

not moved; Shri Vallatharas, not in the House; Shri S. V. Ramaswamy, not in the House; Shri B. D. Shastri.

**Shri B. D. Shastri:** I am not moving.

**Mr. Chairman:** Shri Hemraj, not moved. Now, I shall put the clause to the House.

The question is:

"That clause 3 stand part of the Bill."

*The motion was adopted.*

*Clause 3 was added to the Bill.*

*Clauses 4 and 5 were added to the Bill.*

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

**Shri Biswas:** I beg to move:

"That the Bill be passed."

**Mr. Chairman:** The question is:

"That the Bill be passed."

*The motion was adopted.*

#### PROBLEMS CONNECTED WITH DEFENCE ESTABLISHMENTS IN INDIA

**Shri V. P. Nayar (Chirayinkil):** I would like to know, Sir, whether we are having both the discussions today?

**Mr. Chairman:** We shall have one discussion: the problems connected with Defence Establishments in India.

**Shri V. P. Nayar:** What happens to the other, Sir?

**Mr. Chairman:** The other may go to the next session; I do not know what the rules are.

**Shri V. P. Nayar:** If it goes to the next session, when fixing the date for this discussion, the office may be asked to consult me.

**Mr. Chairman:** I do not know whether it will be taken up in the next session.

**Shri V. P. Nayar:** That is precisely the point which I wanted to submit. This discussion was given notice of on the 1st.

**Mr. Chairman:** This question need not be asked at this stage. If the rules so provide, it will go to the next session.

**Shri V. P. Nayar:** The only point is whether I should again give notice or I am precluded from giving notice. I do not know.

**Mr. Chairman:** The hon. Member must know the rules.

**Shri V. P. Nayar:** There is no rule in the Rules of Procedure.

**Mr. Chairman:** You can find out from the office.

**Shri V. P. Nayar:** I tried to find out. Unfortunately, there is no rule in the Rules of Procedure.

**Mr. Chairman:** If there are no rules, then, the practice in the House will be followed. We are now going to have a half an hour discussion on the subject "Problems connected with Defence Establishments in India".

**Shri M. S. Gurupadaswamy (Mysore):** Mr. Chairman, Sir, I am raising this discussion—a very important discussion—at the time of our departure to our homes. I am raising this at this time so that Members of this House may carry these defence problems in their minds and ponder over them. I am raising this discussion when our good neighbour Pakistan and our great friend America are very shortly embarking upon a honeymoon of military wedlock. So the problem has achieved a great import.

**An Hon. Member:** No.

**Shri M. S. Gurupadaswamy:** Now, Sir, I content myself to place only a very important observation before the House. Because there is no time and

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I cannot explain them, but only I place the bundle of facts before this House and leave the matter of inference to the hon. Members.

**The Minister of Defence Organisation (Shri Tyagi):** Why not send the bundle to me also?

**Shri M. S. Gurupadaswamy:** I am prepared to send the bundles. I have got so many bundles about your affairs.

**Shri Tyagi:** Please send them all. I will unload it.

**Shri V. P. Nayar:** But is your waste paper basket empty?

**An Hon. Member:** They will be examined.

**Shri M. S. Gurupadaswamy:** In the last war the strength of employees (civilian) working in defence establishments was near about six lakhs of people, but after the close of the war, the number was brought down to nearly 2,64,000. This drastic retrenchment could have been avoided at that time if the Government had adopted certain measures. Still the Government resorted to retrenchment.

Now, we are having 20 ordnance factories in the land. They have been distributed all over the country. I do not want to name them, but I want to point out that these factories have got large potential manufacturing capacity to produce an enormous variety of goods. Sir, I may also point out to the hon. Minister which factories can produce which type of goods so that he may be benefited from such information.

The Harness and Saddlery Factory, Kanpur, can produce leather, textile and wooden materials including small machine parts. The Clothing Factory, Shahjahanpur, can produce ready-made garments for Army and civilian personnel. The Small Arms Factory, Kanpur, and the Rifle Factory, Shahjahanpur, can manufacture rifles, sten guns, bren guns and so on. But these factories have not been put to use to

produce these things and thereby we have got surplus manufacturing capacity, and Government has not taken sufficient steps. Only now, they are attempting to produce certain civilian goods and while doing so they are saying, at the same time, that the cost of production is very high and consequently not possible to compete with the goods of private industries. Sir, it is a very fictitious argument. I say fictitious because the Government has not taken into consideration certain important things while saying so. They have not taken the civilian defence employees into their confidence. On the other hand there is lot of victimisation, harassment and all sorts of things. Secondly, they are playing into the hands of private capitalists. I may say, in this connection, that the prototype factory at Ambernath was for some time producing grinding machines and such other things, but it was later stopped because Kirloskars went on a deputation to the Defence Minister and said: "If such goods are produced in ordnance factories, we have to stop our production." An excuse was somehow found. They said that the cost of production in this factory was very high, and so they were going to stop production.

**Shri Tyagi:** I do not remember him having approached me.

**Shri M. S. Gurupadaswamy:** There are four Defence Ministers. I do not know whom he approached.

**The Parliamentary Secretary to the Minister of Education (Dr. M. M. Das):** Perhaps none.

**Mr. Chairman:** Since the hon. Member does not specify the name of the Minister, it may be taken that he did not approach any one.

**Shri Tyagi:** We may take it none.

**Mr. Chairman:** When he does not know the name, how can he specify the name?

**Shri M. S. Gurupadaswamy:** Sir, the cost of production will not be high,

if they take to manufacturing these things on a mass scale. But they are not doing it, they are only experimenting upon things, and that is why the cost of production is higher. If only they take into their confidence the defence employees, and investigate the matter further, they will find that the cost of production will not be higher.

There is one other very important point that I would like to say in this connection. That is, in the Railways, there is only a very limited number of officers as compared with the number of employees. I can give the figures as well. There are 2,240 officers, while the total number of employees is 9,80,000. As against this, in the Defence Department, the total number of employees is 2,64,000, while the number of officers 2,100.

**The Deputy Minister of Defence (Shri Satish Chandra):** Do you mean Ordnance Factories?

**Shri M. S. Gurupadaswamy:** I am talking of the civilian defence employees, whose number runs to 2,64,000, while the number of officers runs to 2,100. As compared with the Railways, why should there be this huge number of officers in the Defence Department? The Army's Standing Establishment Committee seems to have reported to Government that retrenchment is necessary among the civilian defence employees, but they have not suggested any retrenchment of officers. Why should there be this discrimination? Why have not Government looked into this matter? It is high time that these officers are retrenched, while there should not be any retrenchment of civilian employees.

The retrenchment of civilian employees can be stopped by taking certain measures, one of which is the proper assessment of workload in both Ordnance Factories and Ordnance Depots. That has not been done so far. Recently there is a committee appointed by Government, headed by Sardar Baldev Singh, the former Defence Minister. I would like to

remind the House that when he was the Defence Minister, when he was asked a question whether it was possible to produce civilian goods, he replied it is impracticable to produce civilian goods in Ordnance Factories and Depots. The same man who had an aversion for producing civilian goods in these factories, is now chairman of the committee appointed by Government. It is really very bad on the part of Government to have selected that man. He is a very undesirable selection.

**Shri Tyagi:** He said so, because the then policy of the Government was not to produce these things. Therefore he had to say so.

**Shri V. P. Nayar:** Now he has no other job.

**Shri M. S. Gurupadaswamy:** Yes he has no other job now, and he has not changed his view either, and yet you are putting him on this committee.

Another problem connected with this is that of foreigners who are entrenching themselves strongly in the defence factories. I can give you a number of instances to show this. 9 out of the 20 Ordnance Factories are controlled by Britishers, who have the interests of their own country at heart, and take care to protect foreign trade interests. For instance, in the three Ordnance Factories in Bengal, i.e. the Rifle, Metal and Steel Factory, and the Gun and Shell Factories, the management is in the hands of Messrs. Walton, Gillot and Cook. The Ordnance Factory at Muradnagar is managed by Mr. Jenkins, that at Ambernath by Mr. Wilks, that at Dehra Dun by Mr. Howarth, that at Kanpur by Mr. Miller, the Ammunition Factory at Kirkee by Mr. Browten and the H. S. Factory, Kanpur by Mr. Hephurn. Besides these, Swiss experts are working in the Ordnance Factories at Khamaria and Ambernath. These men are working on contract system and on a salary more than that of any Indian officer. These so-called technical experts are not working to speed

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up production but to enjoy life in India.

Sir, there are other officers whom I want to refer to. There are some British officers who have already retired from India. They have gone to Pakistan. They are giving all secret information to the Pakistan Government. I want to refer to one particular matter. Let the Minister contradict it if he has good ground. There is a case of Mr. Saksena. He made a report that a secret file regarding the production of some weapon has been missing in the office. It had been passed on to the Pakistan Government. When he brought it to the notice of the concerned authorities, they did not even give him a hearing and the whole matter was hushed up. The file is lying in Pakistan today. Who is responsible for this? Sir, Mr. Cook who is a British officer had transferred this file to Pakistan and the file is lying in the Pakistan Secretariat. Let them look into this matter.

There are other instances. There is one Mr. Midmore who has retired from our service. Now he has taken employment in Pakistan.

**Mr. Chairman:** The hon. Member has already taken 13 minutes. He may have 2 more minutes.

**Shri M. S. Gurupadaswamy:** 3 minutes, Sir.

**Mr. Chairman:** Two minutes. The hon. Minister has to reply.

**Shri M. S. Gurupadaswamy:** Sir, I am referring to some other officers. They are holding important positions in our land. The Deputy Director of the Ordnance organisation in India, Mr. Huddard, is a British officer. There is another British officer called Mackanna. He is an Under-Secretary of the Defence Ministry and he, on behalf of the Defence Ministry, passes final orders even without consulting Mahavir Tyagi. Tyagi is a very honourable man, but unfortunately, Sir, he is not consulted and so his honour is of no avail.

Then, Sir, there are no troubles in Pakistan Ordnance factories and Ordnance installations, whereas there is a lot of trouble here. Why? Because of reactionary British officers. Sir, my next point is that nepotism and corruption are the corner-stones of these defence installations. There is a lot of waste and crores of rupees worth of goods have been wasted either on account of corruption or on account of not preserving the goods. Why they have not preserved the goods properly? Because there is no sufficient men. Many goods are exposed to the ravages of nature, and they are not properly utilised for the manufacture of other goods. Why retrench and at the same time run short of personnel?

Sir, there is one Mr. Framji. He was in the Irrigation department. Now, he is the Director General of Ordnance Factories. He is unqualified. Why have you put him as the Director General? Then, there is another instance. The Director General of the Survey of India, Mr. Wilson, is employed here. His brother Wilson is employed in Pakistan, and this Wilson is often passing on information to his brother in Pakistan. Mr. Tyagi has not investigated this matter.

Lastly, Sir, before I close, I say there are various cases of victimisation. Employees have been unnecessarily victimised. I quote the instance of Mr. Krishnamoorthi in Madras. Then I quote the instance of Mr. Chatterjee. Mr. Chatterjee appeared before the Public Accounts Committee. He said that there should be a lot of improvement. He also said that there was a lot of corruption in the military stores. He pointed out that the corruption was to the tune of a lakh of rupees. Then what was the result? He was transferred from the factory....

**Dr. M. M. Das:** As an ex-member of the Public Accounts Committee, I can say that that is absolutely wrong and false.

**Mr. Chairman:** I have not understood what is the objection.

**Dr. M. M. Das:** I am an ex-Member of the Public Accounts Committee which examined the Defence department, and I do not remember any such thing.

**Shri M. S. Gurnpadaswamy:** If the hon. Member will sit with me, I will show him all the letters.

**Mr. Chairman:** Order, order. The hon. Member has already taken 18 minutes. Now very little time is left.

**Shri M. S. Gurupadaswamy:** I am closing in one minute, Sir.

**Mr. Chairman:** It has been closed. There is no question of closing. There is hardly 15 minutes for the Minister to reply.

**Shri M. S. Gurupadaswamy:** I do not want to take more time.

**Mr. Chairman:** What is the use of the discussion if time is not given to the Minister to reply? I call upon the hon. Minister.

**Shri V. P. Nayar:** Sir, may I ask a question, because Members are allowed to ask questions?

**Mr. Chairman:** The hon. Member did not give his name. There are only two names here, but those Members are not present. As a special case, I can allow him if he finishes the question in one minute and does not make a speech.

**Shri V. P. Nayar:** Certainly not, Sir. May I know, Sir, whether the Chief Officers of the Ordnance Depots, especially the Engineers are properly qualified and may I also know whether for example Maj.-General Williams or Brig. Piggott has any University degree?

**Shri Satish Chandra:** Sir, it has not been the usual practice in this House to name officers and to level charges against them, when they cannot be present here to defend themselves. It is rather unfortunate that we have deviated from our established practice this evening and the hon. Member has named one officer after another. Without bringing any specific charges,

he has made vague allegations, even sweeping generalisations about these officers including the Director General of Ordnance Factories, the Deputy Director General and the Superintendents who control this vital industry. Sir, I regret this very much and do not propose to give any reply to the vague charges made by the hon. Member. (*Interruption.*) I can only say, Sir, that these officers have done their work honourably in the Defence Organisation; they have carried out their duties conscientiously, loyally and honestly and with integrity and efficiency. (*Interruption.*) Nothing that has been said by the hon. Member in regard to these particular officers has any foundation; his charges are baseless.

Sir, the hon. Member has raised some other points. First of all he has pointed out that there are several Ordnance Factories whose potentialities for manufacturing civilian goods can be exploited. I admit, Sir, that in about half of the factories, there does exist some surplus capacity which can be utilised for the production of civilian goods. The factories which can produce such goods are being switched over to establish production of new items as far as possible. In many of the Ordnance factories, there are special purpose machines which can be utilised only for the manufacture of specific types of articles for the Armed Forces. But, such surplus capacity as exists today and is capable of being utilised for other purposes is being gradually used for the manufacture of civilian goods. Every effort has been made in the past year to secure more orders from the Ministry of Railways, from the Ministry of Posts and Telegraphs, from other Ministries of the Government of India and from the civil trade. I can only inform the hon. Member—though I think this is nothing new as it has been repeated on so many occasions—that during the year 1953-54, we have secured orders worth rupees 1,12,00,000 for the manufacture of goods not required by the Armed Forces. These orders have been secured from the Ministry of Railways and other Ministries and

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from the trade, as against rupees 66,00,000 worth of such supplies made during the year 1952-53. So, we have been able this year to secure almost double the quantity of orders as compared to last year. The year is still not out and three more months lie before us. We had actually executed orders worth about 63 lakhs of rupees by September, 1953. I have not got the figures for October, November and December with me. The House will appreciate that there has already been a substantial improvement in the direction suggested by the hon. Member.

Last year, we were faced with the question of retrenching about 4,000 workers from our ordnance factories. It is only by securing these extra orders that we have been able to absorb 2,800 workers so far in productive employment. The remaining 1,200 or 1,300 workers have not been discharged; they have been retained by us and every effort is being made to get more orders. For the hon. Member's information, I may repeat that workers from ordnance factories have not been retrenched. He is labouring under a misapprehension when he connects the retrenchment of labour in the depots with the ordnance factories.

**Shri M. S. Gurupadaswamy:** I said that retrenchment was resorted to in the ordnance depots and I also said that the ordnance factories can be expanded.

**Shri Satish Chandra:** I am just now confining myself to the ordnance factories. I repeat, as I have done before, that there has been no retrenchment in the ordnance factories. Only 53 workers were discharged from a depot which a factory had taken over from the Iron and Steel Controller at Belur. Except those 53 unskilled workers in an outlying depot, there has been no retrenchment in the ordnance factories nor is it contemplated in the near future. We are as anxious as the hon. Member to keep our skilled workers engaged in gainful and productive employment, so that they

preserve their skill which can be utilised in an emergency to switch over from civilian goods to the manufacture of goods required by the Armed Forces. So, it is in the interest of national defence not to retrench surplus skilled workers as far as possible and we are fully conscious of that fact.

As regards the ordnance depots, there had been a large accumulation of stores during the second world war when huge quantities were imported from abroad. These depots are only storehouses and do not manufacture any goods. These stores are kept partly in the sheds and lie partly in the open and deteriorate owing to lack of accommodation. Now, as these surplus goods are being consumed year by year, or are being declared to Disposals because they will not be required in future, the labour naturally becomes surplus. If my hon. friend suggests some method of employing these unskilled workers who have no work to do and who cannot be employed in the ordnance factories where skilled men are required, he....

**Shri M. S. Gurupadaswamy:** He can employ them in engineering works for construction and keep away the contractors.

**Shri Tyagi:** The unemployment problem will still remain. He first intervened saying that he wanted them to be employed in ordnance factories.

**Mr. Chairman:** You now wanted him to suggest something for the unskilled labour and he did so.

**Shri Satish Chandra:** I was saying Sir, that the unskilled labour cannot be employed with advantage in our ordnance factories, where skilled labour is required. About 2,000 regular personnel and over a thousand casual workers were discharged from ordnance depots. Casual workers are employed for specific jobs. Such as re-examination of goods etc., and for a particular period only. Such workers are recruited on daily wages. They are generally discharged after

the specified period, say of 6 months. Of course, I said, about 2,000 and odd regular temporary employees have been discharged—I do not remember the exact number and I am saying this from memory—from our ordnance depots, because they could not be usefully employed on any other work. Every effort is, however, made to provide them with alternative employment wherever possible in the Defence installations on a zonal system. If there is a surplus in one establishment, and deficiency in another, the surplus and the deficiency are adjusted and the workers shifted from one installation to another. I can assure the House that we are not absolutely callous in discharging them. I have been looking into these matters personally myself, and I have taken every care to see that no worker is discharged on any fictitious grounds. It however becomes inevitable with the decreasing work-load.

Sir, the hon. Member has said something about another hon. Member—an ex-Cabinet Minister—when the latter is not present in the House. Had he been here he could have given a suitable reply as he is quite capable of defending himself. But I am sorry that some remarks should have been made about him in his absence. I may only add that the Members of the Committee to be presided over by Sardar Baldev Singh, will be the persons connected with production, engineering and important industries. They will be fully competent to deal with the problems on which their advice is proposed to be sought.

Sir, the hon. Member has also remarked in a vague manner that the preservation of stores is not done satisfactorily and that there is no properly trained personnel for the job. It is quite easy to make a sweeping remark. I can hardly give any reply till there is more time at my disposal or the hon. Member expresses himself more specifically about the facts he has in his mind. Sir, he has given some comparative figures about the ratio of workers and officers in the

railways and in our defence establishments. I cannot vouchsafe for the correctness of the figures off-hand. The ordnance factories have about 70,000 workers. Large number of workers are employed in the depots, in the M.E.S. and in Technical Development Establishments. The nature of work differs considerably from establishment to establishment. The workers have to do different types of work varying with their skill and aptitude. The figures given by the hon. Member are not comparable. Greater skill is required in the ordnance factories, and the number of officers is also bound to be greater. As far as the officers in the depots are concerned, majority of them are army officers. Apart from some civilian officers who have been employed on account of the shortage of army officers, the depots are managed mainly by army officers. These officers may lead our troops in the battle fields. The hon. Member presumably has counted all these officers. I may however add that some retrenchment of the civilian officers has also taken place.

**Mr. Chairman:** The time for discussion is over. If the hon. Minister has got any more figures to quote, he may circulate a statement to the Members. I would suggest to him that he need not take note of all the allegations mentioned. At the time the hon. Member was making an allegation, I thought he was asking a question about qualifications of officers. It is not the practice in this House to make attacks against persons in their absence and without proper notice being given. The hon. Minister need not have replied to that.

**Shri D. C. Sharma (Hoshiarpur):** May I submit that the remarks should be expunged?

**Shri Tyagi:** The allegations may be expunged from the proceedings.

**Mr. Chairman:** They need not have been made in this House. It is not the usual practice in this House. If the hon. Minister had objected to it then, I would never have allowed the names to be referred to by the hon.

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Member. I thought that the hon. Member was speaking about the qualification, etc.

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MESSAGE FROM THE COUNCIL OF STATES

Secretary: Sir, I have to report the following message received from the Secretary of the Council of States:—

“In accordance with the provisions of sub-rule (6) of rule 162

of the Rules of Procedure and Conduct of Business in the Council of States, I am directed to return herewith the Salt Cess Bill, 1953, which was passed by the House of the People at its sitting held on the 21st December, 1953, and transmitted to the Council of States for its recommendations and to state that the Council has no recommendations to make to the House of the People in regard to the said Bill.”

*The House then adjourned sine die.*

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