

DEMAND No. 53A—HIMACHAL PRADESH

Mr. Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 2,42,00,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Himachal Pradesh'."

DEMAND No. 54—POLICE

Mr. Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 54,56,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Police'."

DEMAND No. 57A—LACCADIVE, MINICOY AND AMINDIVI ISLANDS

Mr. Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 3,00,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Laccadive, Minicoy and Amindivi Islands'."

DEMAND No. 61—RELATIONS WITH STATES

Mr. Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 29,32,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Relations with States'."

Shri A. K. Gopalan (Cannanore): Sir, my cut motions are No. 27, 28, 29 and 30 to Demand No. 57A.

These cut motions relate to the question of organising and improving the fishing industry, general economic and social development, necessity of revising existing penal laws and other regulations now in force and the arranging of a dialy steamer service between the mainland and the Laccadive, Minicoy and Amindivi Islands.

Demand No. 57A relates to Laccadive, Minicoy and Amindivi Islands. Even today the administration of these islands being carried on under an Act called the Island Regulation Act of 1912. There has absolutely been no change in the administration of these islands. The administration is called the amin administration. There are no elected panchayats.

Some of the provisions of Regulation Act of 1912 had been declared by the High Court of Madras as *ultra vires* of the Constitution. I had tabled some Questions and had also written to the Minister that this Act should be changed. I do not know whether any action was taken on my suggestion. The sections which have been declared to be *ultra vires* of the Constitution must be repealed and a new administration must be set up.

The next point I wish to make is about education. There is only one elementary school there. The majority of the inhabitants of these islands are Muslims; they are illiterate, they are uneducated. There is absolutely no facility for the education of their children. There is not even a higher elementary school, with the result that about fifty students who have been given stipends are studying in a Calicut high school. But how many children can leave their homes and go to another place for their studies?

It is therefore very necessary that a higher elementary school, as also a High School should be started immediately, as otherwise there will not be any improvement in their lot.

I now come to the question of health. There are no hospitals in these islands. There is no regular steamer service to these islands, and country-crafts by which people usually travel take from fifteen to twenty days; often these small boats capsize and people die.

Elephantiasis and leprosy are prevalent in an epidemic form and until and unless Government take up this question of combating these diseases seriously, they are likely to spread in a virulent form. They cannot go and live in some other place. So, when there is some epidemic like leprosy and elephantiasis, if it is not checked at once, I am sure the whole population there will be destroyed. So, immediate measures should be taken to provide those facilities. The State Government has made a show of doing something, but nothing really has been done to improve the conditions of the Islands.

As regards communications, it is only once in fifteen days or once in a month that they get letters. As there are no regular steamers, they are not able to get letters. Sometimes, even for getting some good patent medicines, they have to come to the mainland, to Calicut or Cochin.

Mr. Speaker: How far are the Islands from the mainland?

Shri A. K. Gopalan: It takes by boat at least seven or ten days. (*An Hon. Member:* About hundred miles). Not hundred miles. It is about three hundred miles. By ordinary boat it takes about seven days to reach. The result is that by the time they return with the medicine, the patient might have died, because it would be twenty days or one month for them to return with the medicine. As I have already pointed out, on account of the lack of regular steamer service, the letters do not go and the communications are very bad. Also, there is no communication between one island and the

other. That communication is also not there. These islands are separate, and from the Laccadive Islands to the other islands there is no communication, and there is no communication from the mainland also. In reply to a question it was stated by the hon. Minister that they would see that a regular steamer service is established from the mainland to the Islands and also from one island to the other. But that has not yet been arranged. Unless and until a regular steamer service, from the mainland to these Islands and also from one island to the other, is arranged immediately, they would not be able to have these facilities of communication or to get anything from the mainland—anything which they require and which is not available there. So, as far as communications are concerned, it is very necessary, as had been promised in the House, that a regular steamer service must be established. I do not know whether any arrangements have since been made; but it had been promised that some steamer service would be established, and I would request Government to consider it immediately.

I want also to make another point. As regards these islands, as I have already pointed out, they are very backward in the matter of education. Only one set of community lives there, namely the Muslim community. Regarding the health position also, there are epidemics there; unlike some other places, they will not be able to get immediate help from adjacent towns, etc. And connection with either the mainland or the other islands is also not there. The amount allotted here—though it is supplementary grant—shows that as far as economic as well as other improvements are concerned, nothing has been done there. As far as industry is concerned, some money is set apart for coir. There are coconut trees there. But as far as fishing is concerned, something must be done. Because they are living in an island, and to catch fish and also to have some cold storage arrangements for keeping them, facilities have to be made available to them. If that industry is established,

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as also the coir industry, immediately, the question of employment also in a way can be solved. The industries which can be easily developed there are the fishing industry and the coir industry. These industries must be developed.

I therefore wish to conclude with this observation that as these Islands are under the Central Government, the Central Government has to see that educationally, economically, as well as in the matter of health conditions, they improve these things very much and that a much larger amount is spent on these items of development.

Mr. Speaker: May I have an idea as to how many hon. Members want to take part in this debate?

Shrimati Renu Chakravartty: In this particular debate?

Mr. Speaker: Yes, on these Demands.

Shri B. Shiva Rao (South Kanara—South): One or two questions I would like to ask.

Mr. Speaker: I will give him an opportunity. I will now call upon Mr. Kamath.

Shri Kamath: (Hoshangabad): Mr. Speaker, I am moving Cut Motions Nos. 7, 9, 10 and 11 and commend them for the consideration of the House. I shall dispose of the last three briefly first, and then take up the first, that is No. 7.

With regard to these Advisory Committees that have been constituted for Delhi and Himachal Pradesh, I find that not enough representation has been given to the Opposition on these Committees. And without adequate representation for the Opposition on these Committees, I venture to submit that they can hardly be called democratic committees in the truest sense of the word. I would therefore urge Government to see to it that the Opposition parties are better represented on both these Committees for Himachal Pradesh as well as for Delhi.

Coming to Cut Motion No. 9, relating to the functions and powers of Zonal

Councils, I am not aware whether the constitution as well as the functions and powers of the Zonal Councils have been finalised once and for all. I believe the matter is still in a state of flux and that the picture is inchoate. I would therefore ask the Minister to let us know what is going to be the constitution, particularly as to whether the Members of Parliament and the M.L.As. of these States which will be included in the scope of reference of the Zonal Councils, will find a representation on the Zonal Councils or not. I think without representation for the M.P.s. and the M.L.s. of those States with reference to which each Zonal Council will be constituted, the Zonal Councils will function neither to the satisfaction of the people in the States nor in a democratic or efficient manner.

I will come now to Cut Motion No. 7. Various points arise with regard to this particular Demand, No. 52. I would invite your attention to page 21 of this booklet. And incidentally I am glad that the printing is better this time than on the last occasion. It is more easily readable. It is visible and legible. There are various points which arise with regard to this particular Supplementary Demand for Grant relating to Cabinet. I will briefly deal with each of the aspects of this matter.

You will find that though at the time of the Budget we had only forty Ministers in the Council, including Deputies, now, owing to efficient family planning, the number has increased to forty-five by the end of the year. And you will find that more money is being allotted for touring, internal as well as external. Item (iii) says: "More touring than originally anticipated both within the country and abroad". International touring is anticipated and is being provided for. I would like to know—and the House would like to know, I am sure—a few more details with regard to this touring, as to which Ministers propose to go on tour within the next four months. General Elections are coming on now. I do not think many Ministers would like to go away from

their constituencies. Still there are some dare-devils.....

Mr. Speaker: The hon. Member may one day become a Minister. Let him not become a dare-devil!

Shri Kamath: "Dare-devil" is not unparliamentary.

Mr. Speaker: There is nothing unparliamentary about it.

Shri Kamath: It is a tribute to the Minister.

Shri V. P. Nayar (Chirayinkil): It is an honour.

Shri Kamath: And some will perhaps go outside the country and stay there. All honour to them for doing their duty to the people so well and so efficiently. But the point is this. I have experience in my own State of how too much touring by Ministers, whether of the Centre or of the States, upsets and dislocates district administration. There are so many Ministers in each State and so many at the Centre. Take my own State Madhya Pradesh. There are about 30 there and about 50 here, and thus about 100 Ministers are going all over the State. I think that at times more or one Minister per day will be visiting a State. The House can easily realize how the administration of the district is upset by this constant touring. I consider that much of the touring is mere plan-less touring nowadays, and that should be put an end to, and I would submit the district officers should not be asked to dance attendance on every Minister who comes to the district headquarters. The Deputy Commissioner, the D. S. P. and other district officers invariably go to the Station to receive the Ministers and that means that at least 2 or 3 hours, if not more, of very valuable time meant for carrying out the work of administration is taken up in receiving and sending off of these Ministers. I therefore, very earnestly suggest that if possible, a special Minister may be appointed for looking after the receptions and farewells of Ministers in the States and at the Centre. No Minister need bother about these hereafter, if there is a special Minister who will have the portfolio of

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receptions, entertainments, farewells and send-offs and that would solve this difficulty to a large extent. I am well aware that many Ministers are still doing this 'receiving' business and my suggestion might reduce the number of Minister doing this job. The other aspect of the matter is the increase in the strength of the Council of Ministers. The first item that is mentioned is the arrears claimed by Railway authorities on account of maintenance, repairs, etc. of saloons received for Cabinet Ministers at enhanced rates for four years from 1952-53 to 1955-56. The Railways are claiming a transfer on book account; I would like to know particularly how many Ministers travel by saloons; how many saloons are set apart for them; which Ministers of Cabinet rank travel in them, which other Ministers, and all particulars thereof. I cannot recall which particular Minister is entitled to what kind of saloon and how much money is being spent on a saloon. I think it is high time we look into this. I do not know if you, Sir, are entitled to a saloon. If the Ministers are entitled to use a saloon, you too should be entitled; otherwise, none should have saloon. I think the House will appreciate the point that you too must be entitled, in order that you may be 'on a par' with them. However I do not want to bring you into the picture....

Mr. Speaker: The Speaker is entitled to all the amenities provided for a Cabinet Minister. Let me not be brought into the picture. The Ministers have much to do with executive duties outside.

Shri Kamath: Very well. I only brought this matter to your notice because this has got a direct bearing on the number of Ministers. I have learnt that electric consumption at the residences of the Ministers is shooting up. There is a question which will come up before the House, perhaps tomorrow, and we would get the information. I am told that the electric bill at the residence of some Ministers has gone up to Rs. 1,000 or so a month, per Minister-Ministerial Capita. I

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think that this matter should be investigated into and I suggest a Parliamentary Committee should go into the matter, because in the Capital of India, people say, in most of the Ministers' residences, a regular 'Diwali' is going on; so many lights are on and are burning, and there is so much power used for various matters in their houses. That should be looked into.

Then I come practically to the last point, the example set here by the Prime Minister in increasing his Cabinet, and the strength of his Cabinet is somewhat faithfully copied in the States. They say: "The Prime Minister's example should be followed by the Ministers in the States". The present Bengal is one-third of the old Bengal. How could anyone justify the strength of 32 or more Ministers in the Cabinet? If the old Bengal were there—I mean, the entire Bengal—it would have 100 Ministers....

Mr. Speaker: We have no right to criticise the States here.

Shri Kamath: They are copying the example set-up here. They say that "the Centre is setting a good example and we are following it."

Lastly, I would urge that we should forge sound precedents and traditions in our Parliamentary democracy. It is very necessary that the Ministers should be Members of either House, preferably of the Lower House—Lok Sabha. There is a talk going on about this matter and there is a desire on the part of the powers that to see that most Ministers are Members of the Lok Sabha in future. Awkward situations might arise when they are not Members of the Sabha. You yourself experienced a difficult position when Shri S. K. Dey attended the House for the first time; you yourself did not know who he was and you were quite right in asking him about it. We fully appreciated your point of view that the Speaker should know who is who among the Ministers; otherwise one begins to wonder what Parliamentary Democracy is coming to. (Interruption) My leader says that even the Prime Minister who

chooses his Ministers does not know the Ministers.

I may state that here in this House, we have had and are still having two Ministers,—Cabinet Ministers,—who are not Members.....

Mr. Speaker: We are going into the General Supplementary Demands and here no matter of policy which has already been adopted some time ago can be taken up. Ministers have been appointed who under the Constitution need not be a Member of this House or the other for six months. Therefore, they are there. Of course, when they are appointed, they must be introduced to the Speaker; otherwise they put him into an embarrassment, because he does not know whom to call or by what name to call.

Shri Kamath: The two Ministers were appointed after the Budget Session. As I said, it stands to propriety, if not reason, while speaking about the Cabinet, that the Prime Minister along with his colleagues should be Members of one of the Houses of Parliament; I hope that those who are still not Members will be elected to this House or the other one very soon. It is rather painful.....

Mr. Speaker: Does he want a bye-election now?

Shri Kamath: I am told that one of them tried to get into the Rajya Sabha, but there is no room for him there. That is rather sad for him. The newspapers have reported it. I hope both the Ministers would find a place. I hope that the ex-Chief Minister of Bombay would also find a place in one of the Houses. Therefore, I would request the Minister to enlighten the House on these points that I have raised with regard to these cut motions.

Shri M. S. Gurupadaswamy (Mysore): Sir, I wish to speak on my cut motions Nos. 6, 8 and 20. My hon. friend Shri Kamath referred to the undesirable trend in the expansion of Ministries and said that there should be a limitation to the number of Ministers. I wish to add only one

more point. In the U. K. such a kind of chaos in the choosing of Ministers was existing for many many years. The Members of Parliament there began to feel the same way as we are feeling today. They thought that there should be some limit to the numbers and categories of Ministers. They took a long time to consider this matter. At last, they decided that there should be an enactment of Parliament to fix the maximum limit to the number of Ministers. They have passed an Act and that Act is in full force. The Prime Minister or the Leader of the House of Commons has no power to expand the Ministry beyond this limit fixed by Parliament except with the permission of Parliament and that permission could only be given by an amendment of the Act. I feel that that is a very healthy piece of legislation. We, here, follow the Mother of Parliaments and we imitate all the practices, conventions and principles of the British Constitution.

An Hon. Member: Colonial child.

Shri M. S. Gurupadaswamy: I think we would be doing better if we copy the example of Britain even in this matter. I would request the hon. Minister to consider very seriously this aspect of the matter that there may be a limit on the number of Ministers and also a definition of the categories of Ministers. As was pointed out by my hon. friend, there are different categories of Ministers.

Pandit Thakur Das Bhargava (Gurgaon): May I enquire whether it is true that 10 per cent of the membership of Parliament has been fixed as a fair proportion of the number of Ministers there?

Shri M. S. Gurupadaswamy: I do not know that. The fact remains that in England today, the formation of the Ministry is governed by an Act of Parliament. They have not left it to the discretion or sweet will of the Leader of the House. I feel that that is a very salutary principle and that should be copied here. That is my simple point.

Pandit Thakur Das Bhargava: That has not been exceeded here.

Shri M. S. Gurupadaswamy: I was pointing out that there are different categories of Ministers. We have never considered what types or categories of Ministers there should be when the Ministry is formed. As the Leader of the House went on expanding the Ministry, he also went on creating distinction between one set of Ministers and another set of Ministers. Now, there are four sets of Ministers, if I am correct. There are Cabinet Ministers; secondly, Ministers of Cabinet rank who cannot sit in the Cabinet; thirdly, Deputy Ministers; and lastly Parliamentary Secretaries. We are therefore having four classes of Ministers. I am not referring very light-heartedly to this matter. I wish that this should be considered very seriously. I appeal to the Ministers and the Leader of the House, who is not present now, to consider this matter whether it would not be possible at least hereafter to have an Act of Parliament to fix the number and define the various categories of Ministers.

My hon. friend Shri Kamath pointed out that there has been too much of expansion of the Ministries. I also feel the same way. The expansion of Ministries to an undesirable extent is not good even for the Ministry itself. If there is too much growth in the number of Ministers, I am afraid, it may lead to collective irresponsibility rather than responsibility. It may also lead to rival antagonisms operating in the Ministry. In other words, it may destroy homogeneity. I may draw the attention of the House to one particular matter. Dr. P. S. Deshmukh is here. He said something in the other House regarding the ceiling of cotton price. That statement was not in tune or in conformity with the statement of the Finance Minister. Therefore, contradictions were there and different sets of statements were made on one particular point. Such instances could be quoted in plenty. I do not want however to take the time of the House.

The Minister of Agriculture (Dr. P. S. Deshmukh): I must say that the hon.

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Member's information is incorrect. There was no contradiction.

Shri M. S. Gurupadaswamy: There will be different occasion to point out the contradiction by showing proof. I am pointing out that such contradictions are bound to arise if there are too many Ministers because it is very difficult to control....

Mr. Speaker: Even if there are only two Ministers, there can be contradictions.

Shri M. S. Gurupadaswamy: But the danger will be less.

Shri K. K. Basu: His complaint is that there are so many Ministers and they themselves do not know each other.

Shri M. S. Gurupadaswamy: That was one of the points raised in the British House of Commons before passing the Act. Even from the standpoint of the Ministry, it is not good to have a very large number. We have now about 45 Ministers and some Parliamentary Secretaries. I think we have reached half a century. I feel that there are as many colours in the Ministry as there are in the rainbow.

An Hon. Member: More.

Shri M. S. Gurupadaswamy: Such an undesirable, limitless expansion, I think, is not conducive to efficient working.

My next point is about the tours of Ministers. That point has already been made and I do not want to repeat it. I only want to consider not whether some of the Ministers have not misused the power given to them. I find that certain Ministers have been mostly touring their constituencies. Many of them have been invariably found, as often as possible, in their constituencies. If there are any changes or developments in the States, they go there and dabble in local politics. I am sorry that such undesirable trends are found and I think that Ministers should take care to see that such needless private tours in the guise of

public tours should be avoided as far as possible.

My next point is about Zonal Councils. It is a new experiment under the States Reorganisation Act. I was one of those who opposed the very conception of Zonal Councils. I do not want to refer to that now because it is irrelevant. But having formed the Zonal Councils, I wish to suggest that the Zonal Councils should concentrate their attention now on the problems of boundaries. There are very many boundary disputes between States and those disputes had not been settled before the Act was passed. It was left to the zonal councils. It was left to the Ministers of the States concerned to negotiate and bring about settlement. Now that the Zonal Councils are being or have been constituted, I expect that the Zonal Councils should first try to settle these boundary disputes or controversies regarding certain areas between various States; between Mysore and Madras, Mysore and Kerala etc. So, I would suggest to the hon. Minister that instructions may be given accordingly to the Zonal Councils. As the Home Minister happens to be the Chairman of the Zonal Councils, he may take up this matter soon and settle all the boundary disputes even before the general elections if possible, if not at least as soon as possible.

Shri V. P. Nayar: I only want to make a few observations about the neglect of the Central Government in matters relating to the Laccadives, Minicoy and Amindivi islands. My leader gave details of the primitive conditions under which 20,000 poor people live there.

It was rather astonishing for me Sir, to hear the Home Minister saying this morning in answer to a question by my hon. friend Shri Shiva Rao that these islands have nothing at all in common with any State or the people of India, so that they have to have a development programme separately. If you go through the footnote you will also find the extent of the neglect, because it is very clearly stated there that in the short time available, however, it has not been possi-

ble to obtain complete information and formulate plans for the development of the islands. Here are two or three islands, possibly our only land space in the vast Arabian Sea, and the only spaces from which we can properly operate our defence forces being subjected to such gross negligence, when as we know the islands have a population of 20,000 people. It is to be very much regretted that even today nobody can go safely to these islands. There is no service. We may have powered vessels, we may have boats, but there is no motor boat which operates between these islands, and if you go through the details of the sea surrounding this place, you will find that all these islands can be converted into very useful islands for the mainland of India if only the fisheries industry is developed.

We know as a matter of fact, all around these islands there are vast resources of fishes available, like the tuna and bonito and several other varieties which besides the good prices which they fetch in the Indian market will provide markets for exports. I have not been able to go to this place, but my information goes to show that in all these islands small fishing harbours can be built to the very great advantage of the population there which is essentially maintaining itself on fisheries.

The Government of India should also, I would submit, think of at least having an air strip in these islands because of their immense strategic importance. We do not have islands like these in the Arabian sea and therefore if these islands are neglected regardless of the misery which the people there have to suffer or the squalor which is common in all these islands, I submit that it will be a costly mistake for the nation also.

I do not want to say anything specially about the lack of education, there which, according to our information, is very deplorable. There are practically no medical facilities, and tropical disease like elephantiasis and leprosy are rampant. Nothing could be done because of the transport problem and the difficulty in sending medi-

cal aid. Therefore, unless something is done and very quickly too, I submit that we will be neglecting a population of 20,000 people and also neglecting the development of a place which is probably of the greatest importance for our naval defences. It will be easy to have some small fishing harbours located in the islands. Ships of the Indian Navy can also pay regular visits and send their men. A lot of things could be done like that if only Government have interest. Even at the time of asking for Supplementary Grants I am sorry to find that Government say that they have no information at all, that the information could not be gathered. We hope that by prompt action at least by the time when the next Supplementary Grants are brought there will be no occasion for this, and we will be in a position to have direct communication with these islands and see that these islands have at least begin the process of development.

I would not suggest any other industries, but I would very earnestly urge the Government to establish the fisheries industry on modern lines, so that the condition of the fishermen can be improved, and also to consider whether it will not be possible in the light of our requirements in the context of the present world situation to have at least an air strip so that we can have better patrolling opportunities. We have also to find out whether some small port could be developed so that our powered vessels can regularly call on these islands.

With these words I request the Government to pay proper attention to these three islands which, I stress again, are of immense strategic importance for our defence.

Shri Damodara Menon (Kozhikode): I rise also to speak a few words on the development of the Laccadive, Minicoy and Amindivi islands. I represent these islands now in this House, and as has already been pointed out, these islands today are in a very backward condition. I know the Government have some plans of development for these islands. Notably it has been promised here that

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there would be regular boat services, steamship services, between these islands and the mainland. I do not find in the Supplementary Demands any provision made for the starting and running of this shipping service. I would like the hon. Minister to state here what progress has been made on this scheme, whether it is likely that in the near future there will be regular service between the mainland and these islands. Now, country-crafts go to these islands during the non-monsoon season, but if any craft goes to these islands during the monsoon season, very often they find it impossible to reach the islands and we have many reports of the islanders being landed in some other place or being lost in sea. Therefore, the first step for the development of these islands will be the starting of a regular service and provision has to be made for this as early as possible.

The main industry in these islands is the coir industry. I am glad some provision has been made for its development. But I want to know what steps Government are taking to start the coir industry right in the islands. Now they produce coir and it is sold to the mainland. The arrangement is very unsatisfactory. There must be some co-operative institutions in the islands themselves to collect the coir made there and send it to the mainland.

Another thing which forms the crying need of these islands is the need for medical aid and education. I am sure now that the islands are going to be Centrally administered, the Government will take immediate steps to establish primary schools and make medical facilities available. A doctor is hardly seen there. It is also not possible for doctors to be sent there because the conditions of life are really inhospitable. Therefore, ample provision must be made for the location of hospitals as also for the residence of doctors and other medical men.

These are things which the Central Government will have to attend to urgently.

I understand that only about ten islands in this group are now inhabited. I do not know what scheme the Government has to see that the other islands also are inhabited. I would suggest that people may be sent there and establishments set up there by which these islands can also be developed. They are all small bits of islands, and as suggested by Shri V. P. Nayar, the fishing industry can develop very well in these islands; besides, that will also give employment to these poor people.

13 hrs.

Since these islands have now come under the direct charge of the Central Government, and no proper democratic set-up is being contemplated at present, it is the duty of the Central Government to see that these people do not suffer. They are now voters in the parliamentary constituency which I represent here, and I do not know what democratic set-up Government will have for them in the future. In the Bill that has been introduced.....

Shri Velayudhan (Quilon *cum* Mavelikkara—Reserved—Sch. Castes): Is there no democratic set-up there now?

Shri Damodar Menon: They are now not having any democratic set-up at all. In the Bill that has been introduced here, I find that some kind of democratic set-up is contemplated for the Centrally administered territories like Tripura, Manipur and Himachal Pradesh etc. I would suggest to the Minister that some form of democratic set-up is granted to these islands also. Of course, it may not be so advanced as in the case of the other big territories like Manipur, Tripura and Himachal Pradesh. But some kind of democratic set-up is called for because today these islands enjoy no democratic rights.

If that is done when Government have these islands under their administration, it may be possible for those people to feel that they are better administered, that their

amenities are better looked to, and their education and health services are specially attended to.

With these few words, I request the Minister to pay special attention to the development of these islands.

Shri K. K. Basu: I would just like to add my voice to those of Shri Kamath and Shri M. S. Gurupadaswamy in regard to the views expressed by them on the expansion of the Cabinet. I tried to work out the ratio between the number of Members of the Congress Party and the number of Ministers, and I found that every twelfth man was a Minister, even if I deducted the number of Parliamentary Secretaries.

I had the good fortune to work on a committee appointed by the late Speaker, and continued under your regime, on offices of profit, and in the course of my work there, I found that there were nearly six hundred to seven hundred offices. This shows that it is possible, if I may say so, to exercise influence in regard to appointments in those committees, not to speak of the Ministerial appointments. I am fully conscious that in a developing economy like our which aims at the ushering in of a welfare State, there might be occasions when the administrative process will have to be expanded and new men will have to be brought in. But the House has not yet been taken into confidence in regard to the justification for the expansion of the Cabinet and in some cases for upgrading the Parliamentary Secretaries to the level of Ministers. Only recently—I am not striking any personal note about this—the Parliamentary Secretary to the Minister of Railways and Transport was upgraded to the post of Deputy Minister. We know that the administration of the railways has been so strongly criticised in this House that the Railway Minister even thought of resigning because of what he considered the failure of his own administration. So, even though we are appointing a number of Ministers, ostensibly with a view to improve the administration, yet, unfortunately, so long, we have found that the administration has not

yet improved. If you go through the reports of the parliamentary committees such as the Public Accounts Committee and others, you will find that there have been quite a few occasions when the working of the railways has come in for criticism; you will see from these reports to what extent those committees have criticised the working, failures and irregularities of the different Departments and Ministries. Therefore, unless Government are prepared to take the House into confidence, as to the necessity for the further expansion of the Cabinet, I am constrained to say that this House should not accept these Supplementary Demands for Grants.

I am surprised to find—I have no personal knowledge of this matter, but I find from what Shri Kamath has said—that even the electric bills for the Ministers' personal consumption are paid by Government. That is a staggering state of affairs. I can understand giving to them a free house, because most of these Ministers come from other parts of the country, and it is very difficult for them to find accommodation here. But I would have thought it was much better to have given them some house allowance or a house on a subsidised rent. But it is really strange that they must be given everything free. This creates a kind of psychological atmosphere among them. Further—of course, I am not concerned with this here at the moment—most of them do not know what their future is, and what the verdict of the people will be after six months or one year or after every five years; they must also be in the good books of the leader to continue in their office. I would suggest that this practice of even the electric bills for the personal consumption of the Ministers being paid by Government should be discontinued.

I have something very strong to say in regard to the use of saloons by Ministers. Unfortunately, one day, I had to travel in a particular train where I was sandwiched between a saloon and an air-conditioned saloon. I fully understand that if a Minister has to go on tour from one station to another, it may be necessary to have

[Shri K. K. Basu]

a complete bogie for him, because he may have to carry the office with him. But, if, for instance, a Minister goes from Delhi to Madras or Delhi to Calcutta or Delhi to Bombay, he can easily travel by the air-conditioned coach, because, after all, he represents the people today, unlike in the British days, when, for security reasons, he had to travel without coming into contact with the public travelling even in the air-conditioned coach, not to speak of coming into contact with the common man.

I had asked a question in regard to the number of saloons that have been maintained, both air-conditioned and non-air-conditioned, for the use of the Ministers and the senior officers of the Railway Board and others. But, unfortunately, no answer has been given to that question yet. I would submit that they must justify their right to use these saloons, especially at the present time when we have to save every pie of our national exchequer for the developmental work in our country. I would have wished that instead of trying to increase the number of saloons, the Minister would have come forward to reduce the number from ten to two, three or four, so that, except on special occasions the Ministers and officers may travel by the first class or at the most by the air-conditioned coach. Therefore, I am strongly of the opinion that the time has come in our country, when we are thinking of the socialistic pattern of society, and we are having as the objective of our Constitution a welfare State, for doing away with the specialised kind of treatment being given to the Ministers and higher-ups, which is a legacy of the old British Raj.

Regarding the tours of Ministers, I am really worried why at the time of the elections the number of tours undertaken by Ministers should be on the increase, because, it is very easy that under guise of opening one village hospital the Minister might go to his constituency which he has not visited for the last four and a half years. He may certainly go on tour

and visit his constituency because he is responsible to his constituency, but he should not do so at the expense of the national exchequer.

I would conclude my observations on these Supplementary Demands for Grants relating to the Home Ministry, with a few observations on the Zonal Councils. The House has passed the law relating to the setting up of these Zonal Councils, and these Councils have got to be set up in the different zones comprising the different States. But what I would like to point out is that from what we have been able to gather from the Home Minister's observations both in the Joint Committee and also in the course of discussion in this House, the whole conception of the Zonal Councils is still in a nebulous state. Further, in view of the general elections which are now coming on neither the Home Minister nor the heads of Governments in the various States have the necessary time to formulate clearly the scope and functions of these Zonal Councils and their mode of working. When that is the case, I would submit in all seriousness that we should not embark upon such expenses on administration. The time has come when we have to see that every pie of our national exchequer is spent in such a way that it is really productive and not wasted in the maintenance of an office or a higher administrative set-up. You yourself know, as a former Chairman of the Estimates Committee, to what extent we are still continuing the old process of having a top-heavy administration, without trying to gear it to the needs of the country and the requirements of the people in accordance with the objectives and the standards that we have kept before ourselves.

With these words, I oppose some at least of the Supplementary Demands for Grants of the Home Ministry.

Shri Kelappan (Pennani): I am speaking on my cut motions Nos. 21, 22 and 25. In doing so I only want to endorse what has been said by my hon. friends just now and also add a word or two.

One cannot look on with equanimity at this kind of increase in the number of Ministers. I thought 40 was too big a number. It is for the Ministry to consider whether it will not be better to limit the number of Ministers. If they want to have one person for each portfolio to be trained up, there are a number of young men who can be taken up as Parliamentary Secretaries, so that they may take their places later on in the Ministry. There are energetic, intelligent and smart young men—a number of them—and they will take greater pains to study the various questions. Therefore, even the number 40 seems to me is too big. If party exigencies are to be solved by appointing more and more Ministers and Deputy Ministers, there is no knowing where it is going to stop. Therefore, I look with some concern at the increase in the number of Ministers like this.

The Zonal Councils have now come to stay. But after some time, the Ministry will realise that these Councils have no function to perform. They are ineffective and futile. These Councils were conceived in a different context altogether. If we have a number of small States, as they have in the United States, a number of them may have to undertake certain common works. They may have to consult among themselves often. As our States are now constituted, they are very big, like Bombay, Madhya Pradesh, Rajasthan and so on. It is only very rarely that these States may have to undertake any common works and may have to consult among themselves.

So it is my hope that after some time the Ministry will realise that there is no need for these Zonal Councils. Even now, there may arise questions which concern two or more States. But then what we do is to have a talk at ministerial level. If they cannot come to any understanding, the matter will go to the Central Ministry who will intervene and settle it. This system could have gone on. But now expenditure goes on increasing and this is mere waste of funds.

As regards the Laccadives, Minicoy and Amindivi islands, the administration that we have there now is something like an antiquated, archaic, feudal system of administration. It has to be brought in line with the administration in the whole country. The population there is very very backward. Government have allotted a sum of Rs. 1,50,000 for purchase of coir. What is not alone is this coir is sent to the mainland where it is manufactured into finished products. If some small factories could be started in the islands themselves, they could give work to the people there and the coir could be converted into finished products and taken over to the mainland.

There is need for at least a small dispensary in each of these islands. So also is the need for schools. They are very very backward now. It is possible to have a regular steam launch service established between the mainland and these islands. That will be absolutely necessary if these islands are to develop.

Shri Velayudhan: I only want to add a few words as regards the information of Zonal Councils and the expenditure incurred. Of course, according to the States Reorganisation Act, we are going to have these Zonal Councils. At the time when this idea was mooted, it was mentioned that these Councils would be directly under the Governors and the Government or party in power would not have any influence over the policy and programme that would be taken up by the Councils. It was, as you know, intended to protect the interests of the minorities in that area; perhaps, it might be linguistic minorities or political minorities or even racial minorities. But when I saw the constitution and structure of the Zonal Councils, I too was convinced, as my hon. friend, Shri Kelappan, was, that this would be a failure, because it would be a handmaid, practically in the hand of the party in power, in the various States. They will use these Councils for their own interest and exploit them. at the same time damaging the interests of the minorities, for whose benefit these Councils were originally started.

[Shri Velayudhan]

Then I come to the subject of the appointment of officials to these Councils. I am very sorry to say that the administration has got a tendency to appoint officials on high salary whenever an opportunity is provided by parliamentary legislation. This has been going on for the last so many years, ever since we got independence. It has been the characteristic of the present Government and administration to create jobs on very high salaries. I do not think a small Council with a few members must have a Joint Secretary on a salary of Rs. 1100—1800. It is surprising that a Joint Secretary of such a high salary is required for such a minor administrative purpose as a Zonal Council. Of course, it is the custom and practice of Government that when there is a Joint Secretary, there must be immediately an Under-Secretary; otherwise, the administration will not be carried on. Then there must be a Superintendent followed by Assistants. So goes the set-up of the administration.

If I may say so, there will be no work for these officials. They will be sitting idle and wasting public money, because for months together there will not be any work at all for the Zonal Councils. So it should have been the lookout of the Home Minister to have intelligently gone into this matter and seen what work these officials would have. But the Government will never look into such details.

Let me cite an example, the case of the mechanised farm the Government are going to have. It is mentioned that the General Manager will have a salary of Rs. 1800 *ad hoc*. Then there must be a Mechanical Engineer on Rs. 1,000—1,400. Then there must be a Director of Administration; he must have Rs. 800—1,150; then there must be an Assistant Mechanical Engineer, followed by a Farm Superintendent on Rs. 600. I have seen farms like this in some other countries. There the head of the farm will not have more than Rs. 300 or Rs. 400 or Rs. 600. This is only a mechanised

farm. I am citing this because we have a mechanised farm in Bhopal and we all know how many crores have been lost in the administration of the farm.

The Minister in the Ministry of Home Affairs (Shri Datar): The hon. Member is speaking on an unrelated Demand.

Shri Velayudhan: I was only quoting an example. I thought the Minister would intelligently understand what I said.

I was speaking about the Zonal Council and the appointment of officials because the Home Minister will have to sanction the staff. I was asking why the Minister did not go into details as to the work that should be performed by the officials appointed to the Zonal Councils. My question is, why such huge waste; why should such high posts be created for minor work. There is no work at all. I would invite the hon. Minister to go and see what to work there is, excepting chit-chatting, going to parties and cinemas and other things, for months together.

Shri N. C. Chatterjee (Hooghly): Very good work.

Shri Velayudhan: I challenge the Minister in this.

Another point about the Laccadive Islands. My friends from Malabar have spoken in detail about this matter. The other day I got a letter from a friend of mine from that area; he is the only graduate from that area and he is an officer in the Government of India. He says that the local population has now got the fear—now that this has become a Union Territory—that so many Congressmen from Malabar are having an eye on these islands and they want to see that they are elected in the election to Parliament. There are people in the locality who can manage their own affairs. They should be given the privilege of administering their own affairs. People from the neighbouring State should not be their representative in Parliament. It is a very backward area

and they come under the President's list also. They must be given the little privilege or convenience or advantage of working there. The Government should look into, that.

Another thing. Government should look into, particularly, the health of the people in that area. There is elephantiasis in that area. The Government should ask the WHO or some other organisation to depute somebody to that area and spend some money to remove this disease prevailing there.

About this area I want to emphasise only this. The people in that area are fully alive and they are capable of running the administration. There must be some autonomous administration and they must be given charge of that. There is a fear in the minds of those people now that others will capture their right and sit in Parliament. A person who is born in that area and is living in that area, should be given the right to represent that area in Parliament.

Shri T. B. Vittal Rao (Khammam): Sir, I am moving my cut motions Nos. 24 and 26 relating to Labour—the working of the Industrial Tribunal in Delhi—and Demand No. 57A—about the direct steamer service between the mainland and the Laccadive Islands.

When I am speaking about Labour, neither the Minister nor the Deputy Minister is here.

The Minister of Heavy Industries (Shri M. M. Shah): I have been asked to represent them.

Shri T. B. Vittal Rao: I am very glad.

Shri K. K. Basu: Gujarati fraternity.

Shri T. B. Vittal Rao: There are 200 Unions with a membership of 1 lakh in Delhi. In the textile industry itself, there are 20,000 workers. In the Second Plan, in the chapter on Labour, it is said that we should concentrate on the effective implementation of labour legislation. I will just tell you how effectively labour legislation is being implemented in Delhi,

the metropolis of India. The largest chunk of workers in this Delhi State are building workers. They number about 75,000. Even though it has been said that legislation should be undertaken regulating their conditions of work, till today that legislation has not come up. Regarding stone-cutters, the provision of minimum wages should be implemented. It is there in the Act. You can just see how flagrantly it is being violated. In order to circumvent this provision, a stone-cutter is appointed only for 5 days and then he is dismissed. Then he is appointed for another 5 days. If a worker engaged in building construction is employed for 6 days, then, on the 7th day he has to be given a holiday with wages. In order to deprive him of this facility, he is appointed for 5 days and dismissed after that. There is no proper housing for these workers nor is there proper water supply. Even the small hutments that are constructed, are pulled down mercilessly and when some sort of resistance is shown, they are lathi-charged, without giving them any alternative shelter.

To implement the Minimum Wages Act or the Payment of Wages Act, we have only 2 or 3 inspectors, whereas there are 20,000 workers in the textiles, 75,000 of these building workers and 50,000 shop assistants in Delhi State. The shop assistants are not given over-time wages. I believe 2 or 3 inspectors cannot cope with this work and the proprietors violate the provisions of the Acts. Under the Payment of Wages Act, there is a separate authority in all the States. The Labour Commissioner is appointed a Commissioner under the Payment of Wages Act. But, here, one judge of the Small Cause Court is appointed with the result that he has to look after his duties as well as these grievances. The representations submitted to him are naturally delayed.

Then, there are the municipal workers. There is flagrant violation of the law. They are paid their wages on the 15th, 16th or the 17th. According to the Act, they should be paid in the first week. Here

[Shri T. B. Vittal Rao]

there is a peculiar system. There is no separate officer to look after the enforcement of labour legislation. The whole thing is under the Director of Industries, Labour and Civil Supplies. He has a plethora of cases. You will see a number of workers and trade union representatives and leaders standing before him and he cannot attend to anything. Even conciliation proceedings take a pretty long time—8 or 10 months. Drastic steps should be taken to remedy the situation if you want to do justice to these workers in a socialistic pattern of society.

I have got a case of a sub-editor of the *Hindustan Times*. He was dismissed without any cause. After 3 months of protracted conciliation proceedings, the case was preferred for adjudication in March. Usually, the conciliation proceedings should not take more than a day—two or three days or even four days at the most. And then the Conciliation Officer makes a recommendation to the Government whether the case is fit for adjudication or not. In this case it took three months to refer it to adjudication. It went to the tribunal after some months which said that this particular editor should be paid some interim compensation. Finally, the proprietors went to the High Court or Supreme Court and got a stay order. The fact remains that the employee has not got anything to this day.

While referring to Delhi, we cannot but make a mention of the water supply system. We were told that some better arrangements would be made for the supply of pure and chlorinated water for us. But even today the Najafgarh *nulla* is flowing into the river and that water is supplied to us, highly chlorinated. I do not know when we will get protected water supply so that there may not be any more cases of jaundice. Regarding the sanitation obtaining in the city of Delhi—no doubt we are living in very nice places—if we go to the city, we will know how unsatisfactory it is. You can better imagine it in-

stead of my explaining it to you.

Having said this much about Delhi, I would like to say a few words about the direct steamer service between the mainland and the Laccadive Islands. So many people coming from those parts have spoken much about it, but I would like to place only a few facts before the Minister. Two years ago in reply to a question of mine, the Deputy Minister of Transport told the House that the Madras Government have been asked to look into the matter, and further they have made a representation to the Government of India in this regard and asked for a subsidy. The hon. Minister then assured the House that the question has been taken up and a subsidy of Rs. 1,25,000 would be given. I then pursued the question. I put a question to the Transport Ministry and it came to the Home Ministry. The Home Minister stated that the Madras Government have been asked to look into the matter, and the subsidy would be paid by the Central Government. After a few months when again this question came up in this House, the Minister stated that as the Laccadive Islands are going to be Union Territory, the Central Government would take this up. For the last two years this question has been going on like this—from the Central Government to the Madras Government, from the Madras Government back to the Central Government. Files are moving but the steamer service is not plying yet. I do not know much about the people of the Laccadive Islands, but I saw a newsreel shown by our Information Ministry and I now know how bad the condition of those people is. When the President visited the Laccadive Islands some time last year, the main demand of those people was for a direct steamer service between the mainland and the Laccadive Islands. But the Government have been sleeping over it for a pretty long time. I hope at least now when the question of saloons has been raised, something will be done, and done quickly, for the poor people of the Laccadive Islands for better relation-

land and those unfortunate distant islanders.

Shri Nettur P. Damodaran (Tellicherry): I shall make myself as brief as possible. I would like to say a few words about the Zonal Councils and record my protest for keeping Mysore State out of the Southern Zone. Mysore, as we all know, is now added on to the Zonal Council to which Bombay belongs. Mysore is essentially a South Indian State and it should have been put into the Council along with Andhra, Madras and Kerala. Andhra, Kerala and Madras are in one Zonal Council. Kerala and Mysore have many things in common with each other. Their boundaries are common. That is to say. They have the same boundary in very many places. I think this should be rectified even at this stage. Even if any change is necessary in the Western Zonal Council, I think Andhra should have been added on to Bombay rather than to Madras. At any rate, Mysore, Kerala and Madras should belong to one Zonal Council.

Mr. Speaker: Will all of them be too big—Andhra, Mysore, Kerala and Tamil Nad?

Shri Nettur P. Damodaran: Since Andhra has got many things in common with the present Bombay State and has also got a long common border, it should have gone with Bombay rather than with Madras. Mysore, Kerala and Madras are inter-linked in various spheres, and all the three States have long common borders. I feel that some change should be effected as early as possible in this matter.

I also come from Malabar District, which is the nearest district for the Laccadive Islands. The Laccadive, Amindivi and Minicoy Islands belonged to the District of Malabar in the Madras State till the 1st November of this year. As my friend, Shri Vittal Rao, and other friends from Kerala area have pointed out, this group of islands deserves immediate attention from the Central Government. They have come under the direct charge of the Government of India. As my

friend, Shri Vittal Rao pointed out, the question of running a regular steamer service between the mainland and these islands has been hanging fire for the last so many years. A number of questions have been asked in this House and vague replies given, sometimes by the Transport Minister and sometimes by the Home Minister. At the beginning of this session I had tabled a question about the steamer service to the Laccadive, Minicoy and Amindivi Islands. The hon. Home Minister's reply what was that negotiations are going on with a shipping company—only one company has come forward—for running a steamer service between the mainland of the west coast of India and the Laccadive Islands. This matter has been pending for a considerably long time. Even during our President's visit to these islands, the urgency of the problem of transport was brought to his notice, but I find that the Home Ministry of the Government of India have not moved in the matter very much. If it is not possible for any private shipping company to come forward, I think it is the Government's direct responsibility to purchase a steamer and run it between the mainland of India and the Islands of Amindivi, Minicoy and Laccadive. I would also suggest that the steamer should touch all the important towns on the west coast of India, at least between Cochin and Mangalore, namely Ponnani, Calicut, Badagara, Tellicherry, Cannanore, Kasergode and Mangalore, and should touch all the inhabited islands in this group of Laccadive, Minicoy and Amindivi Islands. My friend, Shri V. P. Nayar, has appraised this House of the immense possibilities of developing the fishing industry in these islands. I associate myself with every word of what he has said about these islands. They provide immense possibilities for the development of fishing industry in India. A number of small fishing harbours could be constructed there. Another important use to which these islands can be put has been suggested by him. In the defence of our country, these islands have a very important strategic role to play.

[Shri Nettur P. Damodaran]

I do not know whether I will be treading on dangerous grounds when I say this. These islands are now very much neglected. They are populated entirely by our Muslim brethren who, in their present state of illiteracy are likely to be influenced by our nearest neighbours. In a state of emergency, these islands may become potential danger spots for the safety and security of our country. So, even from that point of view, they deserve better attention and the inhabitants of these islands should be kept in a satisfactory condition. Reference had already been made to the lack of educational, medical, health and industrial facilities. If we develop one or two islands very well, they can be very good tourist centres and holiday resorts and if there is a regular steamer service from the West Coast, I am sure quite a large number of tourists from India and abroad will see these beautiful islands which are now kept in a state of neglect. Like Kashmir or any other beautiful part of India, these islands will become tourists' paradise if they are properly developed.

One other point which was referred to by my friend Shri Gurupadaswamy and others, was that the number of Cabinet Ministers was too large. I do not share this view since our country is a very vast country and many great projects are being taken up. With the increasing work that our national Government is handling now, we can not say that the number of Ministers is too large. Considering the exigencies of the situation and the nature of the work they now have to transact and compared with the vastness of the country, the number of Ministers is not large.

Shri Veeraswamy (Mayuram—Reserved—Sch. Castes): It is very small?

Shri Nettur P. Damodaran: They are not too many; that is what I say.

I agree with the suggestion made by Shri K. K. Basu about the use to which these saloons are put to. I find

that some at least of our Ministers and officers do not keep in touch with the people whom they are representing. About the Ministers of course, according to the need of the hour and the nature of the work they will have to transact, we will have to allow the use of saloons. But many of them, particularly the Government officers, very often keep themselves, shut in these saloons and keep themselves out of touch with the public. In a welfare State and in a country which is pledged to the socialist pattern of society, it is quite out of tune if we make extensive use of these saloons and I think that the Government will bestow some thought on this problem also.

Mr. Speaker: The following are the selected cut motions to the Home Ministry Demands. They have been indicated by Members to be moved, subject to their being otherwise admissible:—

20, 6, 7, 21, 43, 8, 9, 22, 10, 24, 11, 44, 25, 26, 27, 28, 29, 30, 45, and 46, 5 and 31

Problem of limiting the size of the Ministry.

Shri M. S. Gurupadaswamy: I beg to move:

“That the demand for a supplementary grant of a sum not exceeding Rs. 4,56,000 in respect of ‘Cabinet’ (Page 21) be reduced by Rs. 1,000.”

Question of expansion of the Ministry.

Shri M. S. Gurupadaswamy: I beg to move:

“That the demand for a supplementary grant of a sum not exceeding Rs. 4,56,000 in respect of ‘Cabinet’ be reduced by Rs. 100.”

Appointments to the Council of Ministers.

Shri Kamath: I beg to move:

“That the demand for a supplementary grant of a sum not ex-

ceeding Rs. 4,56,000 in respect of 'Cabinet' be reduced by Rs. 100."

Increase in the number of ministers.

Shri Kelappan: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 4,56,000 in respect of 'Cabinet' be reduced by Rs. 100."

About the increasing appointment of ministers and unnecessary use of saloons.

Shri K. K. Basu: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 4,56,000 in respect of 'Cabinet' be reduced by Rs. 100."

Working of Zonal Councils

Shri M. S. Gurupadaswamy: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 2,55,000 in respect of 'Zonal Councils' be reduced by Rs. 100."

Functions and powers of Zonal Councils

Shri Kamath: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 2,55,000 in respect of 'Zonal Councils' be reduced by Rs. 100."

Necessity for the Zonal Councils

Shri Kelappan: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 2,55,000 in respect of 'Zonal Councils' be reduced by Rs. 100."

Constitution of the Advisory Committee for Delhi.

Shri Kamath: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 3,34,09,000 in respect of 'Delhi' be reduced by Rs. 100."

Inordinate delay in the disposal of disputes referred to the Industrial Tribunal, Delhi

Shri T. B. Vittal Rao: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 3,34,09,000 in respect of 'Delhi' be reduced by Rs. 100."

Constitution of the Advisory Committee for Himachal Pradesh

Shri Kamath: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 2,42,00,000 in respect of 'Himachal Pradesh' be reduced by Rs. 100."

Lack of uniformity of Pay Scales in centrally aided subordinate Police Force

Shri A. K. Gopalan: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 54,56,000 in respect of 'Police' be reduced by Rs. 100."

Urgent need for development works

Shri Kelappan: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 3,00,000 in respect of 'Laccadive, Minicoy and Amin-divi Islands' be reduced by Rs. 100."

Delay in providing for the direct steamer service between the Mainland and Laccadive Islands

Shri T. B. Vittal Rao: I beg to move:

"That the demand for supplementary grant of a sum not exceeding Rs. 3,00,000 in respect of 'Laccadive, Minicoy and Amin-divi Islands' be reduced by Rs. 100."

Question of organising and improving the Fishing Industry

Shri A. K. Gopalan: I beg to move:

"That the demand for supplementary grant of a sum not exceeding Rs. 3,00,000 in respect of Laccadive, Minicoy and Amindivi Islands' be reduced by Rs. 100."

General economic and social developments of the Islands

Shri A. K. Gopalan: I beg to move:

"That the demand for supplementary grant of a sum not exceeding Rs. 3,00,000 in respect of 'Laccadive, Minicoy and Amindivi Islands' be reduced by Rs. 100."

Urgent necessity of revising existing penal laws and other regulations now applicable to the Islands.

Shri A. K. Gopalan: I beg to move:

"That the demand for supplementary grant of a sum not exceeding Rs. 3,00,000 in respect of 'Laccadive, Minicoy and Amindivi Islands' be reduced by Rs. 100."

Question of arranging a daily steamer service between the mainland and the Islands

Shri A. K. Gopalan: I beg to move:

"That the demand for supplementary grant of a sum not exceeding Rs. 3,00,000 in respect of 'Laccadive, Minicoy and Amindivi Islands' be reduced by Rs. 100."

Neglect of the Islands

Shri A. K. Gopalan: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 3,00,000 in respect of 'Laccadive, Minicoy and Amindivi Islands' be reduced by Rs. 100."

Necessity to give equal pay to subordinate staff of the Central Reserve Police

Shri A. K. Gopalan: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 29,32,000 in respect

of 'Relations with States' be reduced by Rs. 100."

Economy in expenditure

Shri M. S. Gurupadaswamy: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 4,56,000 in respect of 'Cabinet' be reduced by Rs. 1,000."

Ventilate the grievance of non-establishment of a High Court Bench at Aurangabad in Marthwada of Bombay State

Shri Telkikar: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 29,32,000 in respect of 'Relations with States' be reduced by Rs. 100."

Mr. Speaker: These cut motions are before the House.

Shri Datar: In the course of the debate, three points have been made by the hon. Members: firstly, regarding the number of Ministers, the increase therein and the amount to be spent over them and their travelling; secondly, regarding the zonal councils and thirdly, regarding the Laccadive and Amindivi islands.

Taking the first point first, I would, in all humility, point out that the number of Ministers is not large at all. The hon. Member has said that the number of Ministers was large taking into account the strength of the British Cabinet. I have here before me an authorised publication, known as the Britain the Official Handbook. Herein, I find that there are as many as 15 to 25 Ministers called Secretary of State for various departments. In addition, we have Ministers who are holding traditional offices and then, we have the Chancellor of the Exchequer and the Lord Chancellor. In addition to all these officers whose number may come to about 30 or 35, we have got Ministers of State. We have in addition Parliamentary Secretaries and Under Secretaries. If

all these officers are taken into account, the number would be not less than 50.

Shri Kamath: In India there are so many State Governments.

Shri Datar: So far as the population of India is concerned, we have 36 crores and the area may be not less than 12 or 15 times that of the U.K.

Shri Kamath: What about the State Cabinets?

Shri Datar: Now, so far as the Government is concerned, the hon. Member is aware that its revenues are in the neighbourhood of Rs. 500 crores. We are no longer a merely police State; we are a welfare State and there has been a very great expansion of activities of the various Ministries. Under the circumstances it would not be proper to say that the number is unduly large. (*Interruptions.*) I have heard all the hon. Members quietly and I expect a quiet hearing. (*Interruptions.*)

Mr. Speaker: Order, order. The hon. Members ought not to be impatient like this. I am not allowing interjections when the hon. Members are speaking. There are three times as many Members on this side as on that side. Life does not consist of constant interjections.

Shri Datar: Neither in U.K. nor in any other democratic country has there been an Act of the legislature defining or specifying the number of Ministers. It depends upon the work that is to be done. So, it is the privilege of the Prime Minister or the Leader of the House to appoint as many or as few Ministers as he likes. It depends upon the work that the Ministers have to do. In the ultimate analysis, we are responsible to this House and if it is found that the number of Ministers is largely in excess, then, we are accountable to you. So, I submit that the number is not large at all; much less is it unduly large.

This is matter on which it is extremely delicate for me to speak

because I have to carry on the work. I would point out to the hon. Members that the Ministers have to carry on their strenuous piece of work and their average period of work per day is not less than 12 hours. The hon. Prime Minister is working for 16 hours.

An Hon. Member: What about the others? He may work for the Party.

Shri Datar: For Party reasons or otherwise. It is entirely wrong to call the number in question and say that the Ministers are as many as a legion.... (*Interruptions.*) Let me continue. Every Minister is working for more than 12 hours a day. Let the hon. Members understand it quite correctly. Our Prime Minister is working for more than 16 hours a day. Under the circumstances the Prime Minister is a better judge than my hon. friends opposite. So, I would submit to the hon. Members opposite that it does not look very dignified to call in question the number when the work has been increasing beyond all enumeration.

Shri Kamath: Dignity is not your privilege only.

Pandit Thakur Das Bhargava: Kindly appoint one Animal Husbandry Minister.

Shri Datar: I take it, after all, as a joke.

Pandit Thakur Das Bhargava: It is not a joke. I make it very seriously.

Shri Datar: That question will be considered as carefully as possible. We shall leave it to—

Mr. Speaker: The hon. Members to my left will come in large numbers and have their own Ministers! Why are they in such a great hurry?

Shri Kamath: We do not want Ministership. We are the Opposition.

Shri Datar: So far as the question of tours is concerned, let hon. Members understand that in addition to the work that a Minister has to carry on as a Member of the Government, in Parliament, and in his office, he

[Shri Datar]

also has to possess a direct knowledge of the conditions everywhere, and therefore it is the Minister's duty to go round and have an understanding of the conditions. Unless he has a direct knowledge of the conditions obtaining, especially in the rural parts of India, in the outlying parts of India, it would be extremely difficult to understand how the administration has been going on there. Therefore, tours are a necessity. Tours cannot be dispensed with, much less can they be disregarded.

So far as the saloons are concerned, I would like to point out that saloons are not taken recourse to as a matter of course. Only in extremely select or rare cases where it becomes absolutely necessary that saloons are taken recourse to. For example, when Parliament is sitting and if a Minister has to go on public business, then, if he has to return immediately to answer the various charge of my hon. friends opposite, he takes recourse to saloons. As a matter of course, saloons are not taken except when they are absolutely essential I can assure the hon. Members of that fact. After all, we are answerable to the people, and therefore, I would assure the hon. Members that only on absolutely rare occasions and in very select occasions, saloons are taken. Otherwise, they are not taken.

I would pass on to the Zonal Councils, So far as the Zonal Councils are concerned, I am amazed at the ignorance or the misunderstanding that a number of hon. Members had. This is a matter which is governed by the States Reorganisation Act. Therein, it has been pointed out what the functions and what the position of the Zonal Councils are. My hon. friend, Shri M. S. Gurupadaswamy, wanted to know whether there would be scope or a place or a room for MLAs of MPs there. So far as that question is concerned, it is entirely a governmental, inter-State or inter-Governmental organisation. So far as the different States, which are the units of the Zonal Councils, are con-

cerned, their Chief Minister is there. Two more Ministers are added on and the Home Minister of the Union Government is the Chairman. So, after all, it is a very small body, and its functions are specified. Therefore, it must be understood that whenever there are questions of a nature which can be better solved so far as the States are concerned, by sitting together and by coming to certain agreements, then, naturally, such a machinery ought to be welcomed. So, with due deference to the hon. Members, I would point out that it is more or less a Governmental, inter-State machinery. The Zonal Councils are not large bodies, large enough to include either MLAs or MPs. But their representatives in the States, the elected Ministers in the State, are the Members of the Zonal Councils concerned.

Further, it was stated that the Zonal Councils may not turn out any work at all. In fact, my hon. friend Shri A. K. Gopalan said that Zonal Councils are a futility. It is rather harsh on the part of my hon. friend, whom I respect, to say that the Zonal Councils would be absolutely useless before the Zonal Councils have entered upon their career.

Shri Kamaiah: Give them a trial.

Shri Datar: We propose to have the first meeting, the inaugural meeting of the Zonal Councils during next month, that is, January, 1957. The object should be well known to the hon. Members. I would not go back, but I would recall to the hon. Members that when the idea of a Zonal Council was broached for the first time by the hon. Leader of the House, there was a spontaneous reaction to it and there was a spontaneous response to it, and that is the reason why the idea of a Zonal Council has been worked out. It will furnish a platform for the States to come together and to discuss matters of common interest and also to discuss matters which are likely to become disputes between one State and another State.

Shri Velayudhan: The Leader of the House did not think of a Zonal Council of the type which you have constituted.

Shri Datar: This machinery requires the blessings of all the hon. Members. Therefore, even before it has started on its career, it would be entirely wrong to predict a failure. I am quite confident that we have got sufficient common sense. Our nation has got understanding and a long vision, and the Zonal Councils would come together and solve many a controversial question.

The last point related to the Laccadive group of islands. So far as the Laccadive and Minicoy islands are concerned, I was very happy to find that a considerable amount of interest has been taken in them. I must say that I was rather intrigued at the spurt of attention paid by my hon. friends from the South to these small islands. I may point out to the hon. Members that these are small islands. They are hardly 10 or 15, and the total areas of all these islands put together is 13 square miles. Their population is about 22,000. The nearest island is about 120 miles from the West Coast and the most distant is about 180 to 200 miles. They are all scattered. Some of these islands, for example, the Laccadive Islands, was formerly ruled by the Cannanore Rajas till 1875. Then they came over to the British and they were looked after by the Madras Government. So far as the Amindivi Island is concerned, it was under the British from the period of the fall of Seringapatam in 1799. Those groups of islands came to the Central Government for the first time on 1st November 1956. Let this fact be understood very clearly. If this fact is understood very clearly, then, the Central Government cannot be held responsible for whatever has been done, whatever little has been done or whatever has not been done, so far as these islands are concerned.

Then, the Laccadive group of islands were under the administrative

control of the Collector of Mallabar and the Amindivi Islands were under the control of the Collector of South Kanara. It may be said to the credit of the Madras Government that they have tried to give as much attention as they could to these islands, taking into account the difficulties that they had, especially the difficulties communication. The matter of communications is not so easy. In fact I may point out to the House that the Madras Government had taken a number of steps, so far as these islands are concerned. I am afraid some of the hon. Members have not visited the islands and possibly they have drawn more upon their imagination....

Shri A. K. Gopalan: We would not have returned if we had gone there.

14 hrs.

Shri Datar: The interest that the Government has taken is clear from the fact that the President of the Indian Union had gone there. The then Governor of Madras had also visited some of the islands and their reports are before us. I would point out to this House that there are primary schools in almost every one of these islands and there are also medical facilities, though of course of a limited nature, available there. Even when the Madras Government was carrying on the administration, they had certain schemes. They had evolved certain proposals which now have been transferred to us.

Shri A. K. Gopalan: May I know whether the hon. Minister knows that six months back some boats had capsized and about 20 or 25 persons had not returned. We do not know what happened to them. That matter has been brought forward before the Minister.

Shri Datar: I was explaining to the House what has been done by the Madras Government which was in charge in one case for more than 150 years and in another case for nearly 70 years. It would be wrong to say that the Madras Government have completely neglected these islands.

[Shri Datar]

The Madras Government had a number of proposals before them for the purpose of continuing the hostel for the children at Kozhikode on the west coast, conversion of certain elementary schools into middle schools and the opening of railway schools also in some of these islands. The coconut nurseries were continued with a view to establishing them on a sound footing and the medical facilities were sought to be increased. (*Interruptions*). Let hon. Members have some patience.

Mr. Speaker: If hon. Members have any questions, they may note them and put them after the hon. Minister concludes.

Shri Datar: So far as fisheries are concerned, funds amounting to Rs. 1.75 lakhs have been included in the Budget estimates for the next financial year for the development of fisheries.

A very important question was asked about communications. Communications is a fairly difficult matter. As long as the Madras Government was in charge, they were carrying on negotiations with certain shipping companies. One of them was prepared to enter into a certain agreement, but by that time, on 1-11-56, the Government of India took over these islands. We are carrying on the negotiations now. There companies came forward, but ultimately only one company has made certain definite proposals. The enormity of the problem can be understood by pointing out that Government will have to spend a very large amount of money. Government are anxious to have a round-trip, so that a steamer that starts from the mainland can touch one of these islands. So far as the other islands are concerned, this steamer would stop in the mid-stream and launches would be used. This arrangement requires a cost of Rs. 2,500 per day of working. The charter hire proposed is Rs. 2,500 per day. The vessel will be

available for 11 days in a month for round-trip during the fair season—8 months in a year from October to May. The question was whether the other consequential arrangements could be undertaken by certain shipping authorities. The matter was found to be a bit difficult. I may point out that the Central Government in anticipation of the transfer of these islands, called a meeting of the authorities of the shipping companies as early as June, 1956. The next meeting has also been held and certain proposals have been made. The Government are anxious to have a direct service between the mainland and these islands. We do not mind the small number of people there; after all, they are Indian citizens and they are entitled to all the amenities that every Indian citizen is entitled to.

An hon. friend, Mr. Gurupadaswami if I am not mistaken, entirely misunderstood me when I said that there was nothing common at present between the mainland and these islands. The difficulty is that they are absolutely in a primitive condition in a number of matters. So, before they can be useful members of the zonal council, it is essential that we should take them through a preliminary period of intensive development, so far as the different activities are concerned. That is the reason why the Government of India took over these islands. We are anxious to spend more money, perhaps more than what the States would have done. Some of the States were anxious to have these islands for themselves. For example, the Kerala Government were anxious that these islands should be given to them. But they had very limited resources and the problems of Kerala were also many. It was therefore considered that it would be better in the interest of the development of these islands themselves, that they were placed under the Central Government. The Government are going to take a number of administrative

steps also, so as to bring them in line with the other States.

As I stated, these islands require constant attention not only so far as the improvement of the administrative machinery is concerned, but also so far as the development of the land and the availability of amenities of a civilised life to the people are concerned. I would assure hon. Members of this House that Government are fully conscious of their obligations towards these islands. They are parts of India and Government would see to it that as early as possible, they are placed on the same footing of development as the other parts of India, namely, the mainland. After this preliminary requisite has been gone through, they can become very useful members of the zonal councils. That is why today it has not been found necessary and useful to make them members of one of the zonal councils. That question would be considered when they are fully developed and I am quite confident that they will be developed within a very short time.

Shri A. K. Gopalan: The reply to a letter written by me on 14th August, 1956 about these islands is:

"The question of informing the islanders of the welfare and whereabouts of the survivors of the wrecked *Melaca* and their ultimate transhipment to their islands from Kozhikode has been referred to the Madras Government."

May I know what is the answer?

Shri Datar: At present, I am not in possession of the facts. I shall make enquiries and inform the hon. Member.

Shri A. K. Gopalan: It has also been stated that the question of arrangement of a steamer service between the mainland and the islands is being considered in consultation with the Transport Ministry. May I know the position?

Shri Datar: I have just explained the position. The first meeting was held in June, 1956.

Mr. Speaker: The hon. Minister has said that it costs Rs. 2,500 per day; the steamer would touch one of the islands and the other islands would be reached by launches.

Shri Datar: Government are anxious to have the steamer service as early as possible.

Shri Gopalan: It has also been stated that the question of suspension of the Bombay Government's recovery proceedings against the owner of *Melaca* has also been referred to the State Government. May I know the position?

Shri Datar: It was referred to the State Government first, because the State Governments were carrying on the administration. When we took over the islands on 1-11-1956, we were not in possession of full facts. That is the reason why sometimes a reference has been made to the Madras Government for information. As soon as the information is available, necessary action will be taken.

Shri A. K. Gopalan: May I know what happened to the representation of the Welfare Committee of the Laccadive Islands that the representatives of the islands may also be included in the Advisory Body of the Scheduled Castes and Scheduled Tribes, because there are no representatives from there.

Shri Datar: I am not aware of this position, but I shall see whether there are any people apparently belonging to the Scheduled Castes and Scheduled Tribes there.

Shri Kamath: May I ask whether it is a fact that the electricity bills of Ministers at their residences are paid out of the public exchequer and if so whether they are as heavy as Rs. 1,000 and Rs. 2,000 to which I referred earlier?

Mr. Speaker: These are matters of detail.

Shri Velayudhan: The Minister just now referred to doctors. I would like to know how many doctors have been appointed there?

Shri Datar: I may tell the hon. Member that I cannot give the exact number of doctors, but we have provided for medical facilities.

Shri Velayudhan: Without doctors?

Shri Datar: I may, however, state that a surgeon is going there.

Shri V. P. Nayar: The hon. Minister just now said that a sum of Rs. 1.75 lakhs will be provided in the next year for the development of fisheries. May I know whether any team of specialists in fisheries have visited this place, and if so, for what time, in order that they may be able to submit proposals which cover Rs. 1.75 lakhs?

Shri Datar: Before the sum of Rs. 1.75 lakhs is spent a number of exploratory matters have to be gone into and they are being started. For example, exploratory fishing will have to be carried out with some small power boats.

Shri V. P. Nayar: Before that you have allotted the amount.

Several Hon. Members —rose

Mr. Speaker: I am not going to allow any more questions.

Shri T. B. Vittal Rao: I have raised certain points about the Ministry of Labour.

Shri M. M. Shah: Mr. Speaker, Sir, my hon. friend Shri Vittal Rao has raised certain questions regarding labour disputes in the Delhi State. It is quite natural that the House should feel anxious on this important matter, but I am afraid the hon. Member has not got before him all the facts of the case. It is true that some cases are pending before the Industrial Tribunal in Delhi, but I may point out that in the year 1954-55, 41 cases were reported and the Industrial Tribunal has disposed of

satisfactorily 38 cases. In the year 1955-56, 63 cases were reported of which 40 cases have been disposed of satisfactorily. There are undoubtedly some pending cases; but a large number of cases has been disposed of satisfactorily by the Industrial Tribunal.

As the House is aware, under the amended Industrial Disputes Act which recently was passed by both the Houses of Parliament, we are taking steps to appoint a new full-fledged Industrial Tribunal for the Delhi State and I can assure the House and the hon. Member that within the next two months a new Industrial Tribunal will come into existence.

Besides during the current year there were reported 2,697 cases of ordinary industrial disputes of which the hon. Member will be happy to know that 2,014 cases have already been settled by conciliation proceedings in favour of the workers. About 360 cases out of this have been compromised by mutual consent of both the parties and only 175 cases have been rejected. In that way almost 95 per cent. of the cases pending have been disposed of satisfactorily. This is not a very small achievement as far as labour administration is concerned.

We must also remember that an Industrial Tribunal does not merely deal with cases under the Industrial Disputes Act; it has also to be undertake disposal of applications. During the current year the Tribunal has over and above these cases, disposed of 435 applications under section 33A over several disputes.

Then the hon. Member referred to the inadequacy of the staff in the local administration as far as labour is concerned. It is true that compared to a big full-fledged State, the Delhi administration is comparatively small. Even so, the staff that is working today is not unsatisfactory

or inadequate. We have a full-fledged Conciliation Officer in the form of a Director of Labour and Industries, then one Labour Officer, one Assistant Labour Officer, three or four Minimum Wages Inspectors, three Labour Complaints Inspectors and ten shop assistant inspectors. The administration has under review the question of expanding the staff to meet the increasing need of labour disputes. There also it was mentioned that adequate steps and attention are not being given to the question of labour welfare in the Delhi Administration. Sir, I may inform the hon. Member that 1,380 labour houses are under construction and will be completed very soon. In the Second Five Year Plan we have made much more provisions than even in the First Five Year Plan and 3,000 industrial houses are going to be built in the next few years. So, I do hope that the hon. Member and the House will appreciate the different steps that we are taking in the field of labour welfare. We have actually opened seven welfare centres, actually they are functioning. One more is being opened very soon. In the Second Five Year Plan period we have provided a very big programme of housing of labour, and welfare centres and different types of welfare activities in the field of labour welfare. All these merely go to show that Government is fully aware and alive to the responsibilities which in a socialist pattern of society or welfare State a modern Government has to undertake.

The hon. Member made particular mention of the stone-crushers. As he already knows, Government has full sympathy with this class of construction labour. If the hon. Member is not aware, I may inform him that we have already brought this class of workers under the Minimum Wages Act not only in Delhi but in many other States. Actually the Committee has fixed Rs. 1/12 as the Minimum Wage for this class of workers. When the Government found that even this wage is somewhat inadequate a Committee has

been appointed to go into the question of the revision of the minimum wage of the stone-crushers and construction labour. I can assure the hon. Member that the revision recommended by the Committee will be considered. All these and various steps which I have enumerated will satisfy the hon. Member to enable him to withdraw his cut motions.

Mr. Speaker: Out of the various cut motions that have been given I find that two do not seem to be relevant or proper. No. 5 is an economy removed by Shri Gurupadaswamy. He has moved:

"That the demand for a supplementary grant of a sum not exceeding Rs. 4,56,000 in respect of 'Cabinet' be reduced by Rs. 1,000".

(Economy in expenditure.)

As hon. Members are aware there are three kinds of cuts—one relating to policy, the other relating to individual grievances and the third economy cut. With respect to an economy cut the amount that is given must approximately, or as far as possible and as nearly as possible, tally with the amount to be economised. Therefore, I am sorry this cut motion cannot be allowed.

Then there is No. 31 by Shri Telkikar. It relates to the non-establishment of a High Court Bench at Aurangabad in Marathwada of Bombay State. This demand relates to Police. He could have at least said that an Inspector-General of Police should have been stationed there. Therefore, it does not appear to be relevant. So far as the other cut motions are concerned, unless any hon. Member wants a particular cut motion to be put to the House separately I will put all of them together.

The cut motions were negatived.

Mr. Speaker: I will now put Demands to the vote of the House.

The question is:

"That the respective supplementary sums not exceeding the amounts shown in the third column of the Order Paper be

[Mr. Speaker]

granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of the following demands entered in the second column thereof:

Demands Nos. 52, 52A, 53, 53A, 54, 57A and 61."

The motion was adopted.

[The motions for Demands for Supplementary Grants which were adopted by the Lok Sabha are reproduced below—Ed.]

DEMAND No. 52—CABINET

"That a supplementary sum not exceeding Rs. 4,56,000 be granted to the President to defray the charge which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Cabinet'."

DEMAND No. 52A—ZONAL COUNCILS

"That a supplementary sum not exceeding Rs. 2,55,000 be granted to the President to defray the charge which will come in course of payment during the year ending the 31st day of March, 1957, in respect of "Zonal Councils'."

DEMAND No. 53—DELHI

"That a supplementary sum not exceeding Rs. 3,34,09,000 be granted to the President to defray the charge which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Delhi'."

DEMAND No. 53A—HIMACHAL PRADESH

"That a supplementary sum not exceeding Rs. 2,42,00,000 be granted to the President to defray the charge which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Himachal Pradesh'."

DEMAND No. 54—POLICE

"That a supplementary sum not exceeding Rs. 54,56,000 be granted to the President to defray the

charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Police'."

DEMAND No. 57A—LACCADIVE, MINICOY AND AMINDIVI ISLANDS

"That a supplementary sum not exceeding Rs. 3,00,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Laccadive, Minicoy and Amindivi Islands'."

DEMAND No. 61—RELATIONS WITH STATES.

"That a supplementary sum not exceeding Rs. 29,32,000 be granted to the President to defray the charge which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Relations with States'."

DEMAND No. 116—OTHER CAPITAL OUTLAY OF THE Ministry of Communications.

Mr. Speaker: The House will now take up the Demands in respect of the Ministry of Communications, that is, Demand No. 9 (which is a charged item) and No. 116. I shall first place Demand No. 116 before the House.

Motion moved:

"That a supplementary sum not exceeding Rs. 26,50,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Other Capital outlay of the Ministry of Communications'."

Forty-five minutes are allotted for this, with special reference to Aviation. The hon. Members who want to participate in this debate may rise.—Shri Basu, Shri Kamath, Shri Tulsi-das, Shri Velayudhan and Shri Vittal Rao. Very well.

The Cut Motions indicated are Nos. 53, 55 and 56.

Shri Kamath: Also No. 18.

Mr. Speaker: And No. 18 also. Hon. Members will pass on the chits and I shall announce them together. As I said, there are forty-five minutes. Possibly the hon. Minister may take fifteen minutes.

The Minister of Legal Affairs and Civil Aviation (Shri Pataskar): Ten minutes.

Mr. Speaker: Then we have thirty-five minutes. About five hon. Members have stood.

Shri Kamath: The hon. Minister is new to the job; he may require more time.

Shri K. K. Basu: He is quite capable.

Shri Pataskar: Or you may give me fifteen minutes, Sir. I wanted to be more liberal with them.

Shri Tulsidas (Mehsana West): This is a question of Civil Aviation, this Demand No. 116. We have got a summary of the budget estimates of revenue and expenditure for the Indian Airlines Corporation for 1956-57. We have also got the summary of the budget estimates of the Air India International Corporation for 1956-57. We find from these budget estimates that the expenditure, particularly of the Indian Airlines Corporation, is mounting up very rapidly.

14:22 hrs.

[**MR. DEPUTY-SPEAKER in the Chair.**]
And the result which has been shown here is that the operating deficit in 1954-55 was Rs. 87 lakhs, it was estimated at Rs. 174 lakhs for 1955-56 and the revised estimate is Rs. 152 lakhs, and for 1956-57 the estimate is Rs. 206 lakhs odd, with another Rs. 20 lakhs on interest on bonds and so on in 1955-56 and Rs. 9,68,000 in 1956-57. What I would like to know is this. I find that since these Indian Airlines as well as the other Air India International have been nationalised, since the last three or four years, the operating results are not very promising at all. On the contrary, the results show that there have been continuous losses in the operation of these two airlines. I presume

that the item which is mostly responsible for this increased expenditure is fuel and oil, which expenditure has increased from Rs. 289 lakhs to about Rs. 320 lakhs, and the revised estimate for 1955-56 is Rs. 357 lakhs—that is, salaries and allowances and fuel and oil. I would like to know whether this item of fuel and oil includes the excise duties which the Government charges on fuel and oil.

Then, I would also like to know about depreciation. The provision made for depreciation is almost the same. The figure is about Rs. 40 lakhs in 1954-55, Rs. 60 lakhs in 1955-56, and the revised estimate for 1956-57 is about Rs. 68 lakhs. Are these provisions for depreciation made according to the Indian Income-tax Act or on any other particular basis. I would like to know the basis.

Then, I understand that the Indian Airlines Corporation are going to have a new planes from next year onwards. Well, I would like to know whether the revenue will be increased only because of the increased services, which they expect to put in view of the new planes which are going to be put in operation, or because of the new lines which they are going to put up. Because, I find that the revenue estimates for 1956-57 are Rs. 722 lakhs, as compared to Rs. 595 lakhs, which is an increase of about Rs. 127 lacs. I do not know on what basis the estimate has been made. The operating result, of the Indian Airlines particularly, is so very disappointing that we do not know when these two Corporations will be able to make both ends meet.

One who travels by these Indian Airlines Corporation services will also bear me out that the service that you get now, compared to what one used to get before they were nationalised, is far from satisfactory. There is a tremendous difference. Even the upkeep of the planes is bad; they are not kept in the same way as before. And even in regard to services, whether it is the question of food or any other amenity to the passengers, the service is far from satisfactory. I do

[Shri Tulsidas]

not know why it has gone down. Even though the services have been so much reduced, and the service is not so efficient, still the results are not at all satisfactory.

I was travelling only the other day, coming back from Calcutta. And I found that the scheduled departure time of 1-15 was not kept up. And when I particularly asked for the reason, they said that some V.I.P. had not turned up and so they were waiting. But the other passengers who had to go by the plane were waiting for more than half an hour. We are supposed to report ourselves half an hour before the scheduled time of departure. And they were all waiting (because some V.I.P. had not turned up.

Shri Pataskar: What was the date and time?

Shri Tulsidas: I think last Monday. It left half an hour late.

Shri Pataskar: From Calcutta to Delhi?

Shri Tulsidas: Yes. I am only pointing out this, because after all if the Indian Airlines or any other lines have to function properly, they must be looked at not merely from the point of view of any particular V.I.P. but they must look to the convenience of the other passengers also, and see that they are not inconvenienced.

I have also seen that whenever any of the passengers come ten minutes later than the reporting time, they are even refused tickets. I say ten minutes later than the reporting time; I am not referring to the time of departure. Even if they have already booked their tickets, they are told, nothing doing, you have come ten minutes late. When the ordinary passengers are finding these difficulties, in the case of V.I.P.s, even if they do not come, the plane is kept waiting. That is not at all satisfactory; I should rather say, it is not fair.

I would like the hon. Minister to give us some idea as to how the lines are working, whether the planes

which we have now are going to be replaced, if so, in what way, whether new planes are coming, whether new lines are being opened and whether these planes will operate on the same lines or on the new lines.

Mr. Deputy-Speaker: The following are the cut motions intimated in respect of this Demand, and they will be treated as moved: Nos. 53, 55, 56 and 18.

Failure to provide living accommodation for staff with a view to make some saving.

Shri K. K. Basu: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 26,50,000 in respect of 'Other Capital Outlay of the Ministry of Communications' be reduced by Rs. 100."

Futility of purchase of three Boeing 707 Jet Aircrafts.

Shri T. B. Vittal Rao: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 26,50,000 in respect of 'Other Capital Outlay of the Ministry of Communications' be reduced by Rs. 100."

Loss incurred by the Indian Airlines Corporation

Shri T. B. Vittal Rao: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 26,50,000 in respect of 'Other Capital Outlay of the Ministry of Communications' be reduced by Rs. 100."

Continuing gap between income and expenditure of the Indian Airlines Corporation and Air India International

Shri Kamath: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 26,50,000 in respect of 'Other Capital Outlay of the Ministry of Communications' be reduced by Rs. 100."

Mr. Deputy-Speaker: These cut motions are now before the House.

Shri K. K. Basu: Mr. Deputy-Speaker, I have a cut motion in respect of Demand No. 116, cut motion No. 53 in respect of housing accommodation either for office or for staff. The Government has given a note in which it is said that there is a saving of Rs. 25.5 lakhs expected in the provision made in the current budget for residential and office accommodation for the Indian Airlines Corporation. I do not know what proportion of this represents expected saving on office accommodation and what proportion represents savings in accommodation for staff. I want to emphasise this point. When there is an acute demand for greater facilities and accommodation for staff, I do not understand how the Government has come forward with a note of satisfaction saying that they have been able to save so much under this head. Unfortunately, my hon. friend is new to this department. He will have to go round to see exactly the conditions in which the staff is working. Even in a place like Calcutta, where the Dum Dum airport is five or six miles away from the city, except a very small percentage of the staff, the others have to stay in the city and report for duty. I know fully well that there is no knowing when the duty will end. One is asked to work from 8 to 12 hours. If some plane is late or there is some trouble, he cannot go away till relief comes. It has very often happened that when they have to come back to their homes late at night, there is no public conveyance. Unfortunately, these people are not even provided with transport to their homes. Now, we have aerodromes in many outlying places; in many places even ten or 20 miles away, from town or any habitation. No accommodation is provided for them. As a matter of fact, for several years, there has been a continuous demand for staff accommodation. In the Civil Aviation department, the staff is semi-skilled or skilled. There are very few unskilled people. There has been an insistent demand for accom-

modation and every time, Government has been saying that they are trying to do things. But, they have failed. The staff of the Civil Aviation department have been sent to do air-dropping of supplies, in NEFA areas etc., in spite of their protest that this is not part of civil aviation work, but part of military work. They are asked to go to places where even tent accommodation is not provided for temporary shelter. In this state of affairs, how did the Government come with this note of satisfaction that they have been able to save some money. I do not know exactly what proportion of this had been earmarked for residential accommodation for staff. I want to emphasise that when there has been so much demand for residential accommodation, Government should have spent whatever meagre funds were allotted for this. Otherwise, you cannot expect the Civil Aviation department to run the work efficiently. At least the minimum necessities of life should be provided for the staff. I hope the hon. Minister will see that these grievances are redressed.

Shri T. B. Vittal Rao: Sir, I have moved cut motions numbers 55 and 56. Under Demand No. 116, a sum of Rs. 52 lakhs is being asked for Air India International, for the purchase of three Boeing 707 jet aircraft. They are to cost Rs. 11.5 crores. This is the only information given in the note. There should have been a longer explanatory note, a comprehensive note on the point. We are going to purchase aircraft worth Rs. 11.5 crores, that is, each aircraft will cost Rs. 3.8 crores. What for are these being bought now? Which route will be served by them? Where is the necessity to purchase them at this high cost? Only the other day, the Finance Minister told us how we had to conserve our foreign exchange resources. An important point that I wish to bring to the notice of the House is this. While purchasing these aircrafts, we must be very careful. Who has gone there to inspect these aircrafts? Will they be suitable for our conditions? Is there a workshop which

[Shri T. B. Vittal Rao]

could properly overhaul and maintain them? These are the points that have to be taken into consideration. I make special mention of this, because we had Herons. What happened? As soon as they arrived, there was a structural change. We had to spend money. Although the amount was small, we had to spend money. Later on, they were grounded for some time which meant that the aircrafts was not utilised. That means loss of revenue. I do not understand the necessity for purchasing this aircraft. I would like to know whether global tenders were called for, and from which country these have been selected. All these things should have been given in a little more detailed manner when the Government is going to advance the money.

Then, I come to the question of loss incurred by the Indian Airlines Corporation. We have taken it over in 1953. Even now, we are incurring losses. We have been given some statistics. Whether full capacity of these Skymasters, etc. are utilised, how much is un-utilised, all these things have to be borne in mind. This Corporation is being subsidised by the Government in various ways. It is subsidised by sending our air mail at very great cost. Though we get the mail delivered quickly, it is a sort of subsidy to the airlines Corporation. How long will this continue? We have seen a big provision of Rs. 26 lakhs made for a building. Of course they are not undertaking this building this year; probably it will come next year. When we are incurring such a loss, why should we spend lakhs like this?

Finally, the employees of the Airlines Corporation have submitted a memorandum to the Chairman of the Corporation. I request the hon. Minister to request the Chairman to sit with them, and discuss and negotiate with them,—the charter of demands was presented long ago—and come to a satisfactory settlement so that we may have a contented staff and the services also may run efficiently.

Shri Kamath: Sir, I am moving cut motion No. 18 in respect of Demand No. 116. I do not wish to refer to the points that have already been made by my colleagues earlier. I would only invite the attention of the hon. Minister for Law and Air, who is new to this particular department, to the serious state of affairs in the Indian Airlines Corporation with regard to the increasing gap, alarming gap between income and expenditure in recent years. When the Bill to nationalise the air lines was brought before the House and when this matter was discussed, the then Minister, Shri Jagjivan Ram, gave the assurance that the air lines would be popular and would run at a profit, that in any case they would not run at a loss, but later experience has shown that this gap continues to increase year by year. The Government must institute enquiries into the matter so as to ascertain why balance is not being struck between income and expenditure in the Indian Airlines Corporation.

In the last budget session, so far as I can recollect, the matter of Heron aircraft was raised by my friend Shri Gurupadaswamy and some other colleagues also, and the then hon. Minister did say something to the effect that all was not well with the purchase and working of Heron aircraft. I do not know what the position now is with regard to them, whether it is almost a dead loss now, whether they have been re-sold at half the purchase price or even less. I hope the hon. Minister will enlighten the House on this particular matter.

I would suggest very seriously that the headquarters of the Indian Airlines Corporation should be shifted to Nagpur. Nagpur is in the centre of India and is a clearing station or port for all the air lines in this country. It can also be converted into an international airport and we can bring it up to international standards, because so many planes pass through it and there is the night air mail also in our country. I hope Govern-

ment will give earnest thought to this matter of shifting the headquarters of the Corporation from Delhi to Nagpur. If the Estimates Committee has not given any thought to the matter, I hope they will examine it and make a recommendation to this effect that the Government might in the very near future implement this suggestion of mine. It will be very welcome and popular in the country also. People would welcome it if the headquarters are shifted from Delhi to Nagpur, and it will be much more convenient and much more suitable from all points of view.

In the end there is one matter which it is rather awkward for me to raise, but with due deference to the sentiments and susceptibilities of my colleagues here, I would raise it. I would be happy if the gap between income and expenditure to which I referred would to a certain extent be made up by the new facilities that have been granted to hon. Members of Parliament with regard to air travel, but considering the space that we have got in the planes in this country I would ask the Government to consider seriously this point. There are seven hundred and odd Members of Parliament who have been given this concession. It is a concession rate so far as they are concerned. The money will be paid by some other department of Government, but the Member himself will have to pay a little less, much less than the other passengers, and so it is a concession rate for the Member. The argument may be trotted out that we have given a similar concession or more than that concession for railway travel, but I suppose—I am sure you and the House will agree with me—that the railways and airways in our country are not on the same footing, and compared with Europe, England and America, our air service is still in its rudimentary stage. It will expand in the near future, but at the present moment it cannot cope with so much pressure of traffic, with Members of Parliament travelling on their private business. That has been made clear in the circular of Parliament,

that Members are entitled to travel by air on parliamentary work, and they will get $1\frac{1}{2}$ times the air fare as T.A. and on private business they can travel at a concession rate. I think this principle will not be fair until we have the air services in the country well developed and have accommodation in these planes to enable Members of Parliament to travel even often, but so as not to inconvenience other private persons, businessmen and others who take to the air for expedition of their work. I would therefore ask the Minister whether this has been done with a view partly to eliminate the gap between income and expenditure, and if that is not so—if that is not going to happen—I will seriously ask the Government to withdraw such concession to Members of Parliament to travel by air for private business, as this concession rate is wholly discriminatory and should not have been sanctioned by Government, and even if the approval has been given, this approval should be withdrawn and this concession should also be withdrawn.

श्री सिंहासन सिंह (जिला गोरखपुर—दक्षिण) : उपाध्यक्ष महोदय, इस मांग के सम्बन्ध में मैं गवर्नमेंट का ध्यान ख़ास तौर पर दो बातों की तरफ़ दिखाना चाहता हूँ। अभी यहाँ पर कार्पोरेशन को टा होने की बात-चीत हुई। इस को बने हुए तीन वर्ष हो गये हैं, लेकिन अभी तक उस का घाटा मुनाफ़े में परिवर्तित नहीं हो पाया है, बल्कि मुनाफ़ा तो दूर रहा, अभी बराबरी भी नहीं हो सकी है। इस का कारण क्या हो सकता है ? अभी पार्लियामेंट में एक सवाल किया गया था कि जितने गवर्नमेंट कार्पोरेशन्ज़ हैं, उन की एन्नुअल रिपोर्ट्स सदन के सामने पेश की जायेंगी या नहीं। उसका उत्तर यह मिला था कि अभी सरकार इस विषय पर विचार कर रही है। जितने भी सरकारी कारोबार हो रहे हैं, अगर उन की रिपोर्ट सदन के सामने आये, तो हम यह विचार करें कि जो घाटा हो रहा है,

[श्री सिंहासन सिंह]

वह सही तौर पर हो रहा है, उस का कोई औचित्य है या इस सम्बन्ध में हमारी तरफ से कोई कोताही हो रही है। यहां के एक बड़े कैपिटलिस्ट महोदय, जो कि पहले एयरलाइन्स के मालिक भी रह चुके हैं, ने भी इसका जिक्र किया है। अभी एयरलाइन्स का राष्ट्रीयकरण हुए थोड़ा ही समय हुआ है। जब सरकार ने बड़े बड़े महाजनों से इन एयरलाइन्स को लिया था, तो भारी कीमतें दे कर पुरानी और टूटी-फूटी मशीनें उन को मिली थीं। हम को पता नहीं कि उन में से कितनी काम कर रही हैं और कितने को रीप्लेस करना पड़ा। इन सब बातों के कारण घाटा हो सकता है। इसलिये इस बारे में ज्यादा धवराने की जरूरत नहीं है। हमें इस बात का भी ध्यान रखना चाहिये कि सड़ा-गला माल ले कर ये कार्पोरेशन शुरू हुई थीं। अब उन में नई चीजें आ रही हैं। आईन्दा हम उस में सुधार की आशा कर सकते हैं।

म सरकार का ध्यान इस बात की ओर दिलाना चाहता हूं कि जहां कहीं लाइन्स खुली हैं, वहां सर्विस रोजाना नहीं होती है। मसलन गोरखपुर में सर्विस दो दिन होती है। हफ्ते में दो बार हवाई जहाज दिल्ली से कलकत्ता जाते हुए और दो बार कलकत्ता से दिल्ली आते हुए गोरखपुर में उतरते हैं। परिणाम यह होता है कि कलकत्ता या दिल्ली की तरफ जाने वाला मुसाफिर हवाई जहाज का पूरा उपयोग नहीं कर पाता वही मुसाफिर हवाई जहाज से जाता है जिस का कार्य अति आवश्यकीय हो हवाई जहाज पिछले दिनों बहुत गिरे हैं, किन्तु हफ्ते में केवल दो बार जहाजों के जाने के कारण वह इन्तजार नहीं कर सकता अतएव गाड़ी से चला जाता है इसलिये लोग उन पर सफर करने में धवराते हैं, हालांकि अब तो रेल और हवाई जहाज दोनों बराबर ही हो गये हैं, लेकिन फिर भी लोग रेल को ज्यादा सफ़ समझते हैं। गोरखपुर में यह सर्विस

इसलिये शुरू की गई थी कि वहां पर रेलवे का हैडक्वार्टर है, वहां पर २७ मिलें हैं, जिन के आदमी अक्सर बाहर जाया करते हैं। हम ने वहां के कई आदमियों से बातचीत की है। उन का कहना है कि कौन दो दिन इन्तजार करे, दो दिन में तो हम कलकत्ता पहुंच ही जायेंगे। इसलिये मेरा सुझाव यह है कि अगर गोरखपुर में रोजाना सर्विस शुरू कर दी जाये, तो बहुत अच्छा हो और वहां के लोगों को ज्यादा सुविधा हो जाय। अगर ऐसा न हो सके, तो कम से कम आल्टरनेट डे की सर्विस हो जाय, तो भी गनीमत है।

दूसरी बात मुझे यह कहनी है कि इस समय पटना से काठमंडू शटल सर्विस चल रही है। मेरा सुझाव यह है कि अगर उस को काठमंडू, पटना, गोरखपुर, लखनऊ कर दिया जाय और जो मेल लाइन सर्विस लखनऊ से गोरखपुर हो कर बनारस और कलकत्ता जाती है, वह सीधे जा सकती है, तो उस में मुसाफिरों को काफ़ी सुविधा हो सकती है और उन की संख्या भी बढ़ सकती है और रोजाना सर्विस हो सकती है। अक्सर मैं ने देखा है कि ये जहाज खाली जाते हैं और यही घाटे का कारण है। जहां ३० या ३५ आदमियों की जगह थी वहां मैं ने मुश्किल से आठ आदमी बैठे देखे। इन जहाजों के खाली जाने का एक कारण यह भी है कि किराया बहुत अधिक है। अभी एक माननीय सदस्य ने बतलाया कि पार्लियामेंट के सदस्यों को भी इन जहाजों में जाने की सुविधा मिल गई है, पर मेरा ध्यान है कि केवल विजनेस वाले या कैपीटलिस्ट मेम्बर ही इस सुविधा का लाभ उठा सकते हैं। साधारण वर्ग का मेम्बर तो इस सुविधा का लाभ नहीं उठा सकता कारण कि अब पहले दर्जे के रेल के किराये में और जहाज के किराये में अन्तर बहुत ज्यादा हो गया है। उदाहरण के लिये पहले गोरखपुर से दिल्ली तक का रेल का पहले दर्जे का किराया ६२ रुपया था और हवाई जहाज

का किराया इस का करीब ड्योड़्रा यानी १०२ रुपया था । पर अब रेल का पहले दर्जे का किराया ४० रुपया है और जहाज का वही किराया है । इसलिये माधारण वर्ग का सदस्य उस से लाभ नहीं उठा सकता ।

एक माननीय सदस्य : क्या जनता जहाज चलाये जायें ।

श्री सिंहासन सिंह : आप जनता का नाम ले कर इस बात की हंसी नहीं उड़ा सकते । इस में संदेह नहीं कि यह सुविधा जनता की पहुँच के भीतर होनी चाहिये । तो मेरा निवेदन यह है कि जब तक आप गोरखपुर को शटल सविस का प्रबन्ध न कर सकें तब तक रोजाना या कम से कम आल्टरनेट सविस का इन्तिजाम करें । उस का उपयोग होगा । अन्यथा जहाज खाली जायेंगे !

Shri Ramachandra Reddi (Nellore): The summaries of the budget estimates of revenue and expenditure of the Indian Airlines Corporation and the Air India International for 1956-57 give certain figures which are both interesting and intriguing. In the revenue account, we find that during 1954-55 the Indian Airlines Corporation received a revenue of Rs. 685.43 lakhs, while the budget estimate for 1956-57 is Rs. 788 lakhs. This shows that there is a definite increase in the revenue by about Rs. 1.03 crores or so.

From the expenditure column, we find that in 1954-55 the total deficit was Rs. 97.54 lakhs, while the estimated deficit for 1956-57 is Rs. 216.51 lakhs. Whereas the income has increased by about a crore of rupees, we find that the deficit also has increased by more than a crore of rupees. This shows how the Indian Airlines Corporation is working. I would request the Minister to give us some more details in regard to this matter.

On going through the figures in respect of the Air India International, we find that the revenue for 1954-55 was Rs. 483.66 lakhs, while the esti-

mate for 1956-57 is Rs. 837.45 lakhs. On the expenditure side, we find that the figure was Rs. 469.71 lakhs in 1954-55 while the estimate for 1956-57 is Rs. 836.73 lakhs. Even here, there is a large increase in the operational charges etc. I do not know what proposals Government have to decrease the expenditure and to increase the profit.

It is very necessary in the interests of the economy of the country that these two corporations must find out ways and means of running these services in a more economical manner, so as to show to the country that Government are capable of running these two corporations as efficiently as any other private corporation would be capable of. Otherwise, it gives us a very disconcerting picture that Government are not capable of running these commercial enterprises in the way in which they ought to run it. It also indicates that there should be a greater caution exercised by Government in undertaking such trade enterprises.

Shri Biren Dutt (Tripura West): Before you call the Minister, may I put one question to him? Why is it that the stewards and air hostesses working at the Calcutta airport are not getting the same pay though they do the same job? The stewards get less than the air hostesses, though they are doing the same job.

Shri Feroze Gandhi (Pratapgarh Distt. West cum Rae-Bareilly Distt.): The men get less and the women get more. That is his point.

Shri Kamath. Equal pay for equal work.

Shri Pataskar: Broadly speaking, three main questions have been raised by the cut motions that have been moved. The first of these relates to the loss sustained by the Indian Airlines Corporation. Now, the facts of the case are as follows. As hon. Members are aware, formerly, there were seven or eight private companies which were running services on different lines, and Government were giving them some subsidy from 1st

[Shri Pataskar]

March 1949. It was calculated at the rate of so many annas per Imperial gallon of petrol consumed on all the internal services.

The amount of subsidy granted to the airline companies during the period 1949—52 was Rs. 33.91 lakhs in 1949, Rs. 52.5 lakhs in 1950, Rs. 51.66 lakhs in 1951 and Rs. 35 lakhs in 1952. From these figures, it will be found that even the private companies were not in a position to make profit, in spite of the fact that Government were giving them subsidies. Moreover, there is also the fact that we have introduced these services only recently. When a new venture like this is started, naturally, it can be expected—as my hon. friend Shri Tulsidas will know very well—it is bound to suffer some loss in the beginning.

There were also certain other peculiar difficulties. Of course, I have not gone very deep into this matter, but it is natural to expect that when a variety of private companies are taken over, they create problems of their own. For instance, as a result of the taking over of all these private companies by one corporation, the wage bill has increased by Rs. 40 lakhs a year. Inevitably, these companies were paying different rates. In this connection, I would request hon. Members to take into account that the private companies were giving some subsidy and this made some lee-way. As a matter of fact, this Corporation has been contributing to the excise revenue Rs. 90 lakhs and more; it may vary from year to year, but the figure is somewhere about that. It will be realized by the House that best efforts are being made by the Corporation to run this service on scientific lines.

15 hrs.

Then there was a question asked about depreciation. So far as 1953-54 is concerned—this refers to period of 8 months only—the total loss was Rs. 79.48 lakhs, the depreciation was Rs. 27.07 lakhs and the loss minus de-

preciation would come to Rs. 52.41 lakhs. Then for 1954-55, the total loss was Rs. 90.15 lakhs and the depreciation was Rs. 40.62 lakhs. In 1955-56, it was Rs. 119.40 lakhs and the depreciation was Rs. 59.01 lakhs. The rest are only estimated figures.

Shri Tulsidas: How was depreciation calculated?

Shri Pataskar: They are at a different rate.

Shri Tulsidas: What is the basis?

Shri Pataskar: They are charged on some basis, which I would not like to give to the House without examining in detail. I tried to get the information but I would like to check it up and then only say on what basis it is being calculated at present. I think that the profit is taken out on the basis on which they have been taking it out in the past in respect of several other companies, because I think that in respect of some Aeroplanes the rate proportion is not the same, but I would not venture to give any definite reply before I examine the question a little more closely. So, it will be found that this is really a new service; of course there are several causes which really contribute to all these, because they have to pay also interest on bonds and borrowings.

Shri Tulsidas: That is separately put up.

Shri Pataskar: Yes; hon. Members will realize that efforts are being made and will continue to be made to see, to run the service—we are all interested in seeing that our idea of nationalization does succeed—and of course, I think in the beginning it should be expected that there is bound to be some loss.....

Shri Tulsidas: How long will it continue?

Shri Pataskar: As my hon. friend knows if you ask somebody if he would say for how many years he would incur loss, it would be very difficult for him to answer. Of course, if there is anything wrong, that can be checked. But by merely saying whether there is a loss in a particular would not be the criterion.

So far as accommodation for staff is concerned, I might point out that every possible effort is being made, because the Corporations also realize that they must make suitable accommodation for their employees; otherwise it affects their work. So far as Bombay is concerned, the Air-India International Corporation is building about 500 tenements and the Indian Airlines Corporation have requested the A-I-I. to build 100 tenements the work is going on.

So far as the staff at Calcutta is concerned, they are trying to do it by getting more suitable sites. So far as the staff quarters at Delhi and Calcutta are concerned, the Corporation is thinking of doing it within the funds available to them and they will try to do it. They themselves realize that there will be loss in efficiency if the staff are not provided with adequate quarters. This is a matter which is receiving their attention.

Then I come to the point with respect to the purchase of three Boeings. The estimated cost of three Boeing 707 Jet aircraft is about Rs. 11.50 crores and this is subject to the condition that an amount not less than 67 per cent. of the total cost will be raised by the Corporation through a foreign agency. This is intended to save foreign exchange. This is being done because the aeroplanes which are fitted with jet engines are being used in many other places and it is thought that we have to keep our lines in the International field. Even if we advertize, we will not be getting them till 1960. The Air India International, I believe, which is now being run has got a good reputation. As compared with the other International lines, it is not suffering a loss and they think that the best policy is to see from now onwards, that is after 5 or 6 years, we are not left behind and we get also engines which would be capable of working in competition with others because the other International Companies also are trying to purchase their scientific stores and they could get their jet aircraft and that is from the prospective point of view that these proposals have been put through.

They are, I might say, not finalized and the tentative agreement is that these Boeings could be delivered in 1960. They are not immediately available anywhere. The only amount that is required in this scheme is that required for completing the agreement with the concern itself.....

Shri Kamath: How are the Herons functioning?

Shri Pataskar: They are functioning, according to the report, quite well enough, because hon. Members will find that there is no report of any accident.

Shri K. K. Basu: Do not suggest.

Shri Kamath: God forbid!

Shri Pataskar: By God's grace, we will not have any accident hereafter.

Mr. Deputy-Speaker: Order, order. Let the hon. Minister be allowed to speak.

Shri Pataskar: Naturally the Herons also need suitable modification. We have the Dacotas which are considered as being very old. They are not being manufactured here. These are all matters which the Corporation is naturally considering; they have to maintain the service and all of us want that there should be expansion of service.

As regards the charges being high, on the one side, we know that we are losing very heavily and on the other side, we tried to reduce the fares and this was not the right thing to suggest.

Shri Kamath: What about the M.Ps. air passes?

Mr. Deputy-Speaker: That we will see later on. I shall put all the cut motions together to the vote of the House.

The cut motions were negatived.

Mr. Deputy-Speaker: The question is:

"That a supplementary sum not exceeding Rs. 26,50,000 be granted to the President to defray the charges which will come in course of payment during the year end-

[Mr. Deputy Speaker]

ing the, 31st day of March, 1957, in respect of 'Other Capital Outlay of the Ministry of Communications'."

The motion was adopted.

DEMAND No. 89.—OTHER ORGANISATIONS UNDER THE MINISTRY OF PRODUCTION

Mr. Deputy-Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 2,28,45,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Other Organisations under the Ministry of Production'."

DEMAND No. 138.—OTHER CAPITAL OUTLAY OF THE MINISTRY OF PRODUCTION

Mr. Deputy-Speaker: Motion moved:

"That a supplementary sum not exceeding Rs. 13,28,76,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Other Capital Outlay of the Ministry of Production'."

Shri Kamath: On a point of order. Let us have quorum once a day at least.

Mr. Deputy-Speaker: The bell may be rung—Now there is quorum. The hon. Member may proceed.

Shri K. K. Basu: My cut motions are Nos. 60 and 61. One relates to the purchase of the shares of the Hindustan Machine Tools Factory at a high price. The other is in respect of the National Coal Corporation.

Mr. Deputy-Speaker: That perhaps is not admissible. It is, moreover, unintelligible also. But I will look into it.

Shri K. K. Basu: My proposition is this. We have now decided that all the coal mines in the public sector

should be handed over to a Corporation owned by the nation. We have further decided that the head office of this particular organisation should be moved to Ranchi.

I am fully conscious and alive to the decision of the Ministry that the head office of the coal producing organisation should be near the producing region. As such, the Bengal-Bihar coal region will, for the moment at least, have the head office, because the largest share of coal extracted from the public sector is in that area. But what I am worried about is this. I was told that Ranchi had been selected as the headquarters of this particular organisation, and that it was intended that the permanent head office should be at Ranchi, and that a house worth about Rs. 6 or Rs. 8 lakhs was going to be purchased for the location of the head office.

My proposition is this: Ranchi is not suitable from the business point of view. It may be suitable for the officials who might like to live in a congenial climate where city-like facilities are available. If the Government have decided, as I was under the impression, that as a temporary measure, Ranchi has been selected for the head office, I would not have any quarrel. But what I want to point out is that the main coal region will possibly develop near about Bokaro. So it is absolutely necessary that the head office should be near that area and not at Ranchi. Therefore, I want a clarification as to whether the Ministry has finally decided on Ranchi as the permanent headquarters of this organisation and that a house worth Rs. 6 lakhs is going to be purchased for the purposes. I fully subscribe to the view that the head office of the coal organisation should be near the future coal bearing region which will be Bokaro. So it should be located either at Bokaro or at Dhandbad where we have got to develop the mining area.

Then I want to make another point about transfer of staff. We had quite a number of coal mines owned by the railways which were ultimately handed over to the Production

Ministry. There was quite a number of staff working for years—more than 12 years or so—in a permanent or quasi-permanent capacity. When a National Coal Corporation is being formed as an autonomous body, it is the bounden duty of the Government to give opportunity to the staff, voluntarily, not by force, to come and join it. I was told that the members of the Coal Commissioner's staff are not offered any option or any opportunity to come and join the National Coal Corporation where better facilities and terms and conditions of services are provided. On the other hand, other departments are being asked to send in names of the staff who may want to join this Corporation.

I want to emphasise this point that those who have been working in a similar line for years in a permanent or quasi-permanent capacity should have the first claim, if they so choose, so that continuity of service and efficiency in the production unit are maintained. I hope the hon. Minister will bear this in mind and see that the demands of the staff are fully met.

The other cut motion relates to the purchase of shares of the Hindustan Machine Tools Factory at a very high price. Messrs. Oerlikons were the joint partners in this enterprise, according to the contract. I do not understand why the Government have become so charitable to a foreign institution as to buy the shares at a very high price. It has been repeatedly stated by every committee which has been asked to go into the working of this organisation and even by parliamentary Committees like the Public Accounts Committee and the Estimates Committee, that this agreement has not been worked properly by the firm of Oerlikons, and they have failed to perform their part of the contract, as they were required to and as they agreed to, under the terms of the agreement. In spite of the best possible efforts of our Government, because of the lack of expert advice, the Factory could not work according to expectation. Even today, we are far from reaching the target of 400 lathes per year. Now that we are not in a position to scan

the quality of the expert advice provided by the foreign firm, we want to purchase their shares at very high price, and still continue their participation as expert advisers. I would like to know from the Minister whether there is no scope under the agreement to demand compensation or damage from this particular foreign concern for giving improper, inadequate and even, if I may say so, wrong advice in respect of the working of the Machine Tool Factory. I would say that Government, instead of buying at a very high price their shares, should ask for damages, if we possibly can.

With these words, I move my cut motions.

The purchase of Hindustan Machine Tools shares at a high price.

Shri K. K. Basu: I beg to move:

“That the demand for a supplementary grant of a sum not exceeding Rs. 13,28,76,000 in respect of ‘Capital Outlay of the Ministry of Production’ be reduced by Rs. 100.”

Location of the Head Office and also the appointment and the terms and conditions of the employees.

Shri K. K. Basu: I beg to move:

“That the demand for a supplementary grant of a sum not exceeding Rs. 13,28,76,000 in respect of ‘Capital Outlay of the Ministry of Production’ be reduced by Rs. 100.”

Failure of Government to start a project for exploiting lignite from War Kalai in Kerala State

Shri V. P. Nayar: I beg to move:

“That the demand for a supplementary grant of a sum not exceeding Rs. 13,28,76,000 in respect of ‘Capital Outlay of the Ministry of Production’ be reduced by Rs. 100.”

Favouritism and nepotism in the matter of contracts and selecting architects in the H. M. T. Ltd.

Shri V. P. Nayar: I beg to move:

“That the demand for a supplementary grant of a sum not exceeding Rs. 13,28,76,000 in respect

[Shri V. P. Nayar]

of 'Capital Outlay of the Ministry of Production' be reduced by 100."

Plight of workers in Neyveli

Shri V. P. Nayar: I beg to move:

"That the demand for a supplementary grant of a sum not exceeding Rs. 13,28,76,000 in respect of 'Capital Outlay of the Ministry of Production' be reduced by Rs. 100."

Firstly, I want to say something about this Hindustan Machine Tools. In this matter, I have had the privilege of visiting the institution twice; once as Member of the Public Accounts Committee, when I knew how the accounts were being maintained and once as Member of the Estimates Committee when I happened to have an occasion to know the details of budgeting. If you remember, from 1953, I have been putting a series of questions about the participation of Messrs Oerlicons in this factory. At one time, when I visited the Hindustan Machine Tools Factory, I saw about 80 or 90 young Swiss engineers or technicians, all of whom the Minister said were experts. I talked to most of them and found that most of them did not have any degrees in Engineering. However, they were accepted as specialists and with their help we know what it has come to now. Government are now forced to buy the shares of Messrs. Oerlicons to the extent of 10 per cent or so. A firm which ought to have paid Rs. 30 lakhs in a total contribution of Rs. 3 crores, after one or two years, after having been in overall control, Government say, cannot subscribe Rs. 10 lakhs. Obviously, there were other difficulties.

This institution was not properly managed from the start. I know the Chief Executive of this factory was once upon a time a diplomat, later on a Director of Disposals and ultimately he was shunted on to the Hindustan Machine Tools. It happened that in his regime it became almost a disposals factory. I know something about lathes and I also know the quality and specifications of the machinery which they make. I was amazed to find that the Oerlicons had recommended even

the import of ordinary bench-ices which could well have been made here. Hundreds of vices were imported from other countries and they could be seen there.

I do not want to say anything about the experts because my cut motion specifically relates to one item, the mismanagement of the affairs of this factory. Before I go into that question, I would once again request the hon. Minister to kindly appoint a committee to go into the details of working of this factory because, as we know, this factory is intended to produce some of the vital requirements of the future industries of India.

In an answer to one of my questions—in 1953 by the end or in the first session of 1954, I do not remember which—the hon. Minister gave an answer that for the requirements of staff cars for the factory, two Ford cars were purchased and the order was placed with a firm in Delhi while, within a mile of that factory, there was in Bangalore George Oakes, agents of Ford Motors. The cars were imported at Bombay, taken to Delhi and driven to Bangalore for use, although Messrs. George Oakes have been the authorised distributors for Ford cars in the south with their headquarters in Bangalore. I know how it happened. There was a very close relation of the person who placed the order in one of the companies in Delhi which also had the agency for distribution of Ford motors in Northern India.

I am specifically drawing the attention of Government to another matter. Apart from the official visit, when I went there incognito, I was told that for the construction of some workers' quarters in the factory and for some officers' quarters, a Consulting Architect's firm of Delhi was appointed. You know the architects who do drawings and prepare the round estimates get a commission of 5 or 6 per cent. My information was that the buildings would cost about Rs. 30 to Rs. 40 lakhs and the architects who were asked to be in charge of it was a Delhi firm, the managing partner of which happens to be the son of the then

Managing Director of the Hindustan Machine Tools. Nothing could be more disgraceful. However much you may defend such action, if this is to be the case in public limited companies on which Government has a monopoly of investment, the public will lose confidence. It would not be possible for the U.P.S.C. to be called for all this. I do not want to take up the time of the House, because, time and again, I have raised this issue in respect of other appointments in other institutions. These institutions, unfortunately, are the paradise for the relations of officers who are high-up either in the Production Ministry or in the factory itself. With such conditions, it is impossible for us to conceive of any good which will come out of this. If the hon. Minister is further interested—I do not want to give names because it detracts from the decorum of the House—I can give him some names also. But, for the allegation that the contract for the architect's work was entrusted to a firm of which the managing partner happens to be the son of the Managing Director of the H.M.T., I submit, it is time that we cry halt to such nonsense. We cannot tolerate it in any government undertaking. If the Government are keen, I would request them to appoint a committee. I am not saying that from Delhi, the Minister of Production, however fair he may be, could prevent the recurrence of such favours. It may be impossible. But in order to create confidence in the public in State undertakings, in order to show that State undertakings unlike the institutions of the private sector are no hunting ground or paradise for the relations of officers, it is absolutely necessary that a very competent committee should be appointed to go into these details and to submit a report. We do not have time in this Parliament—nor in the Public Accounts Committee nor even in the Estimates Committee, for, probably, it is beyond their function also—to go into these questions. But, as I said, it is very urgent.

There are some other cut motions also in my name, one of them being about the conditions of work in the

Neyveli project. I do not propose to go into all the details. I shall write to the hon. Minister about them. But, their working conditions seem to be very unhappy. If, in a project of the size of the Neyveli project, the conditions of the workers from the very start are going to be very bad, it would be also bad for the Government and the future of workers for they will have no enthusiasm.

With these words I commend my cut motions to the House.

Shri T. B. Vittal Rao: Mr. Deputy-Speaker, I am moving my cut motion No. 37 relating to the working of the Neyveli Lignite Corporation (Private) Limited, No. 38 regarding the re-appointment of retrenched workers and No. 39, relating to the working of the National Coal Development Corporation (Private) Limited.

Working of Neyveli Lignite Corporation (Private) Limited.

Shri T. B. Vittal Rao: I beg to move:

“That the demand for a supplementary grant of a sum not exceeding Rs. 13,28,76,000 in respect of ‘Capital Outlay of the Ministry of Production’ be reduced by Rs. 100.”

Reappointment of Retrenched workers.

Shri T. B. Vittal Rao: I beg to move:

“That the demand for a supplementary grant of a sum not exceeding Rs. 13,28,76,000 in respect of ‘Capital Outlay of the Ministry of Production’ be reduced by Rs. 100.”

Working of National Coal Development Corporation (Private) Limited.

Shri T. B. Vittal Rao: I beg to move:

“That the demand for a supplementary grant of a sum not exceeding Rs. 13,28,76,000 in respect of ‘Capital Outlay of the Ministry of Production’ be reduced by Rs. 100.”

I have been, time and again, speaking in this House on the problems of the coal industry. I need not elaborate. But, I would say that it is a

[Shri T. B. Vittal Rao]

very basic industry. It has been managed departmentally so far Government have thought it fit to constitute a private limited company. There have been reasons, as given out by the Government, why the working of the State collieries has been very satisfactory involving loss from year to year. Therefore, they have thought it fit to make it a private limited company. Especially the State collieries have brought a little credit for the work conducted departmentally. There are various reasons for it. I thought Government would have gone into it in a more detailed manner, how these losses have been incurred and all those things.

I may point out in this connection that the very working of the State collieries, which were in those days in the hands of the British—and later on coal was exploited—was conducted in a manner most unplanned, with the result that the working of these State collieries, especially the one at Giridih, has become a little difficult—"a little difficult" means a little more investment and most costly expenditure in raising this coal. We are thinking of developing the coal industry and under the Second Plan period we are going from 3 million tons to 15 million tons in the public sector. I thought that when we are taking up such a huge responsibility, it would have been better that these State collieries should have been run at least by a corporation, by an enactment of Parliament. But unfortunately it is only a private limited company. This industry, as I told you, is a key industry, and everybody will be interested in its functioning. Not only that, it has to set an example to the private sector who have to produce nearly 75 per cent of our total production in the Second Plan period. Therefore, there should have been more powers for this House at least to see its progress, and a statutory corporation by an enactment of this House would have been better.

The Board of Directors have been appointed. Some of them have been originally working in the State collieries, holding high positions there, and they have been transferred to the

Coal Development and Production Commissioner's office. How these officers work will be indicated when I say that these officers were thinking of closing down the coal mines at Giridih. Subsequently, a technical committee was appointed, and its terms of reference were whether the coal mines are to be closed or not. The technical committee consisted of some experts. They went into the whole matter and gave some suggestions which the Government have accepted, that these coal mines can be run profitably. These officers, who have been responsible for giving the advice to the Government to close down the mines, are again holding very high positions in the Commissioner's office, and their terms of office have been extended not by one year but by three years. Such is the position. On the Board of Directors one man has been taken as representing labour. I do not know who actually represents the workers in the State collieries. If an election is held, I am sure the present representative cannot and will not be elected.

The coal industry has to be developed, and the way our Ministry of Production has been functioning in this matter is rather not very satisfactory. For instance, only the other day, when I was talking about the nationalisation of coal mines, the Minister interrupted me and said that a Bill would be introduced in the current session for taking over the unworked coal mines because there are many such coal-fields in India which are under the ownership of the private people, who have not been working them fully. Their leases are there. Now I find that the session is coming to a close and only five days more are there, and yet that Bill has not been introduced.

I come to the second question about the report of the committee appointed to go into the amalgamation of collieries. A brief summary of its recommendations has been given in the Press note. I do not know when the Government is going to finalise the examination of that report and the conclusions arrived at. This is a very important problem. There are so

many coal mines which are not economically run. They should be amalgamated and worked by the Government so that it may be economical and we may raise coal production as well. I hope the Minister in his reply will tell us at what stage is the Bill which was supposed to be introduced in this House, and secondly, when the report of the committee on amalgamation of collieries will be published.

Thirdly, I come to the Neyveli project. That also has been made a private limited company. On this project we are going to spend about Rs. 58 crores in the Second Plan period. We are told that the first ton of coal will be raised in 1960, and when it is in full swing, it will raise lignite to the extent of 3 million tons annually. I do not know when 3 million tons annually will be raised—we are not given any date for that. I do not know how many more years it will take.

One very important problem is the movement of lignite, and if it has to be transported from its place of production to any other place, it cannot be carried by open wagons as coal is carried, but it has to be carried in closed wagons or special types of wagons. I do not know whether the Ministry has consulted the Railway Ministry about the transportation of lignite. Anyway, this project, which began its life somewhere in 1953, is going to produce the first ton of coal in 1960, that is, after seven years. No other coal mine in India had ever taken so many years. After we go to excavate, it takes only 18 months for coal to be dug out, whereas in Neyveli it is going to take seven years.

It was stated that it would be worked by underground methods, by sinking a shaft. Now it is stated, it is going to be worked by.....

Shri T. T. Krishnamachari: I do not think the hon. Member is quite right. I do not think there is any intention of working Neyveli at any time by open cast quarrying. Even before, that was the idea.

Shri T. B. Vittal Rao: There seems to be something lacking. I would like the hon. Minister to appoint an expert committee, at least of three, and the experts should not be drawn from the Coal Board or the Production Commissioner's office. They should be drawn from outside. Let them go into the whole aspect and then give a report. The public are very much agitated over this long period. The experts should submit a report within a month or two. The public will then know fully how this project comes up. I do realise that this Neyveli project will electrify the whole of Tamil Nad. I am not going into the question as to how this project was taken up. But, I request the hon. Minister to appoint an expert committee so that there need not be any reserve on the part of the Government. The targets of your plans and programmes have not been fulfilled.

I would like to know whether the Government have any proposal to have two more fertiliser factories. We have got provision for three factories: Neyveli, Rourkela and Nangal. Where will the two other factories, which the Government is thinking of setting up, be located? We would like to know that.

Finally, I would like the terms and conditions of service of the employees who are in the Production Ministry to be maintained. Already they have seen three types of conditions. One is the Central Pay Commission. Another is the Conciliation Board's award. Now, recently, they had the Tribunal's award. I would like the Minister to see that no worker's wage is cut.

The latest award of the Tribunal should be implemented to the Neyveli project workers. There are about 232 workers who had been retrenched from the Neyveli project. It seems that the project is coming up and progressing. First priority should be given to these people while making appointments in that project.

Shri Tulsidas: Reading through the notes on Demand No. 138, it seems

[Shri Tulsidas]

that there was a difference of opinion between the Hindustan Machine Tools (Private) Ltd. and the Swiss firm. It seems that the firm contented that it had certain rights and was also entitled to receive some income free of income-tax. As there was some dispute, the Government seems to have purchased the rights of the firm and then a new agreement was entered into paying the same amount free of income-tax. Rs. 12.5 lakhs is being paid by the Government. I do not know whether it is the same firm or not. It seems to be the same firm. If the firm had not acted up to its agreement, why should we carry on with the same firm? Many firms are available in different parts of the world and they are prepared to collaborate with us in this project. This arrangement is very unsatisfactory.

Again, the estimated requirement given here is Rs. 45 lakhs. Full details are not given here. The total amount now paid comes to Rs. 42.5 lakhs. The Government will by taking over the shares repay the sum of Rs. 30 lakhs to the firm. Another sum of Rs. 12.5 lakhs is proposed to be paid to the firm in lieu of their foregoing their rights to 5 per cent free shares and for other services. Thus, the total comes to 42.5 lakhs whereas the amount asked for is Rs. 45 lakhs. What is the balance of 2.5 lakhs required for? It is unsatisfactory to enter into an agreement with the same firm which has not carried out its obligations properly. I find another lacuna. An agreement has been entered into with the same firm for the supply of machinery in West Germany. An advance of Rs. 2,41,00,000 is there; it will carry interest at the rate of 4.5 to 5 per cent. In Germany, the rate of interest is more than 7 per cent; the minimum is 7 per cent. If any advance is given, we should give them at this interest and it should carry interest as long as the machinery that we want is delivered by them properly.

I find that agreements have been reached with some foreign firms by the

many firms (private) limited. We do not know with what firms agreements had been reached. Once it becomes a private (limited) firm, we do not know many things. The House never gets those agreements. Whenever such agreements are entered into by these Government firms, this House should know the details about them. Previously they were known as Corporations but now they are private limited firms. The House does not know the details of these agreements.

Shri V. P. Nayar: It is intended to take away Parliamentary control.

Shri Tulsidas: That is the trend now-a-days. Even though they have been registered under the Companies Act, this House must be given all the information. Formerly, they were all part and parcel of the Budget Estimates. For instance, take the case of the Coal Development Corporation. Its expenditure was part and parcel of the Budget and we used to get all the information. Once it is registered under the Companies Act, then we get only the balance sheet and the profit and loss account. Other details are not given. I would like to know the agreements entered into by the Hindustan Machine Tools (Private) Ltd. and the Neyveli Lignite Corporation (Private) Limited with the other foreign firms.

With regard to demand No. 89, it relates to the grant for the Ambar Charkha Programme. This House would like to encourage and put through this programme in as short a time as possible. A lump sum provision of Rs. 50 lakhs is made here for revolving credit for production and sale of Ambar yarn and cloth. The other lump sum provision is for expenditure incurred on the interim Ambar Charkha Programme and the sum provided is Rs. 69.32 lakhs. No details are given in respect of these two items. Some details should be given as to how the expenditure is incurred and so on.

Shri Ramachandra Reddi: In regard to Demand No. 89, a few remarks have been made by my friend Shri

Tulsidas, and I would not have stood now to make any further comments upon them but for the fact that very few details about the working of the Ambar Charkha programme are available in the note given under the Demand. Some of these figures are really baffling. It is said:

"Opening of 50 Saranjam Karyalayas (Manufacturing centres)—Rs. 8,90,000;

Opening of additional 100 Parishramalayas (Training cum production centres): — Rs. 12,75,000".

and so on, and so forth. This comes to nearly Rs. 30 lakhs. If the way in which these *karyalays* are going to be worked and the way in which the recruitment has been thought of for these *karyalayas* had been given, the House would have appreciated the work of the Government. Anyhow, it has to be remarked that the Government would do well in the adoption of a go slow policy in regard to Ambar Charkha programme. We all note that for sometime past, there has been a raging controversy between the two departments or Ministries — the Ministry of Commerce and Industry and Ministry of Production—about the utility or otherwise of the Ambar Charkha. Somehow or other, they seem to have compromised between themselves without perhaps the country knowing what exactly the nature of the compromise is and to what extent the compromise is useful for the country. Anyhow, it is necessary that the House should know what exactly they are doing and know exactly for what purposes the Government is spending all these monies.

One peculiar item and a big figure are noted here:

"Opening of a small workshop for repairing Ambar Charkhas in Alipur Centre, Delhi— Rs. 46,000".

I think everyone of the Members of Parliament here must have seen an Ambar Charkha and its working. The big workshops of the type that is envisaged do not seem to be necessary at all. Any carpenter or anybody with a small mechanical intelligence

would be able to repair Ambar Charkhas. All these several items of expenditure show that there is some extravagance behind them. I should think that the Government must have a policy of caution and go-slow with a view to see that the amount sanctioned is spent with some economy.

Recently, we have heard in reply to a question on the floor of this House that an award of Rs. 1 lakh has been promised for evolving an Ambar Charkha of a better type. When that reward is there and the possibility of having a better Ambar Charkha is envisaged, I do not see why so much of money should be spent upon this programme and with so much expedition.

Especially, item (xii) at page 120 shows that the expenditure incurred on the interim Ambar Charkha programme comes to Rs. 69,32,000. I would like to know more details about this interim expenditure and to what extent the expenditure of Rs. 69,32,000 can be justified.

The Deputy Minister of Production (Shri Satish Chandra): Mr. Deputy-Speaker, most of the points repeated by the hon. Members are not new to this House. They have been raised several times during the course of the year. Some of them have presented from the last budget session.

The location of the headquarters of the Coal Corporation has been a subject-matter of several questions in this House. Answers have already been given. Shri K. K. Basu thinks that Ranchi is not a proper place for the location of the headquarters of the Coal Production and Development Commissioner. The hon. Members of the House are aware that the new collieries to be opened in the State sector will be spread over a large area while the existing collieries are mainly situated near Bokaro or Dhanbad, several new collieries are to be opened in Madhya Pradesh and other regions. Ranchi was considered to be a central place, easily accessible from all the collieries. Bokaro and Dhanbad are also not far from Ranchi, and

[Shri Satish Chandra]

are within a few hours' driving distance. The shifting of the headquarters of the Eastern Command from Ranchi to another place made it possible to find out accommodation easily at that place. Ranchi is by no means a big city as has been made out here. On the one hand, there has been complaint from the Members opposite about the transfer of office from Calcutta to Ranchi and on the other hand about the location of the headquarters at Ranchi which is described as a place with urban amenities which has got more amenities and a big city life. The two things are obviously contradictory. After taking all factors into account, it was considered that Ranchi will be the most suitable location for the headquarters. It was easy to find accommodation there for the offices and for the members of the staff. The way in which the headquarters have settled there and the members of the staff and the officers have found accommodation, I think that Ranchi has proved to be a good choice.

15:56 hours

[SHRI BARMAN in the Chair]

Two or three hon. Members have referred to the question of Purchase of shares from Messrs Oerlicons who are technical consultants for the Hindustan Machine Tools Ltd, at Bangalore. There appears to be some misunderstanding about the figures given in the explanatory note. I would only say that out of the Rs. 45 lakhs which are to be paid to Oerlicons, Rs. 30 lakhs were paid in cash by Oerlicons as a partner of the Hindustan Machine Tools.

Shri V. P. Nayar: Was it in rupees?

Shri Satish Chandra: In Swiss francs and they have to be repaid in Swiss francs.

Shri V. P. Nayar: Was it spent in Switzerland for machinery?

Shri Satish Chandra: The amount went to the general pool of share

money, and was paid to the Government of India. Rs. 30 lakhs were paid in Swiss francs by Oerlicons and the same amount is being repaid to them. It was their cash contribution to this factory. The remaining Rs. 15 lakhs will be paid to cover the allotment of 5% free share in lieu of the technical services rendered by Oerlicons and interest on their cash contribution in terms of the agreement entered into with them. The amount should have been more. In terms of the original agreement, they were to be allotted five per cent free shares for the technical services rendered by them. No other cash payments were to be made. As the share capital of the Hindustan Machine Tools Factory now is Rs. 4 crores, they would have been entitled to Rs. 20 lakhs in the form of free allotment of shares in the Hindustan Machine Tools. Instead of those Rs. 20 lakhs, by negotiation it has been decided that they will be paid a sum of Rs. 12½ lakhs only. This sum represents the fee paid to them for setting up the factory, for helping us to establish the factory, for drawing up the plans of the factory and for the technical services rendered by them from the date they came into the picture upto the date of revised agreement.

Shri V. P. Nayar: Is it a fact that this firm, Messrs. Oerlicons, were only functioning as technical consultants and designers? Do Government have any information whether Messrs. Oerlicons run a factory anywhere in the world?

16 hours

Shri Satish Chandra: All I can say is, from what I have seen myself, Oerlicons are one of the best and the most important manufacturers of precision machine tools in Europe. If the hon. Member happens to be in Switzerland any time, he might well like to visit the factories run by them.

Shri V. P. Nayar: Send me.

Shri Satish Chandra: About their performance here, I think they have tried to do their best. The factory that has been planned is one of the finest. Whether we have been able to make full use of it or not is a different matter. I think, in due course it should be possible to use it to the best advantage of the country. Now the above figure for Rs. 42½ lakhs.

Rs. 2½ lakhs have been put there in round figures because, out of the 5 per cent interest on their cash contributions to be paid to them for the first five years of the working, some of that amount has been paid and some remains to be paid. Rs. 2½ lakhs is the rough estimate representing the interest charges which are due to them. I may clarify here that the interest that has been paid to Oerlicons is not free of income-tax. Only the repatriation of the capital or the money that is being paid to them for the services rendered by them that is, in lieu of the free shares which should have been allotted to them is to be paid back to them free of income-tax. But, the interest or the profit that they have earned here in this country are subject to income-tax. Income-tax has been deducted from whatever amount has been paid to them in the past and income-tax will be deducted from whatever amount is to be paid. So, that makes the total of Rs. 45 lakhs.

An hon. Member raised some questions about the Hindustan Machine Tools Limited—the appointment of architects there. That is a very old story which has been narrated several times in this House and also corrected many times.

Shri V. P. Nayar: Can the hon. Minister refer to any specific question asked on this subject?

Shri Satish Chandra: If the hon. Member looks into the Budget debates, he will find that this matter came into the discussion and a full answer was given.

Shri V. P. Nayar: I have not said that it is a current matter. I said, because such things were happening; people have no confidence in it. I know the story much better than the hon. Deputy Minister. He was not in the Ministry of Production then.

Shri Satish Chandra: What happened was this. The Hindustan Machine Tools Limited wanted an architect for the construction of their offices and some other buildings. They came to know that the Council of Scientific and Industrial Research had employed some good architects and asked them if they could lend the services of their architects to draw up plans for their offices and residential houses to be built at the factory.

Shri V. P. Nayar: They did not consult the W.H.S. Ministry.

Shri Satish Chandra: The W.H.S. Ministry need not have been consulted in the case of a company. They wrote to the Council of Scientific and Industrial Research, which deputed its own architects to do this work. That company of architects happened to have a partner who was the son of the managing director.

Shri V. P. Nayar: That we expected.

Shri Satish Chandra: The architects of the Council of Scientific and Industrial Research had planned up some laboratories and buildings all over the country, and they were asked to draw a plan for the factory building which was a small job, costing a few lakhs of rupees. They did it for which about Rs. 30,000 were paid to that firm through the Council of Scientific and Industrial Research.

Shri V. P. Nayar: I can give the story of that also.

Mr. Chairman: Let the hon. Deputy Minister give the story.

Shri Satish Chandra: I may tell for the satisfaction of my hon. friend, Shri V. P. Nayar, that the

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fees paid to this firm of architects were much less than those usually by the Government industrial undertakings or by the Government to other architects. A part of this fee was retained by the Council of Scientific and Industrial Research, because those architects were already working for the Council. So, a part of it has gone to the Council and only a small amount has gone to this firm of architects.

My hon. friend Shri Nayar has again raised the question of the purchase of some motor cars. The Bangalore dealer, according to my information, quoted a higher price than the Delhi Dealer. These are facts which can be verified by the hon. Member, it is not proper for me to take up the time of the House by narrating such small incidents. If the hon. Member does not feel satisfied, I am prepared to give details as to how much was quoted by the Bangalore firm and how much by the Delhi firm for delivery in Bangalore. It was found cheaper to purchase a car at Delhi than at Bangalore.

Shri V. P. Nayar: Was there not a Government Order in force then that the requirements of Government and Government-owned companies should be confined strictly to Indian-assembled cars like Hindustan etc? This was an imported car.

Shri Satish Chandra: That is a fresh issue which he is now raising.

Mr. Chairman: Let the hon. Minister conclude; then, the hon. Member may put his question, if any.

Shri Satish Chandra: I can go into that also. May be, some car was not available or some car was found to be cheaper. These are minor details. This car was already available in the country and probably there was difficulty in getting another car. I do not know the facts, but from what I know, this car was available

at a cheaper price in Delhi than at Bangalore.

Shri V. P. Nayar: It is very strange.

Shri Kamath: Strange things happen, after all.

Shri Satish Chandra: Many things have been said about the working of the Hindustan Machine Tools Limited. There were some initial difficulties. Manufacture of precision machine tools is an entirely new thing in this country. There have been delays, but now the target of 400 lathes per year is well within sight. In fact, Government are considering proposals by which this target can be further stepped up. It would not be fair to say that the Hindustan Machine Tools Limited have been a complete failure or a burden on the country. Of course there have been some Swiss engineers there, but it has been the effort of the management to reduce their number gradually as more and more Indians are being trained for the job. There has been considerable reduction in their number and gradually the number is likely to diminish very much, till all the posts are taken over by Indian personnel.

Shri Vittal Rao said something about the Giridih colliery. This question has been raised at least half a dozen times during the last few months in some form or the other. The losses incurred by Giridih Collieries have worried my friend very much. These collieries, as I have often stated and I shall repeat it, have been worked for over eighty-five years. A normal commercial concern will have no option but to close them down and not to extract any further coal. But because these are a State collieries and because there is good quality coal underneath, Government have been working that colliery in spite of the losses. It has

been explained several times that if the collieries are closed, there would be objection that Government has lost good quality coal, we have wasted so much quantity, there is dearth of metallurgical coal in the country, and therefore it was not a proper act. Government appointed a committee, to which the hon. Member himself has referred, to see if these losses could be minimised and if the coal which could be extracted can be cheaply taken out, so that the reserves are not lost to the nation for ever and to see at the same time if there is a possibility of reducing these losses. I cannot hold out any hope, nor has the Committee held out any hope, that these collieries can ever run at a profit; they are bound to run at a loss. The only question is if these losses can be minimised, and it has been recommended that they can be minimised if we do not insist on every ounce of coal being taken out. It is a question of having an optimum medium as to what quantity of coal we lose and what losses we incur. It is on the basis of these facts that some directions have been given, or are in the process of being given, so that the losses are minimised and whatever coal can be easily extracted is taken out.

I have been asked to state the position of lignite mining, that is to say, when 3½ million tons of lignite are going to be raised annually. An hon. friend—perhaps Mr. Vittal Rao—has said that it is possible to do so in eighteen months. Well, Sir, the time schedule fixed by those who know about it is that it will be possible to reach a production of 3½ million tons per annum by May, 1960. I was recently in West Germany and happened to see one of the biggest lignite mines there, and also had a discussion with the highest executives in that mine. I was told that we were having a very optimistic time schedule and that it would be a marvellous achievement if we could reach that target. Well, if my friend Mr. Vittal Rao thinks otherwise and thinks that eighteen months' time

is sufficient to remove the over-burden of 150 feet in order to reach the lignite bed and start extraction—when we have yet to import machinery from outside, and crores of rupees worth of machinery which have been ordered have to be manufactured in that country and then delivered to us some two or three years hence, and we have to start work with some conventional type of earth-moving machinery—I can only say that his estimate is too optimistic, and it will not be proper for me to assert that matters can be expedited with the speed that he desires.

Shri Kamath: He works faster than you do.

Shri Satish Chandra: Perhaps.

The Minister of Revenue and Civil Expenditure (Shri M. C. Shah): Without the beard.

Shri Kamath: You can also grow one if you want.

Mr. Chairman: Order, order.

Shri Satish Chandra: Anyhow, his arithmetic is also not correct. May, 1960 from now on is not seven years. It will take about 3½ years to reach that target.

The power station of 200,000 k.w. will be ready by almost the same time, so that as soon as lignite is excavated, the power station starts functioning.

The fertilizer factory is being planned to produce, as the House knows, 70,000 tons of nitrogen; the actual quantity of fertilizers will be much more depending upon the fertilizer to be produced and its nitrogen content. Anyhow, the fertilizer factory will come up a little later, and so also the briquetting and carbonising plant. The briquetting plant and the carbonising plant should be ready sometime in 1961; and this will be the last item in the project; first mining, then thermal power station, and, after that, the fertilizer factory; and then comes the briquetting and

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carbonising plants. In the mean time a pilot plant is being obtained under the T.C.M. Aid, which will be put up at Neiveli to carry, on practical tests, so that it may be determined as to what type of briquettes would be suitable and what processes should be adopted for carbonising the lignite on a large scale.

The transport problem will, of course, be considered fully before that stage is reached. But it is a long time, and transport will not be a terrific problem because the seven lakh tons of lignite which is proposed to be briquetted will give only about half the quantity of carbonised briquettes which will be used as domestic or industrial fuel.

The only thing that remains for me to deal with is about the workers' conditions at Neiveli, to which reference was made. I would submit that the workers there are being paid exactly the same emoluments as were being given to them by the Madras Government up to 1954 or 1955 when we took over. The present is a temporary phase. The Lignite Corporation has been formed very recently; its work is yet to be developed; there is not much to do. In fact, there is some retrenchment at present, because the investigations are over. The mining machinery has yet to arrive. I can assure the House that the workers' wages, or the conditions of service will not be worse off than what they are in other industrial undertakings in that region. That is the only thing that I can say at present. But all the other persons who are employed by the Neiveli Project have been brought on the Central scales of pay. As far as the workers are concerned, they are being given the wages which were being paid to them. There has been no reduction; the same wages are continuing; and will continue to be the wages of the industrial workers in that area.

Now, Sir, objections have been raised about the Ambar Charkha

programme. My hon. friend opposite thinks that there has been extravagance in complementing the Ambar Charkha scheme. Without going into details I would assure the House that the members of the Khadi Board are probably more cautious about spending money than anybody else. We might disagree with their approach to certain problems; we might disagree with their way of thinking or their method of work. As far as I can see, they generally try to avoid infructuous expenditure. The details of the expenditure are already given in the Explanatory note. I have not been able to understand what Mr. Reddy wants to know about the opening of 50 Saranjam Karyalayas for which Rs. 8,90,000 are to be spent. Saranjam Karyalayas are workshops for the manufacture of Ambar Charkhas, etc. employing a number of carpenters, etc. In an Ambar Charkha there are some iron parts also like rollers and gears, which are manufactured here.

Shri Ramachandra Reddi: Can they not be manufactured by placing orders with private companies?

Shri Satish Chandra: Of course, it could be done. But the entire purpose of the Ambar Charkha scheme is to provide employment to the people and if everything is to be done on a centralised scale, as my hon. friend would like it to be, then there will be no use for the Ambar Charkha itself.

Some orders have been placed with commercial firms. But, as far as possible, an attempt is being made to get the work done by village carpenters and village blacksmiths. I may say, for the information of my hon. friend that probably the price at which the Ambar Charkha has been ordered with big commercial firms is slightly more than the price at which it is manufactured by village artisans. We have placed orders with commercial firms and have found that it is more costly to go to them. Their overheads are

higher and their margin of profit is higher. So it is cheaper to make them through village artisans rather than to go to big commercial firms.

Mr. Chairman: I think the hon. Minister has dealt with all the points.

Shri Satish Chandra: Sir, I have finished. If, however, hon. Members require any further details about Ambar Charkha, I shall be only too pleased to give through correspondence.

Shri T. B. Vittal Rao: The hon. Minister has not stated anything about the Bill which the hon. Minister of Production has assured us would be introduced during the current session—regarding the acquisition of uneconomic mines.

Shri Satish Chandra: The Bill is almost ready; it only requires some finishing touches and if the House is prepared to sit longer, it could be discussed in this session. But we are all anxious to adjourn on the 21st or 22nd.

Mr. Chairman: I shall put all the cut motions together for the vote of the House.

Cut Motion 81 is ruled out, as it does not confine to one specific matter.

The cut motions were negatived.

Mr. Chairman: I shall put the demand to the vote of the House.

The question is:

"That the respective supplementary sums not exceeding the amounts shown in the third column of the Order Paper be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March 1957, in respect of the following Demands entered in the second column thereof—

Demands Nos. 89 and 138

The motion was adopted.

[The motions for demands for supplementary Grants which were adopted by the Lok Sabha are reproduced below—Ed.]

DEMAND No. 89—OTHER ORGANISATIONS UNDER THE MINISTRY OF PRODUCTION

"That a supplementary sum not exceeding Rs. 2,28,45,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Other Organisations under the Ministry of Production'."

DEMAND No. 138—OTHER CAPITAL OUTLAY OF THE MINISTRY OF PRODUCTION

"That a supplementary sum not exceeding Rs. 13,28,76,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Other Capital Outlay of the Ministry of Production'."

Mr. Chairman: The House will now take up the Ministry of Natural Resources and Scientific Research. The Demands are Nos. 78 and 86. Hon. Members will indicate the cut motions which they would like to be treated as moved.

DEMAND No 78—MINISTRY OF NATURAL RESOURCES AND SCIENTIFIC RESEARCH

Mr. Chairman: Motion moved:

"That a supplementary sum not exceeding Rs. 96,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Ministry of Natural Resources and Scientific Research'."

DEMAND No. 86—MISCELLANEOUS EXPENDITURE UNDER MINISTRY OF NATURAL RESOURCES AND SCIENTIFIC RESEARCH

Mr. Chairman: Motion moved:

"That a supplementary sum not exceeding Rs. 2,25,000 be granted to the President to defray the

[Mr. Chairman]

charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Miscellaneous Expenditure under Ministry of Natural Resources and Scientific Research'."

Shri V. P. Nayar: My cut motions are Nos. 48, 49, and 50.

I have given these cut motions on these two demands with a view to focussing the attention of Government on a very important matter. If you will kindly see the cut motions 49 and 50 you will find that it stresses the need for a revision of the oil agreements in force and the omission to include lubricating oil.

Shri T. B. Vittal Rao: Who is the Minister who is going to reply?

An Hon. Member: The Finance Minister.

Shri V. P. Nayar: He can reply to any debate.

Mr. Chairman: In fact, he is responsible for the Demand.

Shri V. P. Nayar: You will find from the explanatory note that Government have set up a committee to advise them on the location of the new oil refinery in India. While the addition of an oil refinery is very welcome, I submit that Government should not fall into the trap in which they have already fallen. If you go through the Planning Commission's Report you will find that in the case of three refineries for which we have already given permission, Government have committed a very grave omission. The Planning Commission say at page 409 of their Report—

"The processes and crudes selected by the three petroleum refineries do not provide for the production of lubricating oils and petroleum coke which have considerable importance to the industrial economy."

In our refineries we distil the crudes and take two, three or four products. But it is stated by the

Planning Commission that a very important item—lubricating oil has been left out. As you are aware, the modern process in the fractionation or fractional distillation of crude is to send up the liquid to be distilled into a high tower and the various fractions are accumulated at different levels and removed. I do not want to go into the physical chemistry of these crudes. I submit that such an important article, which is as important as either aviation spirit or motor gasoline or other products which are taken, has been omitted from the agreements. India has a programme for the making of more and more machinery, starting from the smallest and going up to the biggest machines. In this age, you cannot move a single machine unless you have lubricating oil, (which has no substitute) over which unfortunately, foreign enterprises have control. It is difficult also to have another refinery for the manufacture of lubricating oils alone. Because, in the fractionation of these crudes, you cannot manufacture lubricating oil alone with any profit. It has to be one of the several products which are normally got by the distillation of crudes. Therefore, when we have already three oil refineries and when we propose to have another oil refinery, we must remember this point. We are told that by the end of the Second Plan, we may be able to meet the requirements of this country in aviation spirit or motor gasoline or kerosene. But, we shall not have one ounce of lubricating oil made in this country. It will mean that although we are increasing the pace of industrialising our country, we will still have to depend for moving even the smallest machinery on imported lubricating oil. As a matter of fact, with a little more sense, these firms which have agreed to have distilleries here could have been made to select such crudes as would give this most important material for moving machinery. They have not done so. I do not, therefore, want the Government to fall into the trap, as I said before. Because, irrespective

of the fact whether oil is distilled here from crudes imported from Middle Eastern countries or any other place, you will find that India's dependence for lubricating oil will continue and continue, it appears, almost for ever. We have not made any attempt in this direction. When once I was discussing this question with one of the officials, he said that we have got the Fuel Research Institute and we may try to have vegetable oils converted into lubricating oil, which is nothing but fantastic. We know that vegetable oils can never be converted like that as a substitute for lubricating oil or mineral oils as the former is chemically unstable. Therefore, when you consider spending any amount on any committee or getting down any experts for adding one more refinery, we must also consider how far it is possible to use the good offices of the Government or the influence of Government with the refineries which have already started producing and, if necessary, to make them change the selection of their crudes, in order that we may become self-sufficient in lubricating oils also as in the case of petroleum and petroleum products. I expect that the Government will give some thought to this proposition.

My cut motion No. 48 deals with the lack of proper geological survey and lack of proper maps of areas where mineral industries are under-developed. The report of the Planning Commission says that the exploitation of minerals is now under the direct responsibility of the Centre.

Shri T. B. Vittal Rao: Even now the Minister has gone to Kerala.

Shri V. P. Nayar: He has gone for election, I suppose.

We find a note that the development of mineral resources is not uniform throughout India because some of the areas have already been developed, there has been some exploitation of some minerals and no further exploitation is possible. In the case of

certain other districts, more especially in the south, you will find that although we know from the very scrappy information at our disposal that there are a variety of minerals, the Government of India does not seem to have taken into consideration the absolute, imperative necessity of having a complete geological survey. Just now, the hon. Minister for Production was saying that it requires seven years for extracting coal. In the case of certain other minerals, it may take more. That is all the more reason why a very honest attempt should be made by the Government to have complete mapping with a view to find out the geological formations of under-developed areas in the matter of minerals. You will be astonished to know that although in India today there are about 6 lakh workers in the mineral industry, my poor State has no worker at all in the real mining industry. We have got about 600 to 800 people collecting sands. They are also called mineral workers. They pick up minerals. We do not have a single mine worker in the whole of Kerala. As I said, it is very difficult to start working a mine after 24 hours. The problems are very complicated. But, you cannot tackle the problem unless an attempt is made now, to find out the details of geological formations. Government, in spending money on this department should lay this necessary emphasis in the matter of developing the mineral resources of under-developed places in so far as such resources are concerned.

I have also given another cut motion in regard to the exploitation of lignite which is reported to be available in very large workable quantities right in the centre of my constituency, namely Warkalai. This is a matter which has come up before this House often. I have been consistently agitating for it from 1952. There has been no session without a question on lignite of Warkalai or some other place near about the then Travancore-Cochin State. The same answers are given even in 1956. Despite the fact

[Shri V. P. Nayyar]

that now it is the direct responsibility of the Central Government, when we ask the Government whether they have done anything in the matter at least of giving information on the availability of lignite in Warkalai, we are told that Dr. Chacko, who was the Director of Geology in 1912 — after him, nothing has been done— has said that there are 300 million tons of lignite in 50 or 100 square miles. We are told that the Warkalai lignite, when analysed in the Imperial Institute in London, as early as 1921 or 1922, was found comparable with any other lignite available in India. As regards technical details, I was amazed to find that it has been stated in one of the reports, that our lignite contains a very rare substance required for the development of the steel industry, vanadium oxide. With all these materials in the bowels of the earth there, not even a survey report is available. I therefore request the Government to have sympathy and find funds for an immediate investigation of the geological formations of that State and also to have a complete mapping thereof at least when we have money. I hope, the Finance Minister, with his very clever approach, will be able to find somehow some money for the development of Kerala to which he is always soft and give us some more projects for developing the mineral resources. That would change the face of Kerala because the problem there is lack of proper basic industries. Unless you tap the mineral resources, it is impossible. I submit that this cut motion may be taken into consideration so that something may be done to ameliorate distress there.

Mr. Chairman: These are the cut motions indicated to be moved:

Demand No. 78—Nos. 14, 33, 48
and 49.

Demand No. 86—Nos. 50 and 15.

Emoluments of foreign experts
Shri Kamath: I beg to move:

“That the demand for a supplementary grant of a sum not exceeding Rs. 96,000 in respect of ‘Ministry of Natural Resources and Scientific Research’ be reduced by Rs. 100.”

Delay in submission of the report of the Committee on the location of a new Oil Refinery in India.

Shri T. B. Vittal Rao: I beg to move:

“That the demand for a supplementary grant of a sum not exceeding Rs. 96,000 in respect of ‘Ministry of Natural Resources and Scientific Research’ be reduced by Rs. 100.”

Lack of proper Geological surveys and lack of proper emphasis in areas where Minerals Industry is undeveloped.

Shri V. P. Nayyar: I beg to move:

“That the demand for a supplementary grant of a sum not exceeding Rs. 96,000 in respect of ‘Ministry of Natural Resources and Scientific Research’ be reduced by Rs. 100.”

Need to revise the ‘oil agreements’ now in force.

Shri V. P. Nayyar: I beg to move:

“That the demand for a supplementary grant of a sum not exceeding Rs. 96,000 in respect of ‘Ministry of Natural Resources and Scientific Research’ be reduced by Rs. 100.”

Omission to include lubricating oil as one of the products to be manufactured in India

Shri V. P. Nayyar: I beg to move:

“That the demand for a supplementary grant of a sum not exceeding Rs. 2,25,000 in respect of ‘Miscellaneous Expenditure under Ministry of Natural Resources and Scientific Research’ be reduced by Rs. 100.”

Reasons for joining the International Union of Biochemistry.

Shri Kamath: I beg to move:

"That the demand for a supplementary Grant of a sum not exceeding Rs. 2,25,000 in respect of 'Miscellaneous Expenditure under the Ministry of Natural Resources and Scientific Research' be reduced by Rs. 100."

Mr. Chairman: All these cut motions are now before the House.

Shri Kamath: I have moved cut motions No. 14 and 15. Cut motion No. 14 has a bearing on Demand No. 78. I shall briefly state the points which, I hope, the Minister would answer in the course of the reply.

Mr. Chairman: We shall finish this Demand by 5 P.M.

Shri V. P. Nayar: Then, is there guillotine?

Shri Kamath: That is tomorrow. I will invite the attention of the Minister to the egregious inconsistency, between the head and tail, between the first sentence and last sentence of this foot note (a) in page 117. It contains the statement that during the financial year 1955-56, an expenditure to the extent of Rs. 3 lakhs was sanctioned in connection with the visit of Russian experts, etc.

The tail of it reads:

"As the Budget Estimates for 1956-57 were finalised before the expenditure on the Russian delegates was sanctioned, and the extent of the expenditure which would have to be incurred during 1956-57 was not known, no provision could be included on this account in the current year's original estimates."

In the beginning we are told that the expenditure was sanctioned in 1955-56, and apparently the budget estimates for 1956-57 were finalised in 1955-56. I do not know how this can

be explained. I hope the Minister will try to explain this discrepancy.

I would then invite his attention to another aspect of this particular matter. We are told nine Soviet experts were engaged or invited to do this work for a total remuneration of Rs. 3 lakhs. We have not been told what the scale of remuneration and other fees are. I wish he would tell the House what the scale of remuneration and other fees are, whether they are uniform, whether there are big or small or medium experts among these nine experts. On an average it comes to Rs. 33,000 each. I would also like to know for how many years they have been engaged, whether it is a contract job—I suppose it is not a contract job on the face of it—and how much of the job remains to be done, and whether Government will come again with another Supplementary Demand later on, because I find that last year Rs. 2.05 lakhs were paid. The Minister may also tell us whether these experts started the work and how far they have progressed with their work.

I thought Tovarisch Nikita Krushchev, the First Secretary of the Soviet Communist Party, when he was in India last year in the exuberance of goodwill generated by subscription to *Panchsheel*, promised at a public meeting at Calcutta or Bangalore or Bhakra-Nangal, I forget where, all sorts of aid to India and his words were, as far as I can recollect, to this effect, "If you want to have the technical know-how, just ask for it, we will give it." After that I thought he would treat India very favourably in this matter, may not be in other matters but in this matter, and that he would give technical aid, practically free, to India more or less. But I would ask the Minister to tell us whether Mr. Krushchev has kept his word in this matter, whether we have got the technical know-how from Soviet Russia as per the terms promised by him or on the usual terms given to other countries, whether India is a most favoured nation in this matter or just an ordinary nation and

[Shri Kamath]

not a *Panchsheel* country, the *Panchsheel* to which both India and Russia have subscribed.

With regard to Demand No. 86, my cut motion is No. 15. It would appear from the footnote that India could not pay or did not pay a small amount of Rs. 2,000 or so towards its contribution to the International Union of Geodesy and Geophysics. I do not know whether we could not pay the amount because we are so very poor, that we could not afford it, or some other factor intervened and this small payment could not be made. What were the hurdles that came in the way of the small payment by India to this International union? It is rather bad that we should not pay small amounts to international organisations when we have become so international minded.

There is another footnote stating that India is also *likely* to join another organisation. This is bad language I think. The Government must come with a definite decision to this House. There are two words there "also likely". What is this? The Government does not know its own mind in various matters, but in small matters at least they should make up their mind if not in big matters.

16-45 hrs.

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

Mr. Deputy-Speaker: I would invite your attention to page No. 118. Will you be so good as to refer to item (iii) on that page? This sort of thing should not be encouraged or countenanced by this House at all. India is also likely to join the International Union of Biochemistry. I have nothing to say against this International union. It is a good union as far as it goes. Of course, it is a very small sum. I do not quarrel with the sum, Rs. 475, less than Rs. 500, but in the background of the earlier Union to which we could not pay Rs. 2,000 Government tells us that they have not made up their mind, but that

they are likely to join. They might not have decided at the time this was printed or was given to the press, but I would like to know whether they have made up their mind finally at least now. I would also like to know what the functions of this union are and how India will benefit by joining it. I would therefore request the Minister to throw light on the various points I have raised. I commend my cut motions for the acceptance of the House.

Shri T. B. Vittal Rao: My cut motion is:

"That the demand for a supplementary grant of a sum not exceeding Rs. 96,000 in respect of 'Ministry of Natural Resources and Scientific Research' be reduced by Rs. 100." (*Delay in submission of the report of the Committee on the location of a new Oil Refinery in India*).

Following strong feelings expressed by the people of Assam regarding the location of the fourth refinery, a committee was appointed under the chairmanship of Shri Vasist, and a Rumanian expert was also asked to assist this committee. If I remember correctly, the committee was appointed some time in the beginning of September, and the committee was asked to report within two months. It is nearly four months now, and the committee's report has not been received as stated by the Deputy Minister of Education, Dr. K. L. Shrimali. This delay will upset our programme.

Today we are producing only 4 lakh tons of crude oil in India as against an annual consumption of 4 million tons. That is we are producing only 10 per cent. The demand is likely to go up to 7 million tons by the end of 1961 according to the planners. So there is great necessity to exploit the oil resources. We also insist that this programme of setting up refineries and refining crude oil should be done quickly because there is plenty of oil in our country and it

should be exploited.

Regarding the oil that is refined at Digboi, we do not know when that agreement was entered into, but it is detrimental to our national interests. For instance, while the oil that is got out from the Digboi wells costs Rs. 29 per ton, it is sold to the refinery at two or three times that rate, not on the basis of production costs, because it is fixed on the basis of the international price for oil, that is the Gulf of Mexico price. This, I feel, amounts to an infraction of our sovereignty. That is why there is the immediate need to finalise this matter.

On account of the delay in this matter, the setting up of the refinery at Bhavnagar is also being delayed, because unless this refinery is set up, the question of the Bhavnagar refinery will not be taken up. When we compare our production with that in other countries, we find that we raise only a very small quantity of crude oil. For instance, Iran, Iraq and Western Asia raise oil to the extent of 162 million tons annually. Even a small country like Rumania raises 11 million tons. So, it is very necessary that something should be done to raise our production immediately.

In view of some strong feelings expressed by the people of Assam and some people from Bengal—now, Bihar has also been brought into the picture—the question had to be referred to an expert committee. Wherever the refinery may be located, I hope that as soon as the report is received, it will be published and Government's decision thereon will be arrived at very quickly without any loss of time.

Shri L. Jogeswar Singh (Inner Manipur): I shall confine my remarks to the question of the oil refinery in Assam, and the delay in the matter of the exploration of oil and the exploitation of other minerals in the under-developed areas of the eastern part of India.

First, I shall take up the problem of the setting up of the oil refinery in Assam. As you know, Assam is an under-developed State. The policy of the Government of India is to ensure regional development of the country. In other parts of the country, many industrial programmes have been taken up, but so far as the easternmost State of India, namely Assam, is concerned, no such programme has been taken up. Even in regard to the oil refinery, the matter has been referred to an expert committee, and the work is being delayed pending their decision. I do not know why they are not in a position to come to a decision as quickly as possible, so that the legitimate demands of the people of Assam may be met. I see no reason why justice should not be done to Assam.

As you are aware, Assam is the largest oil-producing centre in India, and there are very great possibilities for the raising of crude oil in that State. If the oil refinery is located in Assam, then Assam will become industrially developed, and, naturally, the communication problem also will be solved. So, it is very necessary that this oil refinery should be set up in Assam. If the legitimate demand of the people of Assam is not met, and justice is not done to them, then it will adversely affect the prospects of success in the general elections, because the people of Assam are agitated very much, and rightly too, over this issue.

I now come to the question of the delay in the exploitation of the mineral resources in these areas. I would suggest that the Ministry of Natural Resources and Scientific Research should have some sort of committee, on behalf of the Planning Commission, to find out all the mineral resources that are available in those under-developed areas. Whenever this problem had been posed before the Ministry in the past, their only answer has always been that owing to the absence of proper communication facilities, these areas could not be

[Shri L. Logeswar Singh]

surveyed for mineral resources, either under the First Five Year Plan or even under the Second Five Year Plan; so, communications should first be developed in these areas, so that the exploitation of the mineral resources will follow in turn. But I would suggest that the exploitation of mineral resources should not await the development of communications. Otherwise, the bountiful resources of these under-developed areas will remain untapped.

I would urge the Minister to set up a committee entrusted solely with the work of the development of these under-developed areas, so that the problems of these areas may be brought to the notice of the authorities and the legitimate demands of the people of these areas may be met.

With these words, I support the Supplementary Demands for Grants.

Shri T. T. Krishnamachari: First I shall take up this question of the oil refinery in Assam. The report of the committee has now been submitted to the Ministry concerned. I think it was submitted on 10th December, and naturally, it has to be considered. But the mere submission of the report on the particular project does not mean that the refinery comes into existence immediately; there are various other factors; particularly, there is one important factor to be considered, namely the question of technical assistance, and the finding out of foreign exchange. Anyway, the point made by Shri T. B. Vittal Rao and Shri L. Jogeshwar Singh seems to suggest that a committee was appointed, but it was doing nothing. The committee has submitted its report. It was received on 10th December, and the report will be processed.

Then, Shri Kamath was, in his usual mood, inquisitorial.

Shri Debendra Nath Sarma (Gauhati): On a point of information. May I know whether the decision regarding

the location of the refinery would be announced before the general elections or not?

Mr. Deputy-Speaker: How can that assurance be given?

Shri T. T. Krishnamachari: I am afraid it will be very difficult for us to say anything about it, because, after all, there are other conditions to be enquired into. If the position is that Assam is going to consume all the product of the refinery, then it is a different matter; if it is not, then there is the question of transport as well. I can hold out no hope of any particular date before which a decision could be announced.

Shri Kamath, who is not here, has raised certain questions. But I do not know if it is the desire of the Chair that I should reply to them at all, the hon. Member not being here.

Shri T. B. Vittal Rao: He has gone out for coffee. He had been sitting here from the morning.

Mr. Deputy-Speaker: Other hon. Members are anxious that a reply should be given.

Shri T. T. Krishnamachari: He has raised the question of the appointment of the Russian experts. So far as the language of the particular foot-note is concerned, it might be that it is infelicitous. The officers who draft this foot-note have not had the benefit of a foreign education like my hon. friend Shri Kamath, and they have learnt their English in this country. But what the foot-note seeks to convey is that we had programmed to spend Rs. 3 lakhs on the Russian experts; some money has been spent in the last year, and what remains to be spent this year is just a matter of Rs. 85,000. Another Rs. 11,000 is going to be spent on account of the Rumanian delegation that is coming here. The break-up, which he wanted, is as follows: Return air passage to the Russian experts, Rs. 70,000; remuneration on the basis of Rs. 95 per day for the experts and Rs. 65 per day for

the Interpreter, was about Rs. 1,60,000 travel and other hotel expenses were of the order of about Rs. 70,000. The total was Rs. 3,00,000.

17 hours.

He has also asked me why we have suddenly decided to join this particular body, the International Union of Biochemistry. The suggestion came from the Council of Scientific and Industrial Research, that India should join it, and India should become a voting member of that body. That is why the decision has been taken. He also asked why the subscription of about Rs. 2,000 to be paid to the international Union of Geodesy and Geophysics was not paid. Actually, I must confess that this was due to the fact that we asked the High Commissioner's office in London to pay and we were told that they had paid it. Later, they found out that they had not paid. Therefore, it had to come in the current year's budget.

These are, of course, lapses. In one case, the lapse is because we did not recognise the existence of a scientific body earlier. The other lapse was because somebody had overlooked to pay the money. That disposes of Shri Kamath.

Then I come the points raised by Shri V. P. Nayar. He raised the question of lubricating oil. I quite recognise the value of lubricating oil. I think sometimes that if only it could be used for lubricating our own minds, there might be a little more clarity of thinking. But it happens that so far as the three refineries are concerned, they are not producing lubricating oil. The question has not been raised because of the relative importance of lubricating oil as against the other products in these refineries. Since he has raised this question, perhaps when the refineries are going to expand or if there is any such proposal, the matter might be taken up.

So far as the Assam refinery is concerned, at the present moment it is producing about 15,700 tons. Any question of its expansion to production of lubricating oil will depend upon the chemical contents of the crude oil

that is produced by the Assam Oil Company in the producing section. Since the hon. Member has drawn our attention to it, it will certainly be kept in mind.

The other question was about the exploitation of mineral resources in India, particularly in Kerala. The hon. Member would realise that it is not quite possible overnight to expand the technical staff necessary for this purpose. The staff at the disposal of the Ministry is being doubled. Steps are being taken towards this end.

There is also the other fact that, as we were before, during the First Five Year Plan period our powers to make geological surveys in certain States were not there. Now the position has certainly changed. As I said, the Ministry is taking steps to expand the technical personnel available and it does propose to cover as far as possible within the shortest period of time the several areas in India which are worthwhile being covered by geological surveys.

Then a point was raised about lignite. I think this question has been raised before. If and when the staff is available, we should certainly take up this question of surveying wherever there are possibilities of developing lignite. But the future of lignite depends very largely on the lignite exploitation in South India, about which hon. Members have spoken just about an hour back.

While I am grateful to my hon. friends for having pointed out what might be called even lapses or, one might say, the lack of urgent attention to these matters, I should only say that all these matters—there are several of them which require immediate attention on the part of a scientific department like the Ministry of Natural Resources and Scientific Research—are being looked into, and the only plea that I can put forward for the delays in having a coverage all over India is that it is not possible for us to produce the necessary technical personnel. It is not money that is

[Shri T. T. Krishnamachari]
standing in the way; it is technical personnel and equipment. In many cases, we have got to go out of this country to secure equipment, and it not easily available. So an attempt is being made strenuously and continually for filling up the lacunae and it is hoped that we might be able, before the end of the Second Plan period, to say that our coverage is reasonably full, even though it is not complete.

I do not think I need add anything more to what I have said because it deals in part with the various queries raised by my hon. friends.

Mr. Deputy-Speaker: I shall now put the cut motions to the vote of the House.

Shri T. B. Vittal Rao: I beg leave of the House to withdraw my cut motion No. 33, since the report has been submitted.

The cut motion was, by leave, with drawn.

Mr. Deputy-Speaker: I shall now put the other cut motions to Demands Nos. 78 and 86 to the vote of the House.

The cut motions were negatived.

Mr. Deputy-Speaker: The question is:

"That the respective supplementary sums not exceeding the amounts shown in the third column of the Order Paper be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of the following Demands entered in the second column thereof: Demands Nos. 78 and 86."

The motion was adopted.

The motions for Demands for supplementary Grants which were adopted by the Lok Sabha are reproduced below.

DEMAND No. 78—MINISTRY OF NATURAL RESOURCES AND SCIENTIFIC RESEARCH

"That a supplementary sum not exceeding Rs. 96,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Ministry of Natural Resources and Scientific Research'."

DEMAND No. 86—MISCELLANEOUS EXPENDITURE UNDER MINISTRY OF NATURAL RESOURCES AND SCIENTIFIC RESEARCH

"That a supplementary sum not exceeding Rs. 2,25,000 be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1957, in respect of 'Miscellaneous Expenditure under Ministry of Natural Resources and Scientific Research'."

DISCUSSION RE FIXATION OF PAY SCALE AND OTHER SERVICE CONDITIONS OF EMPLOYEES OF LIFE INSURANCE CORPORATION

Mr. Deputy-Speaker: The House will not proceed with the 2½ hour discussion on fixation of pay scales and other service conditions of employees of the Life Insurance Corporation.

So far as time allocation is concerned, 15 minutes for each speaker would suffice; perhaps the Mover might require 20 minutes.

Shri Sadhan Gupta (Calcutta South-East): More.

Mr. Deputy-Speaker: Let him have 25 minutes.

Shri A. M. Thomas (Ernakulam): So many other hon. Members would like to speak, so that some division of time may also be made, having regard to the number of speakers.

Mr. Deputy-Speaker: Let the Mover conclude his speech. Then I will try to find out what the number of speakers is and what time should be allowed to each Member.

Shri Sadhan Gupta: Mr. Deputy-Speaker, Sir, I am raising this discussion with a feeling bordering on anguish. While the Life Insurance Corporation Bill and the Life Insurance (Emergency Provisions) Bill were under discussion, when the policy of nationalisation itself was under withering attacks from capitalist interests on both sides of this House, I had given my wholehearted support to the Bills. I had supported the Bills not only on behalf of myself; I had supported them not only on behalf of my party, but, what is more important, I had supported them on behalf of the insurance employees, with whom I have had long intimate connections.

The employees were the most enthusiastic supporters of nationalisation and the former Finance Minister recognised it when, during the debate on the Emergency Provisions Bill, he gratefully acknowledged that the first to congratulate him on the decision to nationalise life insurance were the All India Insurance Employees' Association, which is the organisation of the insurance office employees, and the Federation of Hindustan Employees' Association, with whom I also happen to be connected for the last 7 years.

When the Life Insurance Corporation Bill was before the Select Committee, the All India Insurance Employees' Association made valuable suggestions in its memorandum regarding the organisational structure of the Corporation, integration of business and other matters. I can tell you from my knowledge that some of the important suggestions have been accepted, particularly in regard to the organisational structure of the Corporation and integration of existing business. Of different companies I feel distressed to see that in spite of this huge goodwill of the employees with which the Corporation was born, the affairs have been so conducted that today the employees have been com-

pelled to think in terms of strike. The other day, on 5th December, more than at least 95 per cent. of the office employees had gone on one-day token strike. In many centres, the field staff also co-operated with them. The field staff today is also thinking in terms of strike. Why has this happened? The Deputy Finance Minister would have us believe that it is because of wicked outsiders tampering with the poor employees. The Finance Minister is much more frank. According to him, it is the party to which I belong that keeps the agitation going and growing. I have no quarrel with his English. It is good English, for who can doubt the Finance Minister's ability to learn well from our erst-while masters, especially their loves and hates and the way to slander our party. It is not so good poetry, although it is good English, for the inspiration behind such thing is likely to be anything but poetic. But it is a bad diagnosis for although there may be rhyme in it, there is completely no reason in it. However, I shall not emulate him in trying to prove the case merely with invectives. I will pile up facts on facts till his curious logic cracks up and pulverises under there weight. Why are the office employees dissatisfied? Are their pay scales so magnificent and munificent that outsiders had to intervene to convince them that it was not? Was it so perfect that a "red" light was necessary to discover the defects in them? Let us look at facts.

You know that in any wage structure, the basic pay is an important element. It determines the amount of future retirement benefits like gratuity and provident fund; it determines the quantum of bonus in case bonus is paid; it determines the question of seniority when the question of promotions come up. Now, what is the dispensation of basic pay that the Government has given? The scales fixed are, Rs. 55-220 for clerks and Rs. 30-60 for subordinate staff. If you compare these scales with the

[Shri Sadhan Gupta]

standards generally reached in insurance companies prior to nationalisation and afterwards, you can realise how mercilessly these scales have been slashed down.

Compared to the Rs. 55-220 scale fixed for the clerical staff by the Corporation, you will find that the National Insurance Company had a scale of Rs. 80-280, the foreign companies had a scale of Rs. 80-280, the Oriental, a scale of Rs. 80-320, the Industrial and Prudential, one Rs. 70-330, the Hindustan, Rs. 80-325, New India, Rs. 80-335. Very few companies had less than Rs. 65/- as starting pay. There was, therefore, a cut of between Rs. 10/- and Rs. 25/- at the start and anything between Rs. 60/- and Rs. 115/- at the end, in basic wages alone. The same trend of fixation of basic wage has been maintained in the insurance industry even after nationalisation. The Indian Trade and General Insurance Company has adopted a wage scale of Rs. 80-290, the Jaya Bharat Rs. 80-337/8/-, Zenith, Rs. 80-337/8/-, British India, General, Rs. 80-337/8/-.

Coming to the subordinate staff, peons, bearers, liftmen, daftaries and others, let us see how they have been treated, as regards their basic pay. The Corporation scale, as I said, is Rs. 30-60/-. National Insurance had Rs. 35-70, the New India had Rs. 30-75, the Oriental, Rs. 35/- to Rs. 75/- and Hindustan, to which I belong as President of their Employees' Association, had Rs. 37 to 128/- for subordinate staff. You will, therefore, find that there is a gap of from Rs. 5 to Rs. 7 at the start and of Rs. 10/- to Rs. 58/- at the end.

Let us now take the other element in wage structure, the dearness allowance. Under the Corporation's dearness allowance schemes, the maximum that a clerk can get is Rs. 65/-. In the National, it is Rs. 80/-, in Oriental, it is Rs. 93/-, in Hindustan it is Rs. 95/-, in New India, it is Rs. 135/- and in overseas companies, at present cost

of living indices, it is Rs. 212|8|-. There is, therefore, a discrepancy of between Rs. 15|and Rs. 147|8| in dearness allowance.

The difference in total emoluments is even more astounding. Here are certain revealing figures—a comparison between the Corporation pay scales and the scales in certain insurance companies where the pay scales were fixed with bilateral agreements. The figures relate to differences in monthly total emoluments at the 1st, 5th, 10th, 15th, 20th, 24th and 26th years of service. In the Corporation, for the first year, in the case of clerks, the total emoluments are Rs. 125/-, only in 5 big cities; otherwise it is Rs. 105/-. In the —

| | | |
|---------------------------|-------|-----------|
| Industrial and Prudential | it is | 120/-, |
| Natio al | " | 130/- |
| Oriental | " | 138/- |
| Hindustan | " | 140/8/- |
| New India | " | 143/- and |
| Foreign companies | " | 185/-. |

| | | | | |
|----------------------------|-----|-----|-----|----|
| At the fifth year, | | Rs. | As. | P. |
| In the Corporation, it is | 145 | 0 | 0 | |
| Industrial and Prudential, | 145 | 0 | 0 | |
| National, | 155 | 0 | 0 | |
| Oriental, | 158 | 0 | 0 | |
| Hindustan | 169 | 7 | 0 | |
| New India | 180 | 0 | 0 | |
| Foreign companies | 238 | 2 | 0 | |

| | | | | |
|----------------------------|-----|----|---|--|
| At the 10th year, | | | | |
| Corporation, | 170 | 0 | 0 | |
| Industrial and Prudential, | 183 | 12 | 0 | |
| Oriental, | 202 | 10 | 0 | |
| National, | 209 | 4 | 0 | |
| Hindustan, | 213 | 6 | 0 | |
| New India, | 232 | 8 | 0 | |
| and | | | | |
| Foreign companies | 278 | 12 | 0 | |

| | | | | |
|----------------------------|-----|----|---|--|
| At the 15th year, | | | | |
| Corporation | 214 | 0 | 0 | |
| Industrial and Prudential, | 241 | 14 | 0 | |
| Oriental, | 259 | 0 | 0 | |
| National, | 265 | 0 | 0 | |
| Hindustan, | 266 | 3 | 0 | |
| New India, | 295 | 0 | 0 | |
| and | | | | |
| Foreign companies, | 311 | 4 | 0 | |

| | |
|--------------------------------------|----------|
| At the 20th year, | |
| Corporation, | 260 0 0 |
| Oriental, | 316 12 0 |
| Industrial and Prudential, | 320 0 0 |
| Hindustan, | 325 14 0 |
| National, | 330 0 0 |
| New India, | 378 8 0 |
| and | |
| Foreign companies, | 371 6 0 |

| | |
|------------------------|---------|
| At the 24th year, | |
| Corporation, | 305 0 0 |
| National, | 360 0 0 |
| Oriental, | 380 0 0 |
| Hindustan, | 383 0 0 |
| Foreign companies and | 413 0 0 |
| New India | 449 0 0 |

At the 26th year, the Corporation scale is completed and it is still Rs. 305/-, National scale is also completed and is at Rs. 360/-, Oriental is at Rs. 413/-, Hindustan at Rs. 415/- and Industrial and Prudential, Rs. 438/12/- and New India, Rs. 454/12/-.

Similar are the figures for subordinate staff and they are also revealing.

| | |
|------------------------|------------|
| First year, | |
| | Rs. As: P. |
| Corporation, | 75 0 0 |
| National, | 73 0 0 |
| Hindustan, | 77 0 0 |
| Oriental, | 81 0 0 |
| New India, | 87 0 0 |
| and | |
| Foreign companies | 100 0 0 |

| | |
|------------------------|---------|
| Fifth year | |
| Corporation, | 80 0 0 |
| National, | 83 0 0 |
| Hindustan, | 87 0 0 |
| Oriental, | 91 0 0 |
| New India, | 97 0 0 |
| and | |
| Foreign companies | 105 2 0 |

| | |
|------------------------------|---------|
| Tenth year | |
| Corporation, | 90 0 0 |
| National, | 97 0 0 |
| Hindustan, | 102 0 0 |
| Oriental, | 103 0 0 |
| New India, | 107 0 0 |
| and | |
| Foreign companies, | 110 0 0 |

| | |
|------------------------------|---------|
| Fifteenth year, | |
| Corporation | 110 0 0 |
| National, | 112 0 0 |
| Hindustan, | 114 0 0 |
| Foreign companies, | 114 0 0 |

| | |
|----------------------|---------|
| Oriental, | 116 0 0 |
| and | |
| New India, | 121 0 0 |

| | |
|-----------------------------|---------|
| Twentieth year, | |
| Corporation still | 110 0 0 |
| National, | 118 0 0 |
| Foreign companies | 120 0 0 |
| Oriental, | 126 0 0 |
| New India, | 142 0 0 |
| and | |
| Hindustan, | 146 8 0 |

To give the dismal story behind these dry figures, a clerk of the Corporation gets anything from Rs. 5 to Rs. 60 less a month during the first year, Rs. 10 to Rs. 93/12/- less a month during the fifth year, Rs. 13/12/- to Rs. 108/12/- less at the 10th year, Rs. 27/14/- to Rs. 97/4/- less at the 15th year, Rs. 56/12/- to Rs. 118/8/- less a month at the 20th year, Rs. 58 to Rs. 144 less at the 24th year and Rs. 85 to Rs. 149/4/- less a month at the 26th year. The Corporation subordinate staff would get Rs. 2 to Rs. 25 less a month at the first year, Rs. 3 to Rs. 25 less at the 5th year, Rs. 7 to Rs. 20 less at the 10th year, Rs. 2 to Rs. 11 less a month at the 15th year and Rs. 8 to Rs. 36/8/- less a month at the 20th year. This difference leaves out of account the brigandage perpetrated by the Government by robbing most employees of one-fifth to one-sixth of their basic wages by the incomprehensible decision to deprive them of annual bonuses to which they had practically earned a right. Commerce of the 6th October of this year estimated that a clerk in Oriental would lose Rs. 5,772 under the Corporation pay scales during 25 years of service, a clerk in Hindustan would lose Rs. 14,352 during the same period, and a clerk in New India would lose Rs. 14,400, in addition to the bonus, which each of these clerks would stand to lose under the Government's dispensation. No less obnoxious than the picking of the employee's pocket is the novel formula for fitting which has been adopted. In any adjustment, it is usual first to adjust in accordance with basic

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wages and then to add on the allowance. But here just the opposite has been done. Where dearness allowance is less than the Corporation scales, a part of the total emoluments, a part of the wages equal to the dearness allowance admissible under the Corporation scales is to be allocated as dearness allowance and the rest is to be regarded as basic wages, and adjustment is to be made accordingly. One illustration will show the injustice that it would work. An employee in the Railway Employees Co-operative Insurance draws Rs. 175 after 25 years of service. This consists of Rs. 150 as basic wages and Rs. 25 as city allowance. Under the new formula of adjustment, Rs. 55 out of Rs. 150 will be adjusted towards dearness allowance, and the basic wages will then be fixed according to the new rules of adjustment at Rs. 98; Rs. 27 will be treated as personal pay and Rs. 50 will be the dearness allowance. Thus his basic pay is reduced by Rs. 52, and he is deprived of about eight years' benefit in basic pay and his corresponding terms of seniority, and what is more, he will not succeed in reaching the top of his new grade, even the new truncated rate of Rs. 220, which the Government has provided for him. This would be the loss of the former employees of most medium and small-sized insurance concerns, and certainly of the old employees of those concerns, for the dearness allowance is much less in proportion to the basic wages. The most heartless act of the Government has been to deprive the employees of the annual bonus. Through hard struggles the employees have earned practically a right to receive an annual bonus in most concerns. Though the earst-while employers did not formally recognise this right, yet bonus was invariably paid when demands for it were raised, and, therefore, it was as good as a right. Industrial tribunals have repeatedly held that bonus is a temporary satisfaction of the gap between actual wages and living wages. Industrial tribunals also have

held repeatedly that the object of an enlightened industrial policy should be to make progress towards living wage. The Government have thrown these rational and salutary principles to the four winds and deprived the employees of their bonus. I do not think the Finance Minister will be able to maintain that insurance employees, whether in office or in field, have reached the standard of living wages. If he did so, the Central Government's Family Budget Enquiry Commission would contradict it.

Apart from principles, the inhuman character of this decision will be patent when you think how hard the employee has to try on festive occasions to fulfil his obligations to his family. On the occasion of Puja or Diwali, every employee wants to see his wife and children happy by returning their drab lives by a few seasonable presents, and bonus comes in very handy for this purpose. But it is useless to expect the Finance Minister to appreciate this aspect, for he has neither been connected with employees to know their hardships nor can he expect to learn it from experience for he certainly faces no such difficulties. But as far as the employees are concerned, it is the most provocative step that the Finance Minister could have taken, it is an attack on the happiness of family life which the employees cannot be expected to tolerate with equanimity.

After all this record of banditry, of cut in basic wages, of slashing down dearness allowance, of reducing total emoluments, it is idle to say that the ferment among the employees is the doing of outsiders. It is indeed the height of impertinence to say so, because insurance employees....

The Minister of Finance and Iron and Steel (Shri T. T. Krishnamachari): Mr. Deputy-Speaker, the language that my hon. friend is using may or may not be Parliamentary, but progressively he is getting worse—braggade, picking somebody's pocket, impertinence. I do not know if it is correct to say so.

Dr. Krishnaswami (Kancheepuram): Absolutely parliamentary.

Mr. Deputy-Speaker: Order, order. When an objection is taken, the judgment should not come from the same side.....

Shri N. C. Chatterjee (Hooghly): We are only making a submission.

Mr. Deputy-Speaker: It may not be strictly unparliamentary, but it is not desirable to use these words. I thought the hon. Member was trying to persuade the other side with the strength of his case and the arguments he was advancing, but perhaps it was prepared outside this House and therefore it is so strong.....

Shri Gadgil (Poona Central): Is that your ruling, Sir, that outside people can utter unparliamentary words?

Mr. Deputy-Speaker: I did say that it is not exactly unparliamentary, but even then it is not desirable that such words should be used. At least it is not only that we have to convince others, but even if one feels that he cannot convince the other side, one should appear to argue as if is trying at least to convince the other side; there must be that attempt.

Shri Sadhan Gupta: The Finance Minister has insulted both the insurance employees and our party by saying that we have engineered this, and I have certainly the right to contradict him in the strongest of terms.

Mr. Deputy-Speaker: Then perhaps I am justified. It is out of that anger that it is coming, or the anguish with which he began. I hope from now onwards he will use more moderate words, and the same purpose, I suppose, will be served.

Shri Sadhan Gupta: Apparently the Finance Minister thinks that employees are mere sheep and goat and that they are led by others. Although it is not strange he should think them to be so because he has perhaps been

in the habit of employing them and not understanding their position, I can assure you that they are mostly educated men who very well understand their problems and their good. In any event the figures I have quoted are enough to convince the most ignorant of men that his pocket is being picked.

This is not all. There are a thousand and one other provocations.

Mr. Deputy-Speaker: Should I ring the bell as 25 minutes are now over?

Shri Sadhan Gupta: I was going on and I was interrupted. This is not all. There are a thousand and one other provocations of a major or minor nature.

Shri T. T. Krishnamachari: He has got a lot more figures to read out.

Shri Sadhan Gupta: There are a thousand and one provocations of a major and minor nature. Privilege leave has been, in effect, reduced; sick leave has been drastically curtailed. In the former insurance companies, gratuity was admissible even on resignation and in many cases gratuity up to 20 months' basic pay was admissible. Today, there is no gratuity on resignation. There are other pin-pricks too numerous to be detailed here. Even after these, the Finance Minister would have us believe that it is the doing of communists. So much about why office employees are dissatisfied.

What about the field staff? It was an irony of fate that under the former insurers, the field staff—inspectors and organisers—had no security of service, although they were the sellers of security. At that time, this was not a great handicap. There was a mad competition for securing business. So, the field employees who failed to fulfil their quota with one company and therefore had their salary reduced or withheld or their service terminated, could easily find employment in some other company on an equally good remuneration. There-

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fore, although their salary was related to the amount of business which they could secure and although—withholding or reduction of salary or even termination of service was frequent no organised effort came from the field staff to remedy these evils. The system of appointment on a contract basis on the principle of relating emoluments to output of business and premium income—all these things continued but without much protest from the field staff.

As a result, all sorts of unethical practices developed. As the emphasis was on output of business, as the worth of a company, its appeal to prospective policyholders depended on how many crores of new business it was able to secure, the practice developed of getting business anyhow and of getting any kind of business. As a result, unethical practices like rebating, appointment of *benami* or dummy agents, etc. followed. The object was anyhow to fulfil the quote of business. These practices were inevitable in a contract business of appointment. Section 31(a) was introduced into the Insurance Act by the amending Act of 1950 with a view to check these practices.

Even then, the insurer continued either to violate the Act directly by appointing *pro rata* inspectors and organisers or to evade it by providing for reduction or enhancement of salary on certain outputs but by not strictly maintaining the proportion between output and salary.

Now, one would have thought that the Government, after nationalisation, would have stamped down its foot on this unethical system. But, to the astonishment of all, it is being maintained. The decision is to watch every field employee till the end of September 1957 and then to categorise them on their output of business. The same insecurity of service will continue and the same unethical practices will go up. This will result in great hardship to the field staff.

Everyone knows that the output of an employee does not always remain steady. Formerly, if a field employee lost his salary or service owing to reduce output in one year, he could at once shift to another company and earn a livelihood and could show a better output. Now, under the Corporation, he cannot do anything of the kind. Therefore, for a fluctuation in business, for a thing which is usual in this kind of business, he stands the risk of being thrown out on to the streets for ever!

This is not an idle fear. The Corporation has raised the agents' quota from Rs. 3,000 to Rs. 40,000. An agent today is expected to bring in a minimum business of Rs. 40,000 to keep his agency. Even in the case of agents, this figure may not be uniformly maintained. The more efficient agents are seeking employment in the general insurance line and the inspectors are being deprived of their services and consequently of their output. Under these circumstances, if this year is taken into account—this year, which is an unusual year—in determining the claim to categorisation, many field employees will suffer a great injustice.

But, the greatest objection to this contract system of appointment of field staff—an objection which is the concern of all supporters of nationalisation is that it will completely defeat the Corporation's laudable objective of spreading insurance to the low income groups. By an equal amount of effort it is much easier to secure a larger volume of business in policies of bigger dimensions on the lives of more well-to-do sections of the community than policies of smaller dimensions from sections like the industrial workers, peasants and so on. This section will need a lot of canvassing before they can take out a policy. When they have taken one, they will have to be visited repeatedly for seeing that they pay their premiums in

time. If they fail to pay, it will be difficult for them to make good the default.

All these services will not result in the volume of business but will diffuse social security in that section of the community where it is most needed.

Is there any wonder that when all these just principles are overlooked, the field staff will feel disgruntled? It is, therefore, no use hoodwinking the country and this House by saying that it is the communists who are responsible for this discontent and the Government is the embodiment of justice and fairplay. If we want the Corporation to be the great institution it deserves to be,—the great institution it deserves to be,—then to see it to be, the Government must solve the problems on the basis of justice and fairplay.

I have already stated the standards which the office employees had achieved in their emoluments. Let the Government realise that this standard was not achieved by the grace of the employers. They tried their level best to thwart the employees' demands. They praded the restrictions on expense ratio and adopted all other devise, including reckless victimisation, to resist the employees. In spite of all that, these achievements were secured. The office employees had to make many sacrifices and to undergo much repression to achieve these standards. It is well for the Finance Ministers to realise that they cannot be expected to bear this talk on their livelihood.

The excuses and justifications advanced by the Government do not bear any scrutiny. It is suggested firstly, that the employees need not complain against this because the emoluments of the existing employees are guaranteed. This is only a half-truth for every employee will have his emoluments slashed down by at least one-fifth or one-sixth of the basic pay by the deprivation of bonus. But, even if it were so, the emplo-

yees are not mere selfish friends who would look to their own selfish interests; and ignore those of their brother employees.

Apart from this, the so-called protection of emoluments will result in vastly discriminatory earnings for the same kind of work and for the employees with the same efficiency or even for employees with better efficiency. Secondly, it has been said that the pay-scales have been fixed according to the Government's standards. Even if it were so, there is no justification for this. The starting pay of Rs. 55 was found by the Central Pay Commission in 1946 to be the subsistence level at the index number of 160. When we know that the dearness allowance has never been increased sufficiently to neutralise the rise of prices, it would be apparent that the total emoluments fixed would be below the subsistence level and would not amount to fair wages. That is why the Government employees themselves are agitating for a Second Pay Commission. No employer has the right to deny fair wages when he is able to pay it.

But, the pay-scales do not even conform to the Government standards. I understand that the pay of a Government clerk in the big cities is a minimum of Rs. 137/8/- and not Rs. 125 as is prescribed for the Corporation employees. However, even if it were the Government's standard, there is no justification for imposing it on insurance employees as they had already achieved better scales and wages and conditions. By all canons of justice, those achievements must be respected. Any attack on them will result in perpetual discontent and inefficiency. Secondly, the corporation is not on a par with the employees on the administrative side of the Government. It is a concern which can earn what it pays to its employees. It is no use setting insurance employees against Government employees. It is an old rotten trick of capitalist origin which every

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employee knows by heart and through repeated experience. The Government employees will not grudge their brothers in the Corporation the fruit of the achievements they have won through sacrifice. The Government themselves have recognised this difference in the case of the Reserve Bank where pay starts at Rs. 90 and goes on to Rs. 300 or more. Besides, the Reserve Bank employees get many other allowances. The same is the case with the State Bank employees.

Mr. Deputy-Speaker: The hon. Member has said within 30 minutes as much as any other Member would have said in a full hour. He may conclude.

Shri Sadhan Gupta: The Corporation as a financial venture is no less sound than either the Reserve Bank or the State Bank.

Lastly, even after the nationalisation, the Empire of India which is being administered by an administrator who is controlled by the finance Ministry has increased the salary from Rs. 53 to Rs. 75. There is no case, therefore, why insurance employees should not be given the fruit of the standards they had achieved and the pay which the Corporation can afford to pay. And indeed, the Corporation can afford to pay. Before nationalisation, out of Rs. 55 crores premium income, Rs. 16 crores roughly were spent on expenses of management. Out of this, only Rs. 2.5 crores went to the office employees and Rs. 2.5 crores to field employees. Rs. 4.58 crores went to the agents and Rs. 58 lakhs went to medical examiners. The balance of about Rs. 10½ crores were appropriated by the higher paid staff in the management. Today, much of the Rs. 10½ crores should be available to satisfy the demand of office employees and field staff and to provide security of services for the field staff. In fact, only a fraction of this sum will be required to meet

their demands—the demands of the employees of both categories—in full. Therefore, there cannot be any reason why you should not concede their demands in full.

In particular, I want to sound a warning about recklessly interfering with the employees' right to get the bonus. The office employees or the field employees have been accustomed to bonus, and there is no justification for denying it. Even in the State Bank, which is a Government concern, or which is a quasi-Government concern, bonus continues to be paid. I know the Finance Minister will raise many objections to the figures that I have just given. I do not accept the validity of those objections, because the figures are self-evident, but, if the Finance Minister thinks that he can prove his objections, then it is not we who are competent to decide it. He and the Corporation must sit across a table with representatives of the employees of the All-India Insurance Employees' Association as far as office employees are concerned and the representatives of the field staff, and I can assure him that if there is any objection which can possibly appeal to reason, the employees will be the first to be reasonable.

The employees have been wanting nationalisation since 1951. They are even now ardent enthusiasts of nationalisation and they do not want to go back to the malpractices of the private sector. It is at least more than the Finance Minister can claim for himself.

Mr. Deputy-Speaker: He began with nationalisation of the life insurance business and he should now end with the same note.

Shri Sadhan Gupta: It is an open secret that the Finance Minister was and is still opposed to nationalisation, and therefore, if he thinks there is

no ground or need to consider again, he must sit with the employees, but he must sit with the employees with an open mind and a reasonable attitude and not with a pre-determined position and with hardened and unalterable decisions. If he were to say, for instance, that he would not discuss bonus, it would not be conducive to the success of the conference.

The employees submitted a charter of demands in 1953 and that charter is a reasonable basis for negotiations. Let the Finance Minister call a bi-partite conference. Let him lay the cards on the table. Let him conduct negotiations on a basis of friendliness, understanding and sympathy of the employees' aspirations and a solution will certainly be found. So long he has treated the employees like animals. He has not even had the courtesy to consult them when their pay-scales were fixed, although it was a matter which was their exclusive concern. The consultation which he mentioned is no consultation at all, because, before these pay-scales were promulgated, their views on the matter were not taken. They were not asked to suggest alternative pay-scales. If he does not sit at a conference, it will be bad for the Corporation, because, a dissatisfied staff is certainly not the ideal condition for the functioning of the Corporation. Repression will not cure dissatisfaction; it will only worsen it. Therefore, I would again request him and appeal to him to call a bi-partite conference, with office employees and field staff, without any pre-disposition about the Communists engineering the whole show.

Mr. Deputy-Speaker: May I know how many Members like to speak? They may rise in their seats. Well, there are ten Members.

Shri A. K. Gopalan (Cannanore): I am one of those who gave the motion. I may also be given a chance to speak.

Mr. Deputy-Speaker: Could I know roughly how long the Minister will require?

Shri T. T. Krishnamachari: I think, to reply to Shri Sadhan Gupta, I would require half an hour. If the hon. Members yet to speak make other points, I would require more time. If they do not want any reply, I would not require any time. I have got figures with me, and they are probably a little more connected, than what Shri Sadhan Gupta quoted. So, it will take time.

Mr. Deputy-Speaker: If the hon. Members are content with ten minutes each, we will be able to accommodate everyone of them. If they want more, perhaps some Members shall have to go disappointed.

Shri Gadgil: Ten minutes will be all right.

Shri A. M. Thomas: Yes, 10 minutes will do.

Shri Velayudhan (Quilon cum Mavelikkara—Reserved—Sch. Castes): It is very insufficient. For those who have studied the subject, it is enough.

Mr. Deputy-Speaker: Then perhaps I would be calling those who are satisfied with ten minutes. Shri N. C. Chatterjee.

Shri N. C. Chatterjee: Mr. Deputy-Speaker, Sir, I am not going to speak in anger.

Shri T. T. Krishnamachari: Or in anguish.

Shri N. C. Chatterjee: Not in anguish I am still going to make a desperate attempt to touch the heart of the Finance Minister who has been called the Iron Chancellor. He has been saying, while going about the country, that he wants to play the role of Robin Hood. If he wants to play that role, he should have some sympathy, some real sympathy for the poor underdog. I am convinced that these poor employees have been a raw deal and they deserve much better.

[Shri N. C. Chatterjee]

My hon. friend to my left, Shri H. N. Mukerjee, has just passed on a fine poem on the Finance Minister.

Shri T. T. Krishnamachari: It is a limerick.

Shri N. C. Chatterjee: It reads:

"There is a boy called T.T.K. who rode a horse; he gave little hay. One day, the horse said: 'I fear I will soon be dead'; But T.T.K. said: 'It is O.K.' "

Very little hay is being given to these poor over-worked horses. I hope that T.T.K. would not say that it is really O. K.

I am not one of those who like the strike. I am not going to say how it was engineered or who engineered it. I have got nothing to do with it. But I was approached by an organisation called the All-India Life Insurance Employees Association who requested me to preside over a meeting in Calcutta, which was attended by Members of Parliament belonging to all parties. I had the privilege to preside over that meeting. Some Congress M.Ps. were present; some communist M.Ps. were also there. The Socialist Party was represented. All parties were there and we said, "We shall try to do our best; we shall plead for you in Parliament. But, do not resort to strike or direct action." We assured them of a debate in Parliament if justice was not coming. We also appealed to them that strike was the last weapon and they should not resort to it. Now, I do not think that the hon. Minister will victimise the thousands of poor people simply because they resorted to a strike. I am sorry to say that I am convinced that justice is not being done to them.

Just look at the figures. There are some of us who are sceptical of the utility of building up a monolithic corporation like this, eliminating all competition. But, Parliament has accepted it and we must bow down to that decision. In that spirit, I am

talking. When nationalisation came, there was a ray of hope and the employees thought that it would lead to many desirable things like eliminating wasteful competition, eliminating fraud and mismanagement wherever they were found, eliminating duplication and that they would get a much better deal under the public sector than what they were getting under the much-maligned private sector. But, what has happened? They have got a very raw deal; they have not even got the barest justice.

I am pleading for consideration at four or five distinct points and I hope the hon. Minister would pay some attention to them. The first demand is that the grade should start from Rs. 80 per month and not Rs. 55. This is a very fair and just demand. As a matter of fact, after considerable struggle either by means of adjudications by tribunals or by agreements, these poor employees established their right to get a starting salary on the grade from Rs. 80; but that is now being reduced to Rs. 55. It is very disheartening. You have been saying that the corporation will be more efficient, more productive and that business will be on a larger scale. You have never said that nationalisation has a failure. On the other hand, you are saying that business is on the increase and the potentialities are still more. In such a case, why are you reducing the salary from Rs. 80 to Rs. 55?

Secondly, I am pleading for the dearness allowance, which should be a minimum of Rs. 62 and not lower than that. In regard to bonus, I had something to do with a case in the Supreme Court it has been held that bonus cannot be given in a nationalised undertaking. I do not think that the Government should be troubled with such a technicality. If you honestly feel that the employees are behaving well, that bonus represents only a share of the productive labour which they are contributing to the

welfare of that particular sector, why should you deprive these poor people of bonus? They were getting bonus from 1 to 2½ months pay practically in every single concern of repute. In the State Bank of India, I am told that you have given one month's pay as gratuity; call it gratuity or by any other name. There is no charm in the name; do not call it bonus. In the Sindri Fertilisers, *ex gratia* payments between one to two months' salary are being given. You may not call it bonus, but some such benefit should be given to the employees here also.

Fourthly, interim relief should be given to smaller insurance companies pending finalisation of the pay scales. It is very very unfortunate that some small companies were paying altogether Rs. 80 to Rs. 90 and the employees were not getting a fair deal.

Lastly, I am saying that the grade should end at Rs. 320 or Rs. 325; you should not put it at anything lower than that. Probably 75 to 80 per cent of the business was in the hands of 6 or 7 companies and these are the figures: Oriental Rs. 80 to Rs. 320; Hindustan Rs. 80 to Rs. 325; New India Rs. 80 to Rs. 325 and National Rs. 80 to Rs. 280. Therefore, roughly in each case the grade was Rs. 80 to Rs. 320. Why do you not have the grade of Rs. 80 to Rs. 320? You can even make it Rs. 300 if you want. They would not quarrel with you then; they are not a pack of unreasonable people. They have been doing their best, all along complaining that private sector had given them a niggardly deal and hoping that a new leaf would be turned when they come under the public sector; but, they are disappointed. Therefore, I am pointing out that what has been done is not really fair. They should get a better deal. The grade should start from Rs. 80 and end at the other extremity at Rs. 320 or Rs. 325.

Although I do not agree with many things that Shri Sadhan Gupta has said—I wish he had not said them—I

may point out that the time has come when the hon. Minister should send for the two associations. I understand there are two associations, one with which my friend here is connected, and another of which no political or party leader is President. They have their own leadership from among the employees. Both the associations should be sent for and the hon. Minister should talk to them. Even if he does not do it, the least that he should do is to set up a wage board or something like that. The management of the corporation and the labour representatives should meet together and thrash out the problems and find out a solution of the difficulty. I can understand if you tell me that the business has gone down, that you are not getting the co-operation of the people, that there are disruptive tendencies somewhere else. But so far as I know, you have been continually saying that business has improved.

Shri T. T. Krishnamachari: No.

Shri N. C. Chatterjee: It had improved up to a certain stage, but then you slashed the commission rates.

Shri T. T. Krishnamachari: Do not try to rationalise it.

Shri N. C. Chatterjee: I am not going to ask you not to rationalise anything. I want you to turn the searchlight inwards and just find out whether you have not slashed the rates, whether you have not increased the minimum which the agent should bring forward every year from a Rs. 3,000 to Rs. 40,000. If you put in extremely harsh conditions and inequitable compensation, naturally there will be set back. Therefore, sit with them and have a wage board. They are also interested in it. You are not going to pay out of the public revenues; you are going to pay out of the premia; that is, the policyholders will pay. The public sector was paying at this rate. Therefore, why should you also not pay that rate? I am submitting that they have got a

[Shri N. C. Chatterjee]

good case on facts and figures, on the objective standard, apart from any rhetoric or party or political affiliations. Their case is good and it demands the sympathetic attention of the hon. Minister. Otherwise, nationalisation will be treated as a mockery, as a "snare and delusion"; and, it will be a sad day both for Parliament and for the expansion of the public sector.

Shri Gadgil: (Poona Central): Mr. Deputy-Speaker, I think that it is the responsibility of this House to see that the insurance employees get a fair and reasonable deal. It was this honourable House which subscribed to the nationalisation of this industry. It was the first major decision and if, as suggested by my friend, this experiment fails, the repercussions will be very sad. I am, therefore, very much distressed over this. One test of successful nationalisation is that the product or the output must increase. The other test that the cost per unit should be less and there should be cordial relations between the management and the employees. We are told that the business is not up to the mark and expectation. About the cost, I leave it aside, but the broad fact is there that there is considerable distress among the insurance employees. In fact, every aspect of employment is complained about and from the heaps of memoranda and other statements that many Members of Parliament have received, there is at least a *prima facie* case to make a review of certain decisions taken by the Government.

18 Hrs.

Mr. Deshmukh promised, when the Bill was before this House, that nobody who was in the permanent service would suffer and the same assurance was given by the present Minister in charge of Finance. He said:

"It has been made clear that while existing employees will be fitted into the new scale, each em-

ployee will be entitled to personal pay and will also be entitled to the maximum of the scale which he would have been entitled to if his services had been continued in the particular company in which he was employed."

There was a further assurance by Mr. Patel, who is the Chairman of the Corporation:

"The emoluments and scales of permanent employees of the Life Insurance Corporation will be protected for the entire tenure of their service."

Now the Government has enough experience of integration and consolidation. These problems are peculiar enough, complex enough and I do not want to belittle them. When the various States were integrated some years ago, questions about absorption of State employees and members of the State forces arose and a certain line was accepted. Perhaps that may give some guidance to Government; because there were small companies and big companies and every company had a managing director or manager, it does not mean that everybody should be a managing director or manager. But in arriving at certain conclusions, the qualifications both educational and in terms of experience must be taken into consideration.

There were companies which were run on very prudent and economic lines, but in absorbing the personnel of those companies some injustice has been done. There have been accusations in most of the papers about nepotism. I do not want to detail them here. It may not be exact nepotism; it may be preference shown to certain members of staff of certain companies, whatever it is. What I suggest is that without belittling the difficulties of the Government, accepting that there is a clear necessity for standardisation and accepting also the desirability of adjusting marginal

cases, where they are not covered by accepted formulae, or the line of standardisation, it is possible that much of the heart-burning or dissatisfaction will disappear.

Let me tell my hon. friend in charge of this subject that these employees are powerfully organised. Whatever they have secured, they have secured after great struggle before nationalisation. After nationalisation, naturally, the interests of the Members of this House is greater. They are also banking on that. Therefore, I will ask him to disregard the fact that they went on a token strike. If their grievances are just, they are just, leaving aside the strong language and the violent adjectives. I would request him to pick up whatever is reasonable in their demands and meet them. The mechanism which should be resorted to may be some officer, who is fairly familiar with integration and consolidation, or it may be a wage board to which a broad reference may be made, or as has been suggested by Mr. Chatterjee the Finance Minister, with his undoubted tact, may meet some of the representatives of the various insurance employees' associations and I feel the whole problem will not be as difficult as it is sought to be made. I would therefore suggest that unless some such thing is done, business will not improve and everybody who was against nationalisation will quote this as an example to sabotage our economy and future plans.

I know that the employees at the lower category all welcome nationalisation. But undoubtedly there are certain persons holding key positions who have not taken kindly to this. I am not suggesting that they are doing anything to sabotage the schemes, but I may be permitted to say that they have not shown that enthusiasm, that interest, that faith in seeing that this nationalised industry is a complete and model success. It is, therefore, not only a legal and constitutional responsibility on the Government, but I plead it is a moral responsibility. If

this industry which has been nationalised fails, then, you may take it the hands of our enemies who are growing both in influence and intensity of their effort will be strengthened. I would therefore repeat my request: do not take this as a challenge to your authority. Do not have any consideration of prestige. We are all together co-partners in a big endeavour and if the problem is approached in that spirit, I have not the slightest doubt that it will be solved to the satisfaction of all parties concerned and to the credit of the Government.

Sir, every aspect of employment, as I said, recruitment, scales of pay, promotion, age of retirement, retiring benefits, has come up for criticism. Everybody, the peons, the clerks, the assistants, the agents, the field workers, the inspectors, everybody has a grievance. I do not know about the high officers.

Shri T. T. Krishnamachari: They have their grievances too.

Shri Gadgil: But they have a pull, where pull pays. These are the people, the proletariat in the business, who have no pull except with us, who are without any pull, except what our eloquence have scored for them on the floor of the House. Therefore, I would again request the hon. the Finance Minister to appreciate the real stakes in this. It is not merely a crore here or there. I must also tell the workers that because it is a productive business, they are not entitled to whatever profits are earned. May I reduce this argument to absurdity? If this is accepted, then I will tell the Nasik Security Printing Press employees to take everything, whatever they print. Within reasonable bounds, when as a result of their efficiency and good and honest work, the business succeeds, they are entitled to some extent. I do not agree that they are entitled to all. After all whatever they get must bear some fair relation to the standard life in the community; they cannot claim

[Shri Gadgil]

that they must continue to get that much and more progressive scales. Nationalisation means sacrifice on the part of everybody and after the initial stage is over, it is good for everybody concerned. So let us understand what is at stake and approach the whole problem with faith and a reasonable outlook which I am sure will result in giving satisfactory results.

Shri A. M. Thomas: Mr. Deputy-Speaker, Sir, within the limited time at my disposal, I wish to deal with certain grounds of complaint, apart from the scales of pay which have been referred to by the preceding speakers. Sir, it need not be said that on how this nationalised undertaking is managed, will depend the success of nationalisation itself. The Finance Minister's predecessor, Shri Deshmukh, when he inaugurated the Insurance Corporation made a call for the loyalty and devoted work of the staff. But unfortunately it is not obtaining now. From the various papers that are pouring in to several Members of the House it will be seen that there is discontent everywhere. There is discontent among the senior officers, among the field staff, among the office employees, among agents and among the ministerial staff. With such discontent all over, I do not know how this great undertaking is going to thrive and how it is going to fulfil the expectations that have been raised.

I said that I am going to refer to certain aspects apart from the scales of pay. The speaker who just preceded me, Shri Gadgil, referred to models which for satisfactory integration of services can be followed by the Government in this particular case. He referred to the integration of services between the various States where different scales of pay were existing. He referred to the integration of services between

Central scales of pay and State scales of pay. These principles can certainly be accepted. We have also the instance of the amalgamation of the various airlines. What principle has been adopted there can also be adopted in this particular case.

I just wish to bring to the notice of the Government certain principles which can be followed when they make appointments, especially to key posts. I find a direction has been issued in the matter of appointment of Branch Managers that these selections would be made on the basis of the turnover of business made by them for the last two years. This would only disclose a poor picture of the essential qualities of an officer. Other criteria, such as the business turnover and the progress made year after year by the officer for a period of at least ten or fifteen years have to be taken into consideration. Then the position and assignment of the individual holders in the company has also to be taken into consideration. There is the complaint that the entire Corporation is now dominated by officers of a particular company, and questions have come in this House as well as in the other House regarding the domination of employees from a particular company. I think because the principle that has to be followed, namely the present assignment which the individual officer held in the company before nationalisation, has not been taken into consideration, it happened that officers of a particular company came to dominate the entire show. And because of the fact that the officers of a particular company came to dominate the whole show, charges of nepotism have been made, charges of favouritism, and so on. And from the various papers we have got, there is at least a *prima facie* case of favouritism and nepotism of the worst type which has to be enquired into.

I have got a typed note which refers to the Southern Zone, and it is an anonymous note. All the same, it has been submitted to the officers of the Ministry also.

Shri T. T. Krishnamachari: Where is the authenticity of an anonymous note? What does the hon. Member want to quote from? A man sends a note which he is not prepared to sign and disclose his address. I do not think we can even take it as a document.

Shri A. M. Thomas: But when such instances are being brought to our notice... (An Hon. Member): They are facts). For instance, under the heading "The story of postings of officers in the South Zone of the Life Insurance Corporation" they say "it is a shameful story of nepotism and favouritism". And as many as twenty-five cases are brought in. I cannot vouch for a single case; but whatever it is, they have to be enquired into.

Shri D. C. Sharma (Hoshiarpur): Sir, on a point of order. Anonymous notes should not be allowed to come on the floor of the House.

Mr. Deputy-Speaker: Anonymos notes are not being given any weight or consideration. That we cannot give. But the Member takes the responsibility upon himself to advance certain facts. He is himself responsible if he states certain facts and reads out of an anonymous letter.

Shri A. M. Thomas: I only said, Sir, that these cases have to be enquired into. Now, the Lal Committee has been appointed....

Shri T. T. Krishnamachari: We cannot enquire into anonymous notes at all. As a matter of fact, it is a principle, so far as I am concerned, that I do not take the slightest notice of an anonymous communication.

Shri A. M. Thomas: Whatever it may be. But when the Minister has taken stand, he has taken another stand also, that in regard to any individual cases of hardship or of favouritism that are brought to his notice, he was promised on the floor of the House, that he would enquire into those cases. I only press that these cases which have been forwarded to the Finance Ministry by the individuals concerned and by responsible Members of this House, each and every one of those cases should be gone into—and the charges are such that it may not be out of place even to demand that a judicial officer should go into those cases. Although there is no harm in enquiring into even the facts disclosed in the anonymous note, I am not wanting him to enquire into them; but I want those cases to be enquired into which were really forwarded to the Finance Ministry, to some of which perhaps even an acknowledgment is not forthcoming.

Sir, I was referring to the principles that have to be adopted. The third principle to be adopted is continuous years of service with any insurer in their permanent establishment—that has also to be looked into.

Then, a rational approach to the question of divisionalisation of the various zones has not been adopted. I have particularly in mind that part of the country to which I belong. It is because of this lack of rational approach that several glaring instances of discriminatory treatment came to be perpetrated there. In Kerala several young men have taken the message of insurance in an intensive way; and, although the level of income in part of the country has been very low insurance has spread to such an extent there that it compares favourably with other areas having regard to the economic development of Kerala. The various persons who were holding key positions there could

[Shri A. M. Thomas]

have been fitted into appropriate places if there was a proper division of the zone in that part of the country. When you look at the various divisions of the Southern Zone, namely Hyderabad, Masulipatam, Madras, Madurai, Trivandrum, Coimbatore and Bangalore, you will find that in all these divisions there are seven to ten branches, except at Trivandrum under which there are only four branches. I do not know how it came about. A curious argument was adopted when this Trivandrum Division was formed. The South Travancore region, which was under Trivandrum for all practical purposes and watch ought to have been there, was in anticipation of the States reorganisation set-up given away to the Madurai Division, that is in Madras. But you will find that Malabar, which should naturally come to the Trivandrum Division, has not been put in there; but in the Coimbatore Division. So that, the anomaly came about that while there are eight to ten branches in the other Divisions, there are only four branches in the Trivandrum Division. If that is so, how can the various officers who were occupying responsible positions in that part of the country be accommodated? That is the difficulty. It is a matter which has to be enquired into.

Also, when you view these things, you have to take the country as a whole. Unfortunately, there are several educated men in that part of the country, and they were holding responsible positions in this particular field. If you want those persons to be accommodated in that part of the country, you will not be able to give all of them appropriate places. What I want to impress upon the Finance Minister is this, that this has to be taken on an all-India basis, and not that you should take a particular zone or a particular division and that the various persons coming in have

to be fitted in that particular zone. If that argument is adopted, it will be doing great injustice to the employees who have done substantial work.

There are several other things which I would have liked to bring to the notice of the Finance Minister, but I have no time. I would only pray....

Shri N. C. Chatterjee: Do not pray.

Shri A. M. Thomas: I only submit that it may not be possible for the Finance Minister to go into each and every case; it may not be possible for the Chairman of the Corporation also to go into each and every case; I would even say that although the Lal Committee has been appointed, it may not be possible for them also, considering the fact that there are 21,000 employees and there may be several complaints. I would therefore submit that to examine every case a proper officer should be appointed. Then the matter must go to the Corporation. If some such machinery is not put up, it may not be possible to do justice to them and to have the necessary climate for having the necessary business for the Corporation.

Shri Altekar (North Satara): I think we should approach this problem with a sense of justice. When the discussion on the Insurance Corporation Bill was going on in this House, an assurance was given by the hon. Finance Minister that the employees had nothing to fear. What I find now is that there are so many grievances. If we go into them, we find that there are some genuine grievances which deserve to be redressed. As a matter of fact, when an assurance was given that the employees had nothing to fear, and now if we find that there are certain permanent employees whose services are being

dispensed with, we shall have to see that they are not dispensed with.

I may point out the instance of some companies which had medical secretaries. They were permanent officers. Now, notices have been served that their services are no longer required. I beg to point out, that some useful work of research in this line was being done by them. They were investigating the point whether the proportion of height and weight obtains in India as it is in other countries of the world. As a matter of fact, we, from our own experience can say that the weightage charged in foreign countries is not necessary here. Whether such work is necessary or not, it is for the Corporation to say. I beg to point out that persons who were actually in service as permanent officers should not be dispensed with. They should be given suitable jobs of under-writing; they can be posted even as Assistant Managers in divisional offices.

There is another difficulty that the Government is faced with, which we can understand. There are very small companies employing people on small scales of pay and big companies employing people on high grades. It is pointed out that 2500 employees stand to gain by this grade of Rs. 55-220. There is a far large number who stand to lose. That should not be lost sight of. It is said that the total amount that they were getting will not be touched in any way and that it will be made up as compensation, dearness allowance, etc. But, they stand to lose in pension and provident fund and also they will take a long time to cross the efficiency bar. Some of them may not cross the bar during their term of service remaining for them. This will be a hardship to them. In certain companies, insurance policies were given in order to make up for deficiency in actual pay. This would

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not now be available. So also, there are difficulties in respect of bonus, gratuity, etc. I do not want to repeat the points. We shall have to see that the employee does not suffer. At any rate, we will have to see that his position is not in any way worse than what it was when he was serving private business. We are nationalising this industry. Their position should be better. As we find it, in some cases, it is not so. That has got to be remedied. I think that some *via media* should be found out for this.

There are difficulties in connection with other service conditions such as leave, holidays, etc. These difficulties should be removed and the grievances of the employees redressed. There were certain companies which, though they were giving lower grades of salary, were actually doing good business. They have built up the business in a spirit of sacrifice. Though they were not giving high rates of salaries, they had officers, able and experienced. With all that, because they were not getting larger salaries, they may not be taken as officers, but will go down as clerks. This should not happen. All these difficulties have arisen because of the different sizes of the companies which were working in this country, and the Government is finding it difficult to solve this problem. Let us take some more time and at the same time, approach the question with a view to see that justice is done. What *via media* should be evolved, whether it should be a commission or something else, is a different question. Something should be done in the circumstances which will redress all these grievances so that there will be no difficulty from which these persons may suffer.

It is said that as it is a Government concern, bonus and other things which they were previously getting cannot be taken into consideration

[Shri Altekar]

now. The point is this. Formerly, it was a business and as a business it has developed and it was built up. These companies were giving all these benefits. When they are re-organised under a Government Corporation, though these names are there, those benefits should be amalgamated in the shape of grade pay or allowance, or call it by any name. The total amount that they were getting previously should be made available to them, as also benefits of medical help, canteens etc. It is therefore that I submit that we should approach this problem from a sense of justice.

In the various companies, there were various grades of pay under various names. In big companies, persons of ability and quality may be getting higher posts. While in owners, with those qualities and ability, some persons may be getting something less. It has happened in some cases. In big companies, some people were serving as clerks and they were getting more salaries than were got by persons of higher ability, working as officers in small companies. Such persons of ability and standing should not in any way be subordinates of those who were getting higher scales of pay and serving as clerks in big companies. Taking all these things into consideration, it will be seen that there is a real, genuine case for approaching this problem with a view to do justice to them.

Shri M. S. Gurupadaswamy (Mysore): Mr. Deputy-Speaker, in the past, there have been many cases of nationalisation. There was the nationalisation of airways. There was the nationalisation of the Imperial Bank. Recently there has been the nationalisation of the Kolar Gold mines. But, in no case the criticisms and condemnations have been more than in the case of nationalisation

of insurance. In no other case the grievances have been more than in this case. Nationalisation of insurance has been a very big step; I think, the biggest in the field of nationalisation. But, when life insurance was nationalised we thought that the Government which has been lately wedded to a pattern of socialistic society would develop a socialist perspective and not a bureaucratic perspective which was normal habit with the Government in the past. All of us unanimously supported the idea of nationalisation of insurance. But after the nationalisation was completed, what do we see? What is the picture today? Life insurance was nationalised nearly a year ago. One year is complete and still we are found in a quandary. We are in a state of muddle, frightful muddle. The former Finance Minister, Shri Deshmukh, said that the interest of the employees would be safeguarded and only sinecures would not find place in the new corporation. Now, what do we find? The exact opposite is being done by the Corporation, by I have got cases where people whose records have not been very good in the Government. Instead of protecting the genuine interests of the employees, we are seeing the sinecures, undesirable sinecures, being absorbed, being posted to very important places. The past have been put in very important places. Unfortunately the nationalisation policy did not bring any solace or relief or emancipation to the employees. That much I can say, that much we can agree. Instead of emancipation or relief, the employees have been punished. Nationalisation brought punishment and not relief, not the freedom which they all wanted.

After nationalisation a committee sat for the purpose of selecting officers. That committee completed its work I suppose. Afterwards another committee was set up presided over by

Shri M. C. Shah, the Minister of Revenue and Civil Expenditure. I do not know why a decision was taken to set up two committees. Appointments were made to various posts on an *ad hoc* basis. No consideration was paid to any principles while making such appointments. Now when we say that all these things should be rationalised and there should be no victimisation, no suffering should be visited upon the employees, the answer is given that there is the Lal Committee, and after its findings they will look into the whole problem. That is the reply.

As I said earlier, we have already completed nearly one year and still we have not been able to set the house in order, and the grievances of the employees instead of diminishing, are increasing. What we find today is that there is a bureaucratic approach, a wooden approach, and no human approach to the problems of the employees. The All-India Life Insurance Employees' Association has rightly described that the approach of the administration with regard to the grievances of the employees is wrong, illogical and irrational. I underline the statement.

I am not making mere denunciation here. That is not my purpose. I want to appeal to the Minister that he should change his approach—I do not use the word "tactics"—to the whole question, and in no manner no employee should suffer. Even in cases where suffering is unavoidable, attempts should be made to save such an employee.

After nationalisation, there has been termination of the service of employees without reason. Apart from that, as some hon. Members have already pointed out, the pay scales, service conditions and other terms of employment have been adversely

changed. I do not think that in a nationalised institution like this we accept such treatment of the employees. When the Bill was before us we pointed out that in order to forestall all these difficulties the employees should be more actively associated with the Corporation. For that purpose we said that there should be rights of co-determination and co-participation granted to the employees, that a beginning should be made in this respect, but unfortunately the former Finance Minister refused to accept the demand. Now the present Finance Minister says there is growing indiscipline among the employees. May be. But what is the reason for this growing indiscipline? Has any attempt been made by the Finance Minister to enquire into the root cause for the growing indiscipline, if there is any? There is no indiscipline without a cause. The employees have been co-operating from the very beginning. When nationalisation was announced in the month of January, the first letter of congratulation, I think, came from the employees. I do not think those very employees will now non-co-operate with Government in running this great institution. I do not believe it. But if there is any indiscipline, if there is any insincerity or disloyalty displayed by some people, that has been caused, if at all, by the action of the Government, by the action of the Corporation.

The composition of the Corporation is such, the composition of the Board of Directors is such that we cannot expect that it would create confidence among the employees. I here, very sadly hear, that there are some people in the Board of Directors who in the past scathingly criticised the very idea of nationalisation of insurance. Such people have been taken into the organisation. How can we expect that with the co-operation of such men the nationalisation of insurance would run smoothly?

[Shri M. S. Gurupadaswamy]

The Finance Minister is an able man, but he must combine ability with some tact, with some sympathy, and if he does so, I am sure that he can solve all the grievances of the employees. He must sit with them, he must call them. Anything can be settled around, a table by negotiation, and nothing is impossible. So, what I want is that the Finance Minister should set up a wage board if it is possible, or if he thinks fit before taking such a decision, he should call the employees' representatives who are very eager to help him to find a solution.

The present basic pay has been fixed at Rs. 55 to Rs. 220. It is I think a shame to a nationalised institution. It is a disgrace that employees of a great nationalised institution should get Rs. 55. It is a blot on nationalisation. You are merely disgracing this idea of nationalisation.

So, I conclude by saying that the Government may accept our suggestion to meet the employees, and afterwards set up a wage board to rationalise the whole structure of pay and other terms and conditions of employment.

Shri A. K. Gopalan: I am one of those who had given a motion to discuss the pay scales and service conditions of the insurance employees. I did so because after nationalisation from the letters and from the reports that we got, as my friend Shri A. M. Thomas said, one can understand that there is a very serious situation as far as the insurance industry is concerned. We get papers that are signed and also papers that are not signed. It may be because that they think that if they sign the papers and send them, even the security of their job may not be there, and they may be dismissed. Anyhow, I am not using harsh words, but I am only requesting the hon.

Finance Minister without prejudice to go into the question of the insurance employees today and find out what their grievances are, and try to settle those things and also accept the reasonable demands of the insurance employees.

Not only from the letters written by the insurance employees and others, but also from responsible papers, we find that the situation of the industry today is very bad. A paper like *The Hindu* of Madras, which is a responsible paper, has written an editorial which reflects very well the conditions of the insurance industry today. It says:

"Injustice had been done to a large number of employees. It will breed widespread sense of gross injustice, which is not good for the morale of the new organisation. It cannot expand insurance unless it can secure the loyal and efficient services of the contented staff and can command an energetic and enthusiastic field force. The directors should take early steps to set up a body which will go into the grievances of all affected staff and assure them that they will have a square deal."

18.41 hrs.

[SHRI BARMAN in the Chair]

Leaving aside the employees and those who support them, I want to know from the Finance Minister whether a paper like *The Hindu* of Madras will write such an editorial on this unless it has understood that the condition of the industry is so bad, and the dissatisfaction among the employees is so great that it will prejudice the whole industry, and the object for which Government wanted to nationalise the industry, namely, getting resources for the Plan, would also fail.

Regarding the condition of the workers and the employees, the *Hindustan Standard* has written an editorial to the following effect.

"The public are finding difficulty in depositing premium dues. Instances of non-acceptance of premium amounts and refund of cheques are there. Money orders are being returned."

There are also letters to the effect that this is the position. Here, I have with me a letter signed by one individual wherein he says that his proposal No. such and such on his own life has been kept pending. I hope the Minister will look into this case. Here is another letter wherein the person concerned has complained that he sent the premium but even the returns had not been received by him, and he does not know what to do. There are quite a few letters of this type, and I hope the Minister will look into all these letters.

18.43 hrs.

[MR. SPEAKER in the Chair]

That shows that the condition of the industry is very bad. As the Minister of Finance has also admitted, the industry has not made any strides after nationalisation. It has not made any great advance after nationalisation. Is it because the employees are against nationalisation that this thing has happened? Is it because the employees did not want nationalisation, and, therefore, they want somehow or other to create trouble? Is it because of this attitude on their part that this situation has come about? I think there are two main reasons for the present situation.

The first reason is that those who are at the top of this Life Insurance Corporation are those who had openly said before that they were against nationalisation. They had also openly

issued statements before nationalisation saying that they were against nationalisation. If the employees and the public were to judge today, they will find that it is those people who are at the top and who were against nationalisation, that are trying to create discontentment among the workers, so that the workers may go on strike and do so many other things. As long as those who were against nationalisation are put at the top, and as long as Government do not look into the grievances of the workers, take them into confidence and see what their real grievances are, and try to see that all their reasonable grievances are redressed, and if their demands are not reasonable, convince them that they are not reasonable, this situation will continue.

Further, I would like to point out that the insurance industry is not like other industries. It is not like the textile industry, for instance. There is no machine here. Here, the machine is the human being. Here, the machine is the field worker. It is the field worker that is affected most even before and also after nationalisation. It is on the enthusiastic work of the field worker that this industry will develop. It is he who has to approach the people not once or twice or thrice but several times. He has to make them understand the benefits of insurance. It is this way of dealing with the people that is necessary for this industry.

This is an industry where no investment of money is necessary. As far as profits are concerned, according to the reports that we have received, and as Shri Sadhan Gupta remarked, even without touching the profits, the industry will be able to meet the demands of the employees. Private capitalists paid these things and the financial position of the industry is sound. So without touching the Rs. 12 crores annual income and profits

[Shri A. K. Gopalan]

of Rs. 2 crores earned in 1954, the demands can be met within the limit of permissible expense under the provisions of the Insurance Act.

When the Government nationalised the industry—I do not want to repeat all that has been already on the subject—the employees were the first to welcome it. They welcomed it because they, like Government, understood that there was mishandling of the funds and the money was used by certain interests for their own purposes. They thought that Government would be able to stop the misappropriation of policyholders' money and provide security of service and other conditions of work to the workers. That was the reason why they were very enthusiastic about nationalisation. They thought that not only their conditions would be improved but the Government's need for more money for the Second Five Year Plan would be fulfilled.

As far as the financial position of the industry is concerned, figures before 1954 show that in 1945 the total business was of the order of Rs. 577 crores. In 1952, it was Rs. 922 crores and in 1953, the figure was Rs. 965 crores, rising to Rs. 1059 in 1954. The total assets also went up from Rs. 107.5 crores in 1945 to Rs. 386 crores, in 1954. These figures show that as far as development of the industry was concerned, till 1954 the total business and assets were increasing in crores. After nationalisation, the people who are mainly responsible for getting insurance business from the people, the people who are working as field workers and as office employees, felt enthusiastic that their demands would certainly be looked into and conceded; if their demands had been conceded, the business would have doubled and trebled and the Government would have been in a position to show the figures to those who were

against nationalisation. Also when the question of further nationalisation, of other industries came up, those who are against the policy of nationalisation would have nothing to say.

There are a very few people in this country, interested people, who are against nationalisation. They want to say—as my hon. friend, Shri M. S. Gurupadaswamy has said—that nationalisation is not in the interest of the country, they paid everything to the employees, but after nationalisation nothing had happened.

I do not want to go into the question of pay scales. I only want to draw the attention of the Finance Minister to one point. It is reported that 80 per cent of the employees are getting more pay and only 20 per cent are getting less under the revision scheme. The question is of raising the pay of only 20 per cent, to bring it in line with the 80 per cent. I know there are difficulties. There were different companies with the pay scales varying from company to company. But when Government nationalised the undertaking, certainly there would be a wish in the mind of the people, the employees, that Government's policy was to increase the standard of living and certainly there must be removal of disparities and increase of national income.

After nationalisation, even the man who gets the highest pay would certainly think that his pay will not be reduced and that the others who are getting less would have their pay raised to the level of those who are getting more.

As regards those who were getting more pay from the private insurance employers before nationalisation, is it because that they were paid more for nothing? It was not so. There was

competition between company and company. Even when there was competition, they paid more wages because they thought by doing so, it would be possible to make the workers enthusiastic and get more work and more business, and consequently, more profit. If, after nationalisation, in order to bring the 20 per cent. people to the level of 80 per cent. if the pay scales are cut down, then, it is very bad.

I want also to go into the matter which Shri Thomas mentioned. I have also got papers, not only unsigned papers but signed papers also and copies of unsigned papers. I do not want to give the names. I will pass on these to the Finance Minister. I have also got a telegram and a letter—after the statements of the Finance Minister—from one man saying that his name can be given if necessary and he challenges the statement of the Finance Minister. I have got cases, not one or two, but hundreds of cases of favouritism and nepotism. There is also a chart here giving the names, as far as the Insurance Corporation's Central Zone is concerned, their services etc. I would also give these papers to the Finance Minister. The man has challenged and certainly it is the duty of the Finance Minister to call him and ask him about this. He has said that he is ready to prove those cases.

There are also cases in which, not only individuals but groups of people have written saying that these are the reasons for favouritism. Even about the Lal Committee there are reports. There is a report saying how, when the Committee visited Madras, they interviewed candidates and appointments were made. They are ready to prove these facts. I will pass on these to the Finance Minister and request him to look into them. When Shri Thomas mentioned about them he objected saying that they were un-

signed. Many people who are in service may not be able to sign their names. In the report which Shri Thomas has got there are 25 cases. If one reads them, he will certainly feel that there is something wrong. I do not know if the Finance Minister would go into them. But there are other cases in which people are ready to prove before the Finance Minister how these things are done.

There is one other grievance which Shri Thomas mentioned and about which papers have written. Papers like the *Malayala Manorama* have written editorials about it. So far as Malabar is concerned, even after the formation of Kerala, it is still with Coimbatore and has not been added to the Kerala zone. As Shri Thomas said, there are many educated people who can do work if there are more branches. The question of unemployment can also be solved, and we can get insurance business also.

A word about the Mysore Insurance Department. There is a complaint that the pay scales of those people are different from the pay scales of those who had joined private companies. There are certain difficulties and the Corporation has announced certain scales of pay for them which are different from those that exist in the private companies. They are governed by separate rules not applicable to the large body of insurance employees working under private insurance companies. This must be looked into. I want the Finance Minister that those who had been under the Mysore Government do not get less than those who were under private companies. I may tell him that there is something wrong so far as the working is concerned. There is some dissatisfaction among the majority of the employees. I would request the Minister to look into that. I want to say that as far as the insurance is concerned, Government should create a good atmosphere and

[Shri A. K. Gopalan]

should not stand on false prestige. They should call the employees or their representatives together, and where their grievances are not legitimate the Finance Minister should convince them, and where their grievances are legitimate, he can satisfy them. Unless that is done, as far as this industry is concerned, it would be only falling a prey into the hands of those who are against nationalisation because they will say within the next six months that nationalisation has become a failure, and naturally, further nationalisation of any industry will have a certain adverse effect on other sections of the people.

So, in view of the development of this industry and also of the support of the people for nationalisation, it is very essential that the Finance Minister should take into consideration those things. Everybody who has spoken here, irrespective of party affiliations, has said that this must be done, and I am sure the Finance Minister will certainly do it because the object of nationalisation is the improvement of the industry and the satisfaction of the workers. I am sure he will do it, and I request him to do it. I have nothing more to say.

Pandit Thakur Das Bhargava (Gurgaon): I will take just a minute. I have received a letter from an old doctor, in which he complains that because he is more than 65 years of age, no work will be entrusted to him. I am not sure if any such rule exists. I would only request the hon. Finance Minister to kindly look into it. If on merits he is unable to work, I will not say a word, but this fact alone that a professional man, a doctor, a lawyer or anybody else—I include myself—

Shri Gadgil: A politician.

Pandit Thakur Das Bhargava: If he is capable of working and if he

has been connected with a company for a long time, there is no reason why he should be deprived of his job because he is man the—65 years of age.

Secondly, I want to bring one thing to the notice of the hon. Minister that medical men who are in hospitals, who are in Government employment and who are already employed, certainly should not be given this kind of work. Other men may be given instead so that there may be distribution of jobs. At the same time they will not do their proper work properly on account of being busy with work which may bring extra payment.

Only these two points I have to submit, and I expect the hon. Minister will kindly look into them.

Shri Feroze Gandhi (Pratapgarh Distt.—West cum Rae Bareli Distt.—East): I wish just to seek one clarification. After insurance was nationalised, may I ask if still different grades of pay are prevalent in the different companies, and whether these grades are higher than what the Oriental were paying or what New India were paying or Western India were paying or any of the leading companies was paying? Are the grades of the Corporation higher than those or are they lower? That is point number one.

The second point is whether the total amount which is being paid by way of salaries to subordinate staff is smaller or is bigger or is the same as before.

These are the two questions I wish to put.

Shri M. K. Motra (Calcutta—North-West): I have two questions to put and I hope the hon. Minister will answer them.

The first thing is about field workers. Has the status of supervisors been changed and have they been demoted to inspectors?

Have the salaries of inspectors been affected, and also their security of service?

These are the two questions which I hope the hon. Minister will deal with in his reply.

Shri Debendra Nath Sarma: (Gauhati): The hon. Minister has now said that the progress of work after nationalisation is not encouraging. In this respect, so far as Assam is concerned, I can say that the field workers are getting not so much encouragement after nationalisation on account of suppression of experienced local workers by less qualified persons—and too many of them have not yet been assigned to any responsible posts. In Assam, there is only one insurance company—the Bhaskar Insurance Company. The staff of the head office of that insurance company have not got the legitimate or just treatment or even equal treatment as the employees of the head office of the other insurance companies. I hope and trust that the hon. Minister will be kind enough to do justice to the experienced local workers who command some influence in that area and also to the employees of the head office of the Bhaskar Insurance Co. In our country....

Mr. Speaker: The hon. Member has started to speak. Only one question.

19 hrs.

Shri V. B. Gandhi (Bombay City—North): Will the hon. Minister inform us if there are any State-owned corporations or undertakings where the payment of bonus is a feature. I understand that the corporations like

the Sindri Corporation, the Chittaranjan Locomotive Works and the State Bank of India have given bonus.

Shri Radha Raman (Delhi City): May I know, whether, after nationalisation each and every worker of insurance companies in the private sector had been absorbed, as we expected, or whether, after nationalisation, a certain number of employees or a considerable number of workers such as medical examiners and legal advisers have been sacked or removed or their services terminated? I should like to know their total number.

Shri Thanu Pillai (Tirunelveli): I would like the hon. Finance Minister say whether the *pro rata* workers who were the field workers, will be employed on a guarantee basis as on pre-nationalisation terms or on some new terms. Will their pay-scales be commensurate with the work they turn out compared to the clerks of the Insurance Corporation where the pay-scale demand is Rs. 90-350? What will be the pay-scale of the field worker and what will be the quota? As for the present, he has to collect Rs. 6,000 premium and if he collects that much he gets Rs. 1200/- a year. But the rates are so different from what was being given. As the quota increases the rates also increase but it is not at all commensurate with the previous experience of the field workers. I am comparing the position of the field workers *vis-a-vis* the office workers. I want to know whether the field workers would get only ten per cent credit of their previous premium which has been collected to entitle him to get appointed in the Corporation. Some of the field workers have been appointed as office managers taking into consideration only the field work and some field worker, very efficient field worker, has been demoted as an ordinary inspector. Will the hon. Minister enquire about these complaints.

Shri S. C. Deb. (Cachar—Lushai Hills): Will the hon. Minister consider the slab system as was previously prevalent to be applied as an incentive for appointment of agents as field workers?

Mr. Speaker: The hon. Minister,

Some Hon. Members rose—

Mr. Speaker: Order, order. I have called the hon. Minister.

Shri T. T. Krishnamachari: Sir, I will have no time to reply, if hon. Members go on putting questions like this.

I had a devastating attack from a young friend whose performance, as a performance, was praiseworthy. He spoke for about forty minutes. Knowing as we do how he is fighting against nature, I say certainly that his performance was very good. He is a lawyer, not a very experienced lawyer like my friend, Shri Chatterjee, but even more experienced than Shri Chatterjee in making what is not quite true look something more than true, and what is that truth which is coloured and paled down to something which almost looks not a truth? I do not know. Probably the schooling he has had is better than Shri N. C. Chatterjee's.

I would like to deal with various points that Shri Sadhan Gupta has raised, and I am afraid I will ask the House to sit for sometime more. I should like to dispose of some of the smaller matters first. One of the subjects that Shri Sadhan Gupta has mentioned today would read like this. Here is my friend Shri Sadhan Gupta who is staking his political future on the life of the members of the organisation of which he is Vice-President and is building up a story in their favour.

Some Members were asking the question in regard to the doctor's dilemma. I will dispose of the doctor first. I am certain they would not dispose of me till the end. The fact really is that there are 180 companies. Each company has had a doctor somewhere or other. If, actually, one were to quote the assurance that my predecessor has given and to extend that to doctors, lawyers and to all the other persons who depend on them, and say that their security of service will remain, I am afraid I do not think my predecessor did intend to convey that impression. In Bombay city, for instance, there were over 1,400 doctors appointed as medical examiners for various insurance companies. Now, the work that is available cannot certainly be divided among the 1,400 doctors. We have chosen 360 doctors. The estimate is that, with this 360, with some variations, the average remuneration will be Rs. 150 per mensem. But, if actually, this total of Rs. 54,000 is divided among the 1,400 doctors, it will come to Rs. 37 a month which will not be worth while for any doctor even to pay the attention that is necessary. So far as doctors and lawyers are concerned, I am afraid some rationalisation is inevitable. If there is any particular case of a person in an out-of-the-way place being put to some inconvenience, we will look into it. But I must say plainly that the question of doctors cannot be considered in the same manner as a permanent employee of the Corporation or of the permanent employees in the insurance companies.

Mention was made about Assam. Some hon. Members mentioned that there was only one company there. If there is only one company, naturally, if you want to expand a little business, it is impossible to provide for the whole lot of people in Assam. But it is a matter which can be looked into. I cannot say off-hand anything more, without seeing, exactly what the position is in Assam.

A pertinent point was raised by my hon. friend Shri Feroz Gandhi. He asked what is the relation *vis-a-vis* the rates which are being fixed and the total remuneration that those persons get as against what they were getting before. He wanted to know whether there was any case whether it is higher. Then, he asked also a useful question whether even as it is, with these arrangements that we have made which are admittedly of a make-shift nature, expenditure has gone down or gone up. I think it is a good starting point.

My hon. friend Shri Sadhan Gupta, for about 20 minutes, read a lot of figures. He indicated that in every case, what we have done shows that people have suffered loss, and I suppose he meant all the bigger companies. I want the House to realise that it is a case of 180 companies to be integrated. So far as their integration is concerned, it must be done. I would like to tell my hon. friend Shri Gadgil—for whose intervention I must express my gratitude—that there is no question of going back at all. It does not matter who is the director, who says nationalisation is wrong; who the people are that say 'nationalisation is wrong'. Nationalisation of insurance has come to stay. It is staying and it is going to develop. We do really think that this nationalised Life Insurance Corporation or any other agency that might take its place in the future is something which is going to play a very important part in providing security for the common man and also for absorbing some of his savings. Therefore, the future of the Corporation is something absolutely sure. It would be a Corporation or something else; but, this nationalisation has come to stay. There is no question of going back. Having that in view, naturally we have to proceed on the basis that this thing must work. 180 and odd companies had to be integrated. I do not say that what has

been done is the best that could be done. The Corporation officials who were dealing with this matter were faced with a big problem. May be if I am redoing it over again, I may do it in a different way. What happens is, there are about 7 or 8 companies which have been paying fairly high grades of pay.

Shri Sadhan Gupta: They employed 80 per cent of the employees.

Shri T. T. Krishnamachari: I have not the facility he has for reading out figures and facts; so, he must not interrupt. I am an old man. I am neither so young nor so vigorous as he is, and I am afraid I have got to ignore my friend's involuntary effusions. The fact is about 7 or 8 companies—may be they have employed the largest number of people—were paying high salaries whereas quite a number of the other companies were paying much lower salaries. For instance, he did not tell the House that in regard to the pay scales of Hindustan Co-operative, which started at Rs. 80 and went up to Rs. 320 or Rs. 330 as the case may be, it went up straight, whereas in the case of Oriental, New India and several other companies there are junior and senior scales. So, there is no use my hon. friend saying that a man who started service will get so much after 5 years, so much after 10 years or 15 years and so on. It is not so. It is only in the case of one or two companies that this thing went through, and they were able to get it after much agitation.

Perhaps if I had anything to do with the Corporation when it was formed, I would have said, "Let the Hindustan Co-operative function as it is. We will see to its integration later on. The custodian will manage it and the company will go on." May I would have asked only for the integration of those companies which

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had more or less a comparable pay structure. But there is no use saying what I would have done, because every person can be wiser after the event. The real point has been ignored by my hon. friend in the heat of the moment, because he wanted to present the case with a string of words like "brigandage, picking somebody's pocket, sheer impertinence of Government and its spokesmen" etc. It is all right; he is a young man and we can forget it, because what he has said has been more than compensated by my hon. friend, Shri Gopalan who, though putting forward almost innumerable questions at me, did it in such good humour that I am tempted to drop the line of argument with which I wanted to start. I wanted to say, I do not propose to succumb to a communist conspiracy to capture the insurance organisation. But, I am afraid Mr. Gopalan has made me not say it by the manner in which he proceeded.

Shri N. C. Chatterjee: That shows the conspiracy!

Shri T. T. Krishnamachari: I do not mind what the young man has said; but, if my hon. friend thinks that by reading a different set of figures he can achieve something, he is making a big mistake.

I shall presently show how, even in the leading companies which were paying liberal scales, the employees would, year after year, in the Corporation be getting not less than what they would have got in their companies scales. Let me take Oriental. Corresponding to the stage of the old scale at Rs. 95 basic plus D. A. Rs. 58, total Rs. 153. The Corporation scale is Rs. 98 basic plus D. A. Rs. 50 plus personal pay Rs. 5, total Rs. 153. The Oriental basic pay was Rs. 95; our basic pay is Rs. 98, but the total emoluments come to Rs. 153 in both cases. Now, take the next stage. In the old scale it was Rs. 100 basic plus D.A.

Rs. 58, the total being Rs. 158. The corresponding figure, so far as we are concerned, is Rs. 104 basic pay plus D. A. Rs. 55, the total being Rs. 159. We pay one rupee more.

The third stage is Rs. 105 basic, plus 64 dearness allowance total 169. We are paying Rs. 111 basic plus Rs. 55 dearness allowance, plus a personal pay of Rs. 3, making a total of Rs. 169—no loss. The next ones are Rs. 175 and Rs. 175; Rs. 182 and Rs. 182; Rs. 188 and Rs. 188; Rs. 195 and Rs. 195 and Rs. 202 and Rs. 202. The ninth year's salary is Rs. 142 plus a dearness allowance of Rs. 67 total Rs. 209. The corresponding salary under the Corporation is Rs. 153 plus Rs. 60 dearness allowance: total Rs. 213, that is we are paying Rs. 4 more. The next one, old scale is Rs. 149 basic plus Rs. 68 dearness allowance, total Rs. 217. The corresponding Corporation's stage is Rs. 160 basic plus Rs. 60, dearness allowance, total Rs. 220—there is an increase of Rs. 3. The next one is Rs. 156 basic plus Rs. 69 dearness allowance, Rs. 225 total. The Corporation stage is Rs. 170 basic plus Rs. 60, total Rs. 230, Rs. 5 more. The next is Rs. 163 basic, plus Rs. 69 dearness allowance, total Rs. 232. The salary under the Corporation is Rs. 180 basic plus Rs. 60 dearness allowance, total Rs. 240; Rs. 8 more. The next year he got Rs. 170 basic plus Rs. 70 dearness allowance, total Rs. 240. The Corporation's stage is Rs. 190 basic plus Rs. 60 dearness allowance; total Rs. 250. The next year it is Rs. 178 plus Rs. 79, total Rs. 257. The Corporation pay is Rs. 200 basic plus Rs. 60 dearness allowance, total Rs. 260; there is an increase of Rs. 3. Lastly it is Rs. 186 basic plus Rs. 80 dearness allowance, total Rs. 266. Then Corporation scale is Rs. 210 basic, plus Rs. 65 dearness allowance, total Rs. 275.

I ask my hon. friends? What do you say is the truth? What is the object of saying that everybody has lost? Here it is. (*Interruption*)....

*service conditions
of Employees of
Life Insurance
Corporation*

Mr. Speaker: It is a mode of argument: I ask my hon. friend. The hon. Member need not get up and answer.

Shri T. T. Krishnamachari: So far as New India 'B' is concerned everything is the same. If you take the pay stage of Rs. 87 in the old scale, the total remuneration is Rs. 151; we pay Rs. 151. Right at the end is the basic pay of Rs. 171 plus the dearness allowance of Rs. 88 total Rs. 259. We pay basic pay Rs. 180 plus dearness allowance Rs. 60, personal pay of Rs. 18 total Rs. 258. So, there is no change so far as 'B' is concerned.

Hindustan Co-operative. For the old scale of Rs. 92 basic pay plus Rs. 62 dearness allowance, total Rs. 154 we pay Rs. 92 basic pay plus dearness allowance Rs. 50 plus personal pay of Rs. 12 total Rs. 154. The total is the same, beginning with Rs. 154 and ending with Rs. 291.

In the case of the Metropolitan we do better. The old commencing with the stage on old scale of Rs. 100 plus dearness allowance Rs. 50 total Rs. 150. We start with Rs. 159 and end up with the same figure of Rs. 325. In place of Rs. 225 basic pay plus Rs. 100 dearness allowance, we pay Rs. 220 basic plus Rs. 65 dearness allowance plus Rs. 40 personal pay, total Rs. 325.

In regard to National if you start at Rs. 150 total. We pay Rs. 159. The second stage is Rs. 161, we pay Rs. 166. The third stage is Rs. 171, we pay Rs. 173. And it goes on in the same way; there is no change at all.

I now come to a company in which my hon. friend Shri Aitkar will be surely interested—the Western India. That would also answer the point of Shri Feroze Gandhi. For a starting basic pay in Western India of Rs. 109 plus a dearness allowance of Rs. 40, total Rs. 149, our basic pay is Rs. 104 plus Rs. 55, total Rs. 159. I would skip a few grades and come to the

basic pay of Rs. 121 plus a dearness allowance of Rs. 40, total Rs. 161, our basic pay is Rs. 125 plus dearness allowance of Rs. 55 total Rs. 180. Unfortunately the grade of Western India stopped at a total of Rs. 170. We take them up to Rs. 285. After Rs. 125 basic the Western India's old scale is Rs. 130 plus a dearness allowance of Rs. 40 total Rs. 170. The Corporation scale, without any personal pay, is Rs. 139 totalling Rs. 194 and going upto Rs. 220 totalling Rs. 285. And, therefore, Western India is not doing badly at all.

And so far as United India, the Madras Company is concerned, the Madras Company's total emoluments were Rs. 107½ plus Rs. 46 dearness allowance, coming to Rs. 153½; and ours is Rs. 159. It comes to Rs. 159 in every case. And we have taken it to Rs. 285, that is Rs. 220—285 against the Rs. 225 plus Rs. 50 or Rs. 275 that they were getting.

That shows that if anybody has lost, it is a question of protection. What we have done is that in the case of senior scales, the position in regard to Orientals and New India is that these two companies had a junior and a senior scale. Oriental and New India had two scales of pay, one for the head office and another for the Branch. And naturally in some of these companies metropolitan employment was greater. We have not got anything of this sort. In fact, the present scales of pay do not contemplate any question of metropolitan and branch difference. If Rs. 55 is the basic salary, there is a metropolitan salary of Rs. 20, making it Rs. 75; and then it goes on with dearness allowance.

The fact really is this. I quite concede that one thing could have been done—and that is what my friend wants: that is to say, I must take Hindustan Co-operative as the basis and pay everybody the Hindustan salary. Well, I do not think that would have been proper thing to do.

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May be some people would have got more. But I do not think that it would have been the proper thing to do. And I do not propose to admit that that is the proper thing.

There is no point in saving, "You paid so much in the Reserve Bank, you paid so much in some other place, you pay so much here". I have to consider the fact—as a Finance Minister of the Union Government I have to consider the fact that there are employment scales in the Government of India itself, if the P. & T., in the Railways. But that is not all. My responsibility does not end there. My responsibility goes also to State Governments employees. At the present moment I am very deeply concerned in seeing what I could do to remedy, what I consider to be a misconceived idea of the Central Pay Commission which created a new class of Central employees. Here is a case of one brother who is a Central employee, another who is a State employee—who is probably doing the same work and getting half the salary. Are there not anomalies of that nature which ought to be remedied? Do we not belong to that class of people who feel that they do the same type of work but get half? Should I not do something about it? Now, my hon. friend says, as he would probably tell a virtuous woman who has made the mistake that she therefore has become a demi-monde. And if I take a false step, should I also become a demi-monde? I do not propose to agree to that logic or argument.

I have stated the facts—unless my hon. friend says the Finance Minister is a liar. He might. That young man's capacity for using bad language is amazing. But it does not matter very much—I mean, we can forgive. What is his case, after all? What is the use of his reeling out all those figures which he has been told by somebody? And why should I not say that this man has spoken for forty

minutes because he wants to sustain the Vice-Presidentship of an organisation which he wants me to recognise as the sole arbiter of all the employees? I refuse to cow down before this kind of intimidation. And I must tell the young man he will live a long life and understand that intimidation never pays.

Shri Sadhan Gupta: Not to incorrect statements. They call for replies.

Shri T. T. Krishnamachari: The young man will have opportunities, perhaps he will come back and will go on raising debates. He reeled out figures which have no basis. Here, we have official figures. The Corporation will not tell a lie. They are manufactured by me. But, the figures which my friend has been quoting are figures manufactured by somebody. Here, it is a case of the Corporation.

The point really is this. If you ask me, I have nothing against the people who are sitting there representing the employees. In fact, I would like to see that they are contented. If they do their work, this Corporation succeeds. But, I think the employees are doing the wrong thing by making a man who is really their friend a little disgusted. I do not say I am angry. I cannot afford to be angry. Whatever they may do, I cannot afford to be angry. Is not that the proper thing to do? I mention my own experience in Madras. I belong to the city, to that very class. I probably know the fathers of many of them. Still, the young people have wasted 1½ hours of their time shouting meaningless slogans as if they are canaries. That it what happens in many places. A complaint was made by Shri A. K. Gopalan about somebody not having received a reply. Who is responsible? I would like to put it to Shri A. K. Gopalan that it is the organisation whose grievances he seeks to profound here which is really responsible. I have been told by the senior workers, ex-

perienced workers that they are unable to carry on their work. Cheques have not been sent to banks. Books of accounts are not posted. Reminders have not been sent. Why? Here, we have an organisation which, on the basis of the quantity of work that we have now available, will carry a surplus staff. Still, the quantum of work that has got to be turned out is large. Why? An irresponsible person like my friend Shri Sadhan Gupta may say, meet their demand. The real thing is, there are agent provocateurs who have made these misguided young men irresponsible at a time when they have got to do their job. Still, I do not mind their agitating. I am prepared to see them. All the allegations of my friends opposite are wrong. They were met. They were seen. On the 30th of September, when I was in Bombay, I met the Communist organisation; I meet the non-communist organisation. I am prepared to meet them provided I am not exploited. I do not propose to be exploited for anybody's political purposes. Here is work that has got to be done and an organisation which has to be made a success. These people's rights have to be protected. I give a solemn assurance that nobody will lose a single pie. If they retire, I will see that they are paid gratuity according to what they should have been paid if the company was functioning. I can give this assurance to these young people. I know older people trust us. What do we want? I am not one of those who believes in depressing wages. If we can give a start of Rs. 100, I would be very happy to do that. My intention is really this. We have fixed a scale of salary which, even though illiberal it may sound, has a comparison in the General pay scale, and there are 25 per cent of people who are getting below. I have not got a correct estimate. I am told that it would come to Rs. one lakh a month. These people ask me why don't you pay, it will come to Rs. 97 lakhs. These people seem to know more about the Corporation than those who work in

the Corporation. It would not matter after a time if the Corporation gets under way and insurance becomes broad-based. We know that it is not merely a question of paying or not. When we know that service will be done, people will get reminders quickly, they will get their cheques acknowledged quickly and the claims will be settled quickly, salaries can be raised. I have no objection to that. I am not bound by the sum of Rs. 80 that the Hindustan Co-operative has paid. Nor am I bound by this sum of Rs. 55. I must have some responsibility for the rest of the sector which is wallowing in poverty. What is the object of my creating new sectors which have differential rates of pay. I must do something for these people. After all, the salary of an insurance employee or a bank employee or a Central Government employee does not have any effect on the wage structure of the interior. If on the other hand, the salary of the State Government servants is increased, the scale in private service has got to be raised to that level. Any increase in the salary in that sector has a visible effect on the standard of wages paid in the country. I do not say that they should wait until their salaries are brought up. What I am trying to do is to see if I can do something at that level. I do not mind mentioning here, I have been trying to speak to the Chief Ministers. I want to tell them that we must do something. It is their responsibility. Anybody will say it is not the Centre's responsibility, but it is not a question of the Centre and the States. It is a question of human beings for whom we serve in Delhi. We are not here leaving our hearths and homes and sitting in a place which is hot and cold and so difficult merely for the purpose of being a Minister. We are here to serve some purpose, and the purpose is that these people must thrive.

On the question of petrifying wages or salaries, I do not say I am bound by this for all time. I have given this assurance that I shall safe-

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guard the salaries of these people. May be something else could be done. May be we can group them together again. We can have two groups. We can group them and say: "Within that group it is all right. You will get three rupees more or less by the time you retire." Something could be done.

The point was mentioned by an hon. Member, Shri Gopalan, or somebody else. If a man has served for 14 years in a mushroom company, may be a very small company, he would have got after 14 years a salary of only Rs. 100. Here is a young man who has put in four years service in a big company, he is getting Rs. 200. Yes, that is something invidious. May be it is not possible for us to make him get Rs. 200, we can make him get Rs. 160. Weightage can be given. The whole trouble is that so far as we are concerned, it is easy to take over the Imperial Bank and make it the State Bank. It is a working organisation. It may be we do not improve it, but the organisation will be kept going because it is working already. But here 180 organisations have been pooled together. You may say this man is no good, that man is no good. I agree they may not be. A man who is very good as the Manager of Oriental may not be a good manager of 180 companies. An efficient man managing one company, who knows his men, who has appointed them, who has opened the branches, who has got everything on his fingertips will not be so efficient when he has got to keep, together this huge mass with different grades, different types of workers. So, if they find the Corporation is not efficient, I cannot produce new men. I have got to deal with the men who are there, and they have got to deal with a bigger organisation. We have got to give them time. But I am prepared to give this assurance. My principal Secretary is not in a position to attend to any other work because he

wants to get this thing straightened I am quite prepared to add to the work he is doing—an enormous amount of work, hardly staying in Delhi for three or four days, travelling all over the country. I am prepared to add my services to his, and within the period of time I have given, one year; we will try to put some order into this. It can be done.

Now to turn to the question of field workers. Shri Thanu Pillai said; *pro-rata* workers, what will they do, what will happen to them? I have told the Corporation that before we know where we are, before we can rearrange these matters, no field worker of any category must be deprived of his appointment, or no imposition put which is unreasonable which will make it incumbent on us to dispense with his services at the end of one year. I said for one year leave them well alone. If there are abuses, let there be abuses. Abuses which continued for 20 years might continue for another year. Let us take our time.

So many Branch Managers there have been. You cannot have as many Branch Managers. Once you have a monolithic organisation as somebody put it, the monolithic organisation can only have a few zones, it can have only a few divisions, a slightly larger number of branches, it can have even larger of Assistant Branch Managers. So, these people who were occupying these positions have got to be fitted in somewhere. It may be in the designation they carry is not quite so big. They will not be Branch Managers. It may be they will be Inspectors, Supervisors or something else, but they will all be fitted in.

The other point was nepotism. Are they all my cousins? I am afraid I belong to a poor family which is very big undoubtedly, but I think most of them are dead now, and I have got very few relatives. Are they all the

relatives of the Secretary of my Ministry who happens to be the Chairman? I do not think he has got any instance. I do not think he has got any relations as well. I will tell the House an instance. I was in Madras the other day. A young man came with his wife. His wife was distantly related to me. He said a great injustice had been done to him, he was going to leave the Corporation and go to private service, again. I said: "I do not know. Please give me the papers my friend. I will look into them." And his wife said: "Uncle, you do not know. My husband is very clever, they wanted to put him down." I said let us have a look into the papers. I asked for a report. I said I was interested in the young man. I find that young man has been treated much better than many other people in that level have been treated. But, nevertheless, he thinks that he has been done a great deal of injustice. I saw him very vehement, terribly vehement. He did not use the language of my hon. friend Shri Sadhan Gupta. He was even more vehement.

The real trouble about this is this, that in an organisation of this nature, mistakes do occur; I do not say that mistakes do not occur. Even, probably, in some cases, it may be that if a zonal manager is asked to give his advice, he may recommend a man from Orientals, if he belongs to the Orientals, not because he is related to him, but because he says 'I know the man, and he is good'. But the thing can be set right. The Lal Committee is sitting. Somebody asked me, 'Why did you appoint these people when the Lal Committee was sitting?'. Yes, if I had waited for the Lal Committee's report and not integrated, that may have been done. I quite agree. That is one method. We need not have integrated the companies, and we could have left them to be what they were and waited till the Lal Committee reported. But they did not do it. They said, well, the company has to move, more business

has got to be secured, the cohesive element in an integrated concern should be brought into play immediately. Therefore, *ad hoc* arrangements had to be made. If the Lal Committee, to which I have added an insurance man of considerable experience and a Member of the other House, says that these things are wrong, well, we shall try to do something.

In fact, I am thinking if I cannot find some employment for some of these people in another sector in which they have not been employed so far. I am really thinking why I should not integrate these people into National Savings Scheme which is analogous. I have hopes of being able not merely to provide employment for those people who are now employed, not merely to provide them with adequate salaries that they deserve but also I am thinking that this will be a source of future employment. I am thinking of a day when I could have in every big village, and in one village in every group of villages, one insurance man for whom I can pay a stipend, who will do the insurance work and also do something for national savings. It is not that we are not thinking about it. We are thinking about it. We are thinking of it as a source of employment, as also a source of security, and a source of providing canalisation for savings.

If there is nepotism, the matter will be looked into. My hon. friend Shri A. M. Thomas was undoubtedly very angry, and he was rightly angry. He asked:—I am asking the question myself—'Why should anybody be so eager to integrate a particular branch organisation, a divisional organisation, with the Madras State as it is today even in anticipation of five taluks joining the Madras State, and at the same time not integrate Kerala and leave Malabar to be handled by Coimbatore?'. I agree; I think it is wrong, and we shall set it right. If that pleases my hon. friend, I do not mind. If the pattern of divisional

[Shri T. T. Krishnamachari]

organisations must follow the pattern of States, then, I say, yes, we shall do it, it can be done; it is not very difficult. But it cannot follow the pattern of the zones, because essentially an organic zone is not the zone that we have created in this House. The zone will probably be Madras, Kerala, Andhra and Mysore, and not Mysore, Bombay and something else. It can be done. But let not my hon. friend say afterwards, 'No, no, it should follow the pattern of the Government of India's zones'. These matters are not very difficult matters. If my hon. friend feels that Kerala has been neglected merely because of Kerala being cut into two, one half going away to Coimbatore and the rest of Kerala standing in a mutilated form, I shall set it right. It is not a very difficult thing. That does not need any eloquence and any finger of accusation pointing at Government to have it set right.

Shri Feroze Gandhi: Would the employees get any extra salary at the end of the year?

Shri T. T. Krishnamachari: I am very grateful to my hon. friend. Now, I come to the question of bonus. The question has been asked by Shri V. B. Gandhi also. Maybe, a Government firm or Government company is paying bonus. I do not know what the Chittaranjans do. A small bonus has been given, a small amount has been given rather; we do not call it bonus. It is a question of our being ostrich-headed. It is a very small amount Government firms or concerns do not pay bonus normally. What we are doing now is that we have given this scheme of insurance. It has been given to them free. If you cannot evaluate, it might be anywhere.....

Mr. Speaker: Is nationalisation intended only to give away all the profits to the workmen and nothing to the policyholders?

Shri T. T. Krishnamachari: That is the other side. I am quite prepared to be shot at from that side, but we are giving this insurance scheme. It might work out to, maybe, a little less than 28 days' salary or it might in some cases, be 40 days' salary. But any way, it really covers a month's bonus. And it is my intention, as soon as I set things in order, to see that a definite amount should be set apart by the Life Insurance Corporation for an amenities fund, which will be administered by the employees themselves. It may be that it will grow, with more money and more profits being put by the Corporation. And it should be administered by the employees themselves.

I do not think I can keep the House longer. But I will say this. Government is deeply interested in making this a success. Government is deeply concerned with the welfare of those people who are in this Corporation. If you ask me: are you going to victimise these people who, merely because they have been misguided, not merely did not attend one day's work but also prevented other people from attending work, well, it is a very small matter. But strikes do not pay, particularly in that class of people who want to strike.

On a rational basis, we could do with much less employees. An organisation like the Insurance Corporation can mechanise, and it will have to mechanise as our work grows. I would like to tell my friends who are employees of the Insurance Corporation that the tail cannot wag the head. Undoubtedly, they are very important in running the Insurance Corporation. But they are not the people who produce the business. The people who produce business are the field workers. So there is no use their saying 'Oh, we are the people who produce business. So we must get this and that'. But that does not mean that I am not

appreciative of, and alive to, to the fact that something has to be done for these people. They must be contented. But on the other hand, let me tell my hon. friend here: he is very young. But these tactics do not pay. The organisation, of which he is Vice-President, is doing a wrong thing, a disservice not merely to insurance workers but to the workers as a whole in this country. It is creating indiscipline among them. It is making them not work, when they ought to work. They can agitate by all means. Agitation is not by means of slogans, agitation is not by means of processions. We are all people who are available for anybody to see. If workers want to see me, I am prepared to discuss with them.

In fact, one night I was told there was a demonstration outside my house. I was in the office at 19.45 hours. I was told that the workers would remain there till 23.00 hours if I did not go and meet them. I normally stay a little longer, but that evening I went home. Of course, they said all kinds of things about me. That does not matter; I am going to live or die according to somebody ordaining how long I am going to live or die. A few slogans are not going to kill me a day earlier; nor are they going to lengthen my life by one day.

I had a talk with those four young men who represented that group. They went away laughing, probably because they thought that this fellow was not worthwhile being serious and angry about, or probably they thought there was something in it. But I can tell the hon. Members of this House that I am in a position to satisfy personally every worker if he will see me. But I am not going to satisfy Shri Sadhan Gupta, because he does not want to be satisfied.

I have worked with friends who are much older than Shri Sadhan Gupta. Our tactics in those days used to be: stage a strike, accept a small compro-

mise, withdraw the strike, stage a strike again six months afterwards. After all, labour leadership depends upon your ability to strike, the ability to get a concession, and as the concession wears down, to stage another strike and get another concession. I know the tactics; I have been with them. I know them. I have also assisted them in many of these strikes at a time when I was less than what he is today. But that won't pay. My hon. friend, Shri Sadhan Gupta, may raise motions after motions and questions after questions. But he is not going to help these people. What will pay is responsibility. As responsible people, they have only to sit round a table. I am prepared to discuss round the table. But I am not prepared to give an advantage to Shri Sadhan Gupta to say, 'I got this concession from the Finance Minister'. He is not getting any concession from the Finance Minister.

Shri Sadhan Gupta: On a point of order. Is it fair to make all these insinuations? I strongly object to them, and I say it is false, absolutely. I did not stage a strike.

Shri T. T. Krishnamachari: This young man was born at a time when falsehood was ruling the country, and he can see no truth at all because he cannot see. That does not matter. I am sorry to have referred to a personal defect of his. But it is an intolerable state of affairs, this young man coming and calling us names, calling Government bandits, calling us pickpockets, calling us impertinent. And I have got to put up with him. I refuse to put up with this young man's impertinence any more (*Interruption*). It does not matter.

So far as I am concerned, if Shri Sadhan Gupta wants to get any credit, he shall not get it.

Shri Sadhan Gupta: I do not want any credit (*Interruption*).

Mr. Speaker: Let there be no duel across the table. Evidently, some expressions had been used against the hon. Minister. I do not know how the hon. Minister is wrong in using similar expressions and saying that he is not going to yield to such expressions.

Shri T. T. Krishnamachari: That is all I have to say.

Shri A. K. Gopalan: I thought the hon. Minister would correct Shri Sadhan Gupta. But in correcting Shri

Sadhan Gupta the hon. Minister has gone further and he has become a second Sadhan Gupta.

Mr. Speaker: The hon. Minister may forget all that.

The House will now stand adjourned to meet in a calmer atmosphere tomorrow at 11 A.M.

19.46 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Tuesday, the 18th December, 1956.