

**Mr. Speaker:** The outstanding demands are 99, 100, 102 and 103. I shall put them to the vote of the House. The question is:

"That the respective sums not exceeding the amounts shown in the fourth column of the Order Paper, be granted to the President, to complete the sums necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1958, in respect of the following heads of demands entered in the second column thereof:—

**Demands Nos.—99, 100, 102 and 103.\***

*The motion was adopted.*

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

**DEMAND No. 99—DEPARTMENT OF PARLIAMENTARY AFFAIRS**

"That a sum not exceeding Rs. 1,12,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1958, in respect of 'Department of Parliamentary Affairs'".

**DEMAND No. 100—LOK SABHA**

"That a sum not exceeding Rs. 80,46,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1958, in respect of 'Lok Sabha'".

**DEMAND No. 102—RAJYA SABHA**

"That a sum not exceeding Rs. 24,55,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of

payment during the year ending the 31st day of March, 1958, in respect of 'Rajya Sabha'".

**DEMAND No. 103—SECRETARIAT OF THE VICE-PRESIDENT**

"That a sum not exceeding Rs. 36,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1958, in respect of 'Secretariat of the Vice-President'".

17 hrs.

**APPROPRIATION (NO. 4) BILL\* 1957**

**The Minister of Finance (Shri T. T. Krishnamachari):** Sir, I beg to move for leave to introduce a Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1957-58.

**Mr. Speaker:** The question is:

"That leave be granted to introduce a Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1957-58"

*The motion was adopted.*

**Shri T. T. Krishnamachari:** I introduce\*\* the Bill.

I beg to move:†

"That the Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1957-58 be taken into consideration".

I need not say anything in this connection, because this Bill covers practically all the demands that have been

\*Published in the Gazette of India Extraordinary Part II-Section 2, dated 24-8-57 pp. 443-452.

\*\*Introduced with the recommendation of the President.

†Moved with the recommendation of the President.

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discussed, beyond those few items which you mentioned today and which came under the guillotine. There has been an exhaustive discussion in this House. No departure has been made in regard to the demands that were discussed and therefore I do not think there is anything for me to say excepting to ask the House to accept this motion.

**Mr. Speaker:** Motion moved:

"That the Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1957-58 be taken into consideration".

**Shri Naushir Bharucha** (East Khandedsh): It is rather very surprising that Members of Parliament are called upon to speak on a Bill a copy of which is not before them. May I remind this House that the Appropriation (No. 4) Bill is not yet circulated to hon. Members?

**Mr. Speaker:** The hon. Member may be given a copy now.

**Shri Naushir Bharucha:** My suggestion is that this Bill be taken up on Monday morning.

**Mr. Speaker:** I understand that an hour ago it was announced in the notice-board that copies of this Bill are available in the Notice Office and that copies may be taken from there. Evidently, the hon. Members were all sitting here and could not take copies of the Bill. (Interruptions) I can say there is nothing here except the schedule relating to the demands that have already been passed.

**Shri Naushir Bharucha:** Anyway, I shall proceed. The subjects on which I desire to speak and which were not discussed during the various stages in the budget are these. They relate, first, to the Ministry of Defence and I desire to speak about the pattern of military expenditure which requires to be changed in the light of the changed nuclear and atomic warfare.

On the Ministry of External Affairs, I desire to refer to the question of Goa. On the Ministry of Finance, I shall refer to the contribution to political organisations and further, the repercussions of reducing the backing of fiduciary currency. On the Ministry of Labour, I desire to speak about the ineffective implementation of Employee's Provident Funds Act and finally, on the Ministry of Law, I desire to refer to the dual system obtaining in the High Courts of Bombay and Calcutta, but, I propose to finish my speech within 15 minutes.

Sir, throughout the defence budget, there is no reference to the type of equipment to be purchased. Only we have been told by the hon. Defence Minister that Rs. 50 crores odd are going to be spent in addition, this year, and a large part of it will go for the purchase of equipment. What type and what category of equipment will be purchased is not known. I can understand the plea of the hon. Defence Minister that certain facts could not be disclosed to the House because they are military secrets, but nowhere in the world have I heard anything any of Parliament where even the category of defence expenditure has not been stated. We should like to know whether still, today, our Defence Ministry is prepared to fight the last world war, basing its assumption on the fact that still there might be air-raids and there must be some ground defences with anti-aircraft guns and so forth; whether they are still contemplating the occurrence of the sea warfare of the same type as in the case of the second world war, and whether they have taken into consideration the fact that ballistic weapons have been developed which render obsolete completely the weapons of defence that were used so very effectively in the second world war. The Defence Minister has not disclosed to this House what is going to be the pattern of arms in the light of the changed technique of warfare, complicated by the fact that atomic and tactical weapons are going to be used

in future. This House is completely in the dark about what is going to be our defence strategy. I submit that it is very necessary that if the Defence Minister considers that these are military secrets, a small select committee of the hon. Members of this House be appointed to examine the changed pattern of warfare. Otherwise, I say that it will be wasting very useful foreign exchange in purchasing equipment which are completely out-of-date and which have no effect whatsoever in the changed techniques of warfare. I therefore plead for the appointment of a committee of the hon. Members of this House to examine the pattern of defence and military expenditure and to revise the pattern.

Coming to External Affairs, I refer to the question of Goa. For how many years it has been pending, I do not know. But the time has come when this House should accord recognition to Nagar Haveli as a sovereign State. Let Nagar Haveli be made a sovereign State, a territory which can prosecute the campaign of liberating the Portuguese enclaves. It is not possible for me within the very short time allowed to me go into the details, but I do say that I have got a plan whereby the Portuguese enclaves could be liberated, and whereby the restriction which the Government of India has laid upon itself, namely, that it is not prepared to use force, can also be observed. While that restriction can be well observed, still, the Portuguese enclaves can be liberated. I want the Government to consider this point of view, namely, why we should not recognise Nagar Haveli and create it as a sovereign independent State, and let Nagar Haveli pursue the question of the liberation of all the remaining Portuguese enclaves.

Coming to the question of finance, I have one point to make, and that is about the reduction in the backing of fiduciary currency. I heard with careful attention the speech of the hon. Finance Minister the gist of which is that Parliament is the guilty party in accepting calculated risks of the

second Plan which were beyond the nation's capacity. It is now being said that all possible steps will be taken, and one of the steps is that we are reducing the backing of fiduciary currency by Rs. 100 crores, I do not know how it will benefit the country. I take it that this House appreciates the fact that backing, particularly in the form of foreign assets is there because we deal largely with sterling area. Our volume of trade is with the United Kingdom and the sterling areas, largely. Therefore, a good size of foreign assets is necessarily held in sterling in order to enable us to fulfil our engagements.

Besides that, I would also like to say that these assets create confidence in our paper currency which would be disastrous to impair. It is very desirable that once having enacted the Reserve Bank of India Act and laid down a minimum, we should not go below it. I am afraid the time has come when we shall have to revise the Reserve Bank of India Act and eat more into the foreign assets that the Reserve Bank holds in its Issue Department.

It is not enough for us to hear from the hon. Finance Minister that every possible step has been taken both in the matter of encouraging exports, curtailing imports and many other things. May I tell him that the Government may have done its best, but its best is not good enough in order to save the Plan. That is what I apprehend. Though it is correct that our currency is so strong that barring Swiss currency it has stood better the stress and strains of devaluation than any other currency, may I remind the hon. Finance Minister that after all, currency and exchange is a delicate mechanism and what is strong currency today may overnight and to become a weak and suspect currency. Unless measures are taken which unfortunately I have no time to detail, I am afraid the time is fast coming when we may be forced to devalue the rupee. Let the hon. Finance Minister say whatever he likes. He has explained to us everything. He says

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that we go down to the core of the Plan. Whether he goes to the core or the nucleus, the point is that still we have got to bridge a large gap, and the hon. Finance Minister has not explained how he is going to meet that gap. To that extent he has passed on the blame to the Parliament,—that Parliament has taken a calculated risk. It is for the Parliament to find out what to do. But while we may quarrel among ourselves as to where the responsibility devolves, the fact remains that international payments are not going to wait until we decide who is responsible for this mess. The time has come when we have to slash the second Five Year Plan.

Regarding contributions to political parties, I have given notice of a Bill, on which I will speak at great length. Let me say that the Government has to be, like Caesar's wife, above suspicion. Once they start accepting Contributions from various companies and capitalists, Government become suspect. I shall deal with this when I discuss the Bill of which I have already given notice. Suffice it to say for the present that this is a policy which has been condemned by the High Courts of two States and the Government must think of revising the Companies Act in the direction that I have suggested in my proposed Bill.

Coming to the question of the implementation of the Employees' Provident Funds Act, may I say that the Government has so negligently implemented it? I went to a place in my constituency called Pachora. There is a firm called Bharat Vanaspati Company Limited. The employers have closed the firm and swallowed the provident fund of the workers. I repeat that the employers have closed the company and swallowed the provident fund of the workers and still no action has been taken. I ask, what is the Government going to do in the many cases where employers have committed criminal breach of trust? Why are they not arrested?

Why should not the Employees' Provident Funds Act be amended to make this a cognizable offence? Today we find that the employees' earned wages, earned gratuity and earned provident fund are swallowed and this Government just looks on at the whole show, saying, "What can we do? We have got no powers." Why should this partiality administration of the Employees' Provident Funds Act be in favour of the employers. They have committed breach of trust, but the Government does not prosecute them. Why? Because political contributions will not be forthcoming otherwise. I make that charge.

The final point I want to make is about the dual system obtaining the High Courts of Bombay and Calcutta. I want to know from the Government whether they have reached a decision about the abolition of the dual system or not. I am not going to enter into controversial matter at this stage, but I simply desire, by way of information, to know from the hon. Minister whether this system is going to be continued or not.

I do not want to take more time of the House. I said I would take 15 minutes and I have finished in much less than that. I hope the points that I have mentioned will receive attention at the hands of the hon. Minister and he will give his reply to such of the points as I have raised in the course of his reply.

**Shri T. T. Krishnamachari:** About the first point raised by the hon. Member, he has presumed that the pattern of defence has to be changed. He has also presumed that we can afford to change the pattern of our defence. From that he has gone to the solution. Assuming that his first two premises are right, the solution is certainly bad. I am sure hon. Members in this House will not take the responsibility for defining how the pattern of defence should be changed, so as to meet nuclear war. I think hon. Members would leave it to the scientists to do. So, the solution is as

bad as the premises. We have no intention of doing anything of the sort.

In regard to Goa, it is an old question and I think it would be better for the hon. Member to wait until we deal with it in the foreign affairs debate which is going to be introduced in this House on the 2nd September.

So far as the Finance Ministry is concerned, my hon. friend is extremely considerate. He is so anxious that I should look after the well-being of this nation, and therefore I should devalue the currency. I will tell him 'no'. I do not know where he was going to lead to, but that is the solution that he has suggested.

**Shri Naushir Bharucha:** I have not suggested devaluation; I said that you might be forced to that position.

**Shri T. T. Krishnamachari:** I do not particularly agree with my hon. friend that devaluation is the remedy, no matter how serious the ailment is. The ailment, of course, is serious. But if my hon. friend thinks that somebody somewhere has spoken about devaluation and so that is the remedy, it is not the remedy, because in the context of the economy of this country, foreign exchange transactions form an infinitesimal part of the total economic transactions in the country. If you agree not to ruin the economy merely because you want to save a very small part of it, I think it would be an extremely unwise procedure to resort to. Therefore, it is not something which can be lightly discussed or answered on the floor of the House. Even the country which devalues goes on persisting in saying until the last date that they are not going to devalue. I may hold this assurance to this House that I do feel that assuming that we get no aid, assuming that we get no resources, if this House is prepared to back me, I do not think we should dread the situation and I do not think the Government should devalue up to March, 1959. Anyway, time will look after our position then. Therefore, I am

afraid this suggestion which he has made is unwise.

Again, my hon. friend is extremely sensitive to the fact that the world and the people in India might say that the Congress Government here is accused of being partial merely because some companies have given, openly and undoubtedly by cheques, the Congress Party funds for party purposes....

**Shri Naushir Bharucha:** How much?

**Shri T. T. Krishnamachari:** I am extremely grateful to my hon. friend for the extreme consideration that he shows for our reputation. He has referred to Caesar's wife....

**Shri T. B. Vittal Rao (Khammam):** Give them concessions in return.

**Shri T. T. Krishnamachari:** He has referred to Caesar's wife. Yes, Caesar's wife must be above suspicion. I do not suppose here is a case where a divorce is at all necessary. My hon. friend there, many Members of that party, are accustomed to say in a light-hearted way, "Give them concessions". Yes; if concessions are merited, they will be given. If concessions are not given, hon. Members are prepared to challenge that we have done something else. It is not that the hon. friends there are angels. I do not think their background could be scrutinised. I cannot understand this attitude, this very light attitude of saying, "give concessions". If we are going to give concessions, they will be given. They will be published and they will be subject to scrutiny by every Member of this House. So, concessions have no relation to the contributions to party funds. Probably my hon. friend did not spend any money. But, after all, there are hon. friends on that side who have spent money; they have got money from various sources. This kind of trying to attack the policy by being good friends, candid friends, is something which I cannot understand. My hon. friend is rather young; he should have been longer in this world. I am

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not going to walk into your parlour. I would like to tell my hon. friends that there is nothing more to be said about it.

He very faintly touched on the last subject, namely, the dual system obtaining in the High Courts of Bombay and Calcutta. I may tell him, my hon. friend, the Law Minister was himself a very distinguished lawyer in Calcutta till recently and it is for him to decide, whether he thinks that the dual system is good or bad, whether he should follow the Madras example and remove the dual system. I do not think there is much that I can say about it.

I do not think there is any substance in any points raised and therefore, I would earnestly request the House to pass the motion.

**Mr. Speaker:** I will now put the consideration motion to the vote of the House.

The question is:

"That the Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1957-58 be taken into consideration".

*The motion was adopted.*

**Mr. Speaker:** I will now put the lauses....

**An Hon. Member:** Have you got the Bill at least?

**Mr. Speaker:** Yes; I must put it correctly. There is only one schedule.

The question is:

"That clauses 1 to 3, the Schedule, the Enacting Formula and the Title stand part of the Bill".

*The motion was adopted.*

*Clauses 1 to 3, the Schedule, the Enacting Formula and the Title were added to the Bill.*

**Shri T. T. Krishnamachari:** I beg to move:

"That the Bill be passed".

**Mr. Speaker:** The question is:

"That the Bill be passed".

*The motion was adopted.*

### GUNA-UJJAIN RAIL LINK

**Mr. Speaker:** We have got a half-an-hour discussion. Hon. Members are aware of the rules; ten minutes for the Member who starts.

**Shri T. B. Vittal Rao (Khammam):** Mr. Speaker, Sir, I raise this Half-an-hour discussion on points arising out of answers given on 6-8-1957 to starred question No. 659 regarding the Guna-Ujjain Rail link. When I asked the hon. Deputy Minister the other day whether this rail link will be completed, whether there is any chance of its being completed in the Second Plan period, his reply was that depends on the availability of rolling stock and particularly, the track materials, but we hope to make a start during the Second Five Year Plan period.

This answer is rather very unsatisfactory. Not only that. It depicts the complacent and smug attitude of the Railway Board towards the Plan. This rail link was included in the Second Plan after a great deal of scrutiny. First, this link had to await the completion of the survey whether Bina-Bhopal doubling should be done. When it was included, it was included on the basis of priority given to certain rail links. The priority laid down in the Second Plan was that any rail link will be taken up when the other railway lines have reached the saturation point and to increase operational efficiency, or rail links essential for the development of coal mines. This rail link was included because during the Second Plan period, it is proposed to raise 7 million tons of coal in the Madhya Pradesh coal fields.