

THE PONDICHERRY APPROPRIATION BILL, 1968

THE DEPUTY CHAIRMAN : We now go to the Pondicherry Appropriation Bill, 1968. The time allotted is one hour.

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JAGANNATH PAHADIA) : Madam, I beg to move :

"That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of the Union territory of Pondicherry for the services of the financial year 1968-69, as passed by the Lok Sabha, be taken into consideration."

Madam, this Bill arises out of the Supplementary Demands of Rs. 1.32 lakhs Voied by the Lok Sabha on the 18th December, 1968. The Supplementary Demands have been necessitated by the extension of the Indian Registration Act and the Indian Stamp Act to the Union territory of Pondicherry.

The question was proposed.

SHRI P. ABRAHAM (Pondicherry) : Madam Deputy Chairman, I rise to support this Pondicherry Appropriation Bill. There are many matters which, I feel, would be common for all Union territories, but there are certain features which are applicable only to the Union territory of Pondicherry. Pondicherry, as you are aware, is now under President's rule. People outside may think that it is a passing phenomenon and with elections every thing will be all right and soon a representative Government will be in power. But that is not the pleasant prospect. As a representative of that Union territory, I would like to be very frank; I speak with a heavy heart. To put it briefly, it can be said that there is no democracy at all in Pondicherry. It is a bitter truth. Pondicherry, as you know, was under French rule. But it has been acknowledged that democracy is not new to us. Although we had been under the French rule, we had the system of election by adult franchise. I want to point out here that we had then a full-fledged elected Assembly and a responsible Council of the Government. The members of the Assembly could discuss anything on the floor of the House. The Assembly had control over the administration of the Government. But, after the merger with the mother land, when a representative Government through the Cabinet has

been introduced, we thought we would be taken to a better stage of self-Government. But, alas, the progress has been quite in the opposite direction. It makes one feel that the Legislative Assembly and the Cabinet in Pondicherry are only rubber stamps. They have no powers. All the powers are concentrated in the head of the State, the Chief Commissioner or the Lt. Governor. It is left to him or to his discretion to lead the elected representatives or the Cabinet Ministers along the democratic path or rule the territory in a very autocratic way. During the last five years preceding the President's rule there we had, I am very sorry to say, a very sad experience in this regard with the previous administrator. What happened there ? It was not a probability or a contingency in theory, but it was a fact that he played politics not only with the politicians, but also with the officers. By abusing his powers he forfeited the cooperation of the elected representatives and the Ministers. Ultimately he tried to woo and win over the Opposition, but he could not succeed in that. All this resulted in the fall of the so-called democratic set-up of that part of the country. I am not exaggerating, Madam, if I say that he was the root cause for all the floor-crossings and the eventual dissolution of the Assembly. However, I am happy a change has been brought and a new administrator with wide executive experience and a broad democratic outlook has been appointed. And I am confident under his able guidance Pondicherry will have better administration under the truly democratic Government.

Now, Madam, when the Constitution or the Parliament has given the local Assembly the power to discuss and vote the budget, I cannot understand how it could be said that the Pondicherry Assembly cannot discuss service matters regarding the Pondicherry administration. Why this curtailment? I feel such an order from the Government of India is running against the very principle of parliamentary democracy. The members of the Legislature should be free to discuss, to criticise and have control over the administration. If the Assembly cannot discuss the administrative lapses and irregularities, then what is the Assembly for ? Where is the democracy when the public opinion and the public views cannot be reflected in the Assembly ? Where is the political freedom for which many Pondicherrians did so much sacrifice? Such an order can only serve, I feel, to cover the arbitrary acts of the almighty administrator or the officers.

[Shri P. Abraham] Now, it is a well-known principle that real democracy means not mere legislation, but the people's control over the administration. But the Ministers in Pondicherry are unable to exercise adequate powers. They have to feel happy only in appointing some peons to officers. They can at best write some notes which can be ignored. That is all. So they lose the confidence of the public. They will be ignored by the all-powerful executives and so groupism begins. This is making a mockery of democracy. I do not also know whether any democratic body or any other controlling machinery has been set up to go into the service matters of the union territories as the Assembly has no right in such matters. It will not be out of place if I mention that even the suggestions made by the Staff Inspection Team of the Government of India have been overlooked. Even the unanimous recommendations of the secretaries and the Ministers have been summarily rejected. I feel that responsibility for all the irregularities and anomalies in the service matters should be fixed.

Now, Madam, though the President's rule has been imposed, the Government did not bring it for the discussion of the Parliament. The public of Pondicherry feels frustrated because they do not even have a chance to discuss why and how the President's rule has been imposed. Whether there is an election or not, they feel their own representatives do not matter much, since they feel that they are perpetually under President's rule, virtual or real. It is said that the set-up in the union territories is so designed as to make the people political-conscious or acquaint them with the administrative system pre-existing in the country. But on the contrary what happened there? The people's hopes are belied, as I have already explained, politically and administratively. I should like to say one more thing. Amongst the Government employees there, there is a section of pre-merger employees whose lot has been absolutely neglected. They are refused dearness allowance for the past fifteen years. I think there was a calling attention motion moved by Shri Bhupesh Gupta here some time during the last session. But still they are so much frustrated that they are forced to go to the court of law for securing redressal. I need not mention here the number of cases in which the court has passed judgment against the Government. Instead of promoting the interests of Pondicherry the Government imported

the staff from outside the territory and went to the extent of giving overnight promotions in supersession of many eligible local employees. I do not want to go deep into the details now.

While being grateful to the Government of India for granting financial aid for the development of those areas the people of Pondicherry feel that politically they have been pushed backward. They wonder why the Government is showing disparity on the political plane. It is extending all sorts of taxation laws rules and regulations, etc. to Pondicherry. Why could not the democratic set-up be the same in the Union Territories also as in the rest of the country? Why should I be made to feel as a second class citizen in this one country? Madam, I have many more points to say, but I think the time is short . . .

THE DEPUTY CHAIRMAN : If you want you can take a little more time.

SHRI P. ABRAHAM : Madam, while I support this Appropriation Bill I make an earnest appeal through you to the Government of India that some of the real democratic characteristic should be appropriated to our people. Thank you.

SHRI BHUPESH GUPTA (West Bengal) : Madam, I would like to say a few things.

THE DEPUTY CHAIRMAN : But your name is not here.

SHRI BHUPESH GUPTA : I want to speak.

THE DEPUTY CHAIRMAN : All right. I will give you exactly ten minutes.

SHRI BHUPESH GUPTA : Madam Deputy Chairman, I am very glad that my friend, Mr. Abraham, from Pondicherry spoke on the subject, and he has spoken on a few issues over which I find myself in agreement with him. Recently I have also visited Pondicherry and spent a day there.

[THE VICE-CHAIRMAN (SHRI M. P. BHAR-QAVA) in the Chair]

I have had some opportunity of finding out how the people felt there. I will have something to say in that connection. But before that I congratulate the people of Pondicherry for having routed the Congress in the municipal elections which were

held on the 6th of this month. Mr. Vice-Chairman, in all the major cities, Karikal, Tirunallar and Nsravi, and in Pondicherry itself the Congress had been defeated in the hands of the Civic Welfare Front. Although the Civic Welfare Front did not have time to carry on their campaign—they only started in November—yet they won telling victories. That is, I believe, an indication of what is going to happen when the February elections to the Pondicherry Assembly take place. I am particularly happy because we are a part of the United Front which is given the description of the Civic Welfare Front. We, the DMK and other parties were there, who fought the Congress. I would point out one or two things in this connection. There was an attempt to postpone the municipal elections till February next year.

SHRI P. ABRAHAM : The Communist Party, asked for the postponement.

SHRI BHUPESH GUPTA : Unfortunately you belong to such a party that when you have a good cause to espouse you are misled. The Communist Party not only did not advise for the postponement but fought on the floor of this House. I personally met Mr. Chavan and wrote him letters also saying that the Congress people were trying to postpone the elections and Mr. Shukla is not here ; otherwise he would have told you that they were trying to give all kinds of excuses. Anyhow even on the floor of the House he had to say that the Government would give directions for holding the elections and he agreed with me when I charged that the Pondicherry Administration was interested in disregarding the commitments and the law and in postponing the municipal elections. This is part of the record. They wanted to do it but ultimately the DMK, the Communist Party and we here combined to impress upon the authorities there and the Government here that the elections should be held as early as possible. Even so, the elections were held late in December. They should have been held in the middle of the year and they postponed it. They wanted to postpone it further but they did not succeed. Now the Pondicherry people have given the verdict. I am told that there is an attempt by Mr. Jatti, who is the Lt. Governor, to postpone on one pretext or another the Assembly elections to March/April. It is rumoured in Pondicherry I cannot say how true it is but it is being talked about that there is a move to postpone the elections. The elections should not be postponed.

Regarding the problems of Pondicherry I would say one or two things. They are treated as B class citizens he said. I doubt if they are treated at all as any citizens of India. I think they are denizens in Pondicherry. They live utterly neglected and what they need is not a Governor-General or a Lt. Governor there. They need adequate economic assistance, they need help for industrialisation within their sphere as far as possible, they need certain changes in the law in order to put Pondicherry on par with other States and integrate in that context, Pondicherry with the rest of India legally or constitutionally speaking. That is what they want. They want that the demands of the employees and others should be met. Nothing is being done. The Centre has become a big zamindari and Pondicherry has become a little insignificant taluk under that zamindari. Cornwallis introduced the Permanent Settlement in Bengal under which he created big zamindars under whom, again there were tiny talukdars and others with little rights or little self-respect who somehow carried on. This has happened to Pondicherry to-day. Yet it is a place of great culture. I am told that our Madras Congress friends and others the prohibitionists—go to Pondicherry for having a good drink. They get completely drunk, I am told. In fact in the Guest House I lived, I was told that there was a lot of drinking going on.

SHRI P. ABRAHAM : Were you not offered ?

SHRI BHUPESH GUPTA : I have not yet started smoking, drinking is the next stage. A few of our Congress friends, in order to implement the policy of prohibition had as many points of wine as possible. After all if you drink wine, nothing is left for others. That is how they implement prohibition. They go there in fleets of cars from Madras—the Congressmen and others—the disciples of Mr. Desai, in order to implement the prohibition policy in Pondicherry by drinking as much as they can. They drink like fish. That is how they remember Pondicherry. The Union Territory has become an anachronism. Pondicherry should have full status. We have given status to Nagaland and we are trying to give more of it to them. Pondicherry should also get the same status. It should be a constituent State, so long as it remains in this position, of the Indian Union and as long as you keep Pondicherry as a Union Territory, you will keep it as an

[Shri Bhupesh Gupta.]

appendage under a Deputy Secretary in the Ministry of Home Affairs. Our friends have been delivered to rule by a Deputy Secretary. This is certainly not a happy position for a proud people to be placed in. Therefore the first thing is the political status of Pondicherry should be elevated, no matter which party rules Pondicherry. I am not concerned with that. I am concerned with the destiny of a segment of our people whose political status should be raised and that is very very important. If we come to occupy the Government, as indeed we shall in March, naturally the legislative powers, limited as they are, of Pondicherry will be fully used in order to bring pressure on the Centre so that the status is altered in favour of the people of Pondicherry.

I find some industrial mills are there, textile mills, and some of them are in neglect and the Government should see to their improvement. I believe there is one public sector undertaking also and these mills are not doing well. There are certain difficulties. These should be removed. I do not see why more small industries in the public sector should not be started there. For example, if the Arabindu Ashram has started a large number of small undertakings and become viable, why not the Pondicherry Government, with the help of the Centre be asked to run small industries and become viable? It is wrong to say that it is no use giving status to a place because it is not having resources. Every State, even Maharashtra and Bengal, cannot get on to-day without Central assistance. So no State in India today is viable in that sense. Every State to-day is dependent on Central assistance. I am speaking from memory. The outstanding debts of the States to the Centre is of the order of Rs. 5,000 crores or more. If that is so, the argument that Pondicherry does not have resources, does not hold water. On the contrary it should be given proper status and necessary assistance. That is how we should help Pondicherry. I do not wish to take much of your time. The Congress there, with all respect to my friends there, is utterly rotten. I am not saying that the members are rotten. The Congress as an organisation has become an organisation, at the top of manoeuvres, manipulators, officer grabbers and some of them you may call as even drunkards. In Pondicherry there is no prohibition. So drinking is not an offence. You can drink as much as you

like. So such is the Congress leadership at the top. If that is so, they cannot be relied upon for doing any good and it is thoroughly demoralised after the debacle of the Congress in Tamil Nadu. The Pondicherry Congress is in utter doldrums.

2 P.M.

SHRI P. ABRAHAM : Is a Communist Party there ?

SHRI BHUPESH GUPTA : We have a Communist Party there and it is a good one, and you know Mr. Subbiah was the Leader of the Opposition at one time. And he is an important leader, and you know very well the Communist Party is pretty strong in Pondicherry. I addressed a meeting also. It was a very good rally, and if the party had not got support there, so many people would not have come.

SHRI P. ABRAHAM: The Communists never contested elections on their own strength there in Pondicherry.

SHRI BHUPESH GUPTA: You say we have never contested elections on our own. You may hope we will never but I hope we shall keep the DMK, the communists and others united, and in spite of your provocations I hope it will not come to such a pass that we fall apart so that gentlemen of the Congress Party can run away with the affairs in Pondicherry. So I think, Mr. Vice-Chairman, he need not be particularly interested in our independent growth. It is all right; we are growing also and we have put up our candidates under the United Front and if I may say, among the 102 constituencies that were contested by the Civic Welfare parties, the C.P.I., put up 34 candidates not a small factor. And you know the results there. Therefore I am not going into that for the present.

It is an excellent place. It is a beautiful place. I must say I was deeply impressed by the place and I think that we should pay a little more attention—the Centre—because I think the best way we can show more attention is by rendering them all necessary economic assistance and, above all, by raising their political status. The idea of treating Pondicherry as a small *talukdari* in the *zamindari* of Mr. Chavan should once and for all end. Pondicherry people deserve to be treated by some people but better by themselves, not by a Deputy Secretary in the Ministry of Home Affairs with the meaningless decoration of Lieutenant-Governor, who understands nothing, knows nothing, does nothing. Thank you.

SHRI G. A. APPAN (Madras) : Mr. Vice-Chairman, Sir, coming from a place near Pondicherry it behoves me to say what I have seen in Pondicherry, what is yet there to be done for Pondicherry and how we can play an important role for its development and prosperity in the comity of the various States of the Indian Union.

Pondicherry being a small State, yet a very compact State, it is better that the Centre takes this as a model and experimental state, to demonstrate the efficiency of any good administration in all the spheres of developmental activities. It is a small State and yet it can be said to be a model State. I agree with my friend, Mr. Bhupesh Gupta, that the status of Pondicherry should also be raised to an appropriate level and that the head of the State should not be of the status of a Deputy Secretary as my friend, Mr. Bhupesh Gupta, puts it.

There is very great scope to develop cottage industries in Pondicherry and much has yet to be done. I think the Central Government will try to pay greater attention to foster improvement and development on sound economic lines by starting more cottage industries, by starting more heavy industries and medium and small scale industries because there we have very good scope, potentialities and facilities for easy transport and navigation facilities. From days of yore, Pondicherry has been keeping an enviable position in sea passage, navigation tracks and sea customs, etc. There were days when Pondicherry was occupying an important place in international trade and relationship. Everybody wanted to see Pondicherry; everybody wanted to buy nice and durable things so very cheap from there, and everybody wanted to enjoy all comforts and luxuries and things like that from there because it is a wet area. But it is not so at present after the Centre took up the reigns of administration there. I wish that the port of Pondicherry is developed as one of the main, leading ports in India. For that a large sum of money should be set apart. This port could as well be developed into a free port and a free trade zone for importing things to the South as we have here facilities of a good port, many and varied facilities indeed and most useful to any nation at large. We should also have in India not one but many free ports where we can have a complete, self-sufficient economy of an international source.

j As a textile man I know the various ; difficulties of the textile mills in the Pon-! dicherry State so famous in the past for its textile products. But, lo, today a number of textile mills there are facing a crisis. Why? The trade union leaders have been putting things pell-mell, misguiding people, misinforming people and trying to put the Government and national economy in disarray. I am very very sorry for the state of affairs that Pondicherry is now facing and the plight of the labour force there these days. The Pondicherry Ashram being there, they are trying to build there a good international centre. It is a great credit to them. I wish that at the international centre plays a great permanent effective, constructive and international role and becomes an eye-opener for the whole of India and does credit to whole of India unprecedentedly. I wish that the international university and the international centre (city) that they are trying to develop there, would also render a great and noble service not only to the South but also to the whole of India and to the countries abroad.

With this, Mr. Vice-Chairman, Sir, I support the Bill and request that the status of Pondicherry State should be improved, and I hope that the working condition and remuneration of Government employees and other workers will also be improved.

SHRI JAGANNATH PAHADIA: Sir, I have heard hon. Members and particularly heard Mr. Abraham who represents Pondicherry in this House. Sir, he had said something about an ex-Lieutenant Governor and I do not think it proper for me to comment on any such aspect. But so far as the present Lieutenant-Governor is concerned, I think he is an experienced administrator and, by and large, the people of Pondicherry as well as the hon. Mr. Abraham are satisfied with his conduct.

Sir, he has raised the question of pay scales of Pondicherry Government employees. As you know, Sir, when the State was merged into India, the Government servants were given the option either to choose the ex-French scale or to choose the Madras scale. Those who opted for the Madras scale, we are giving them all

[Shri Jagannath Pahadia.] the D. A. increase as the Madras State Government employees get. But so far as the Government servants who opted for the ex French scale are concerned, certainly we will consider the matter. So far as I remember, till now we have not received any proposal from the State Government of Pondicherry.

The hon. Shri Bhupesh Gupta said that Pondicherry has become a little *taluka* in a big Government of India *zamindari*.

SHRI BHUPESH GUPTA : In the Home Ministry's *zamindari*.

SHRI JAGANNATH PAHADIA: The Home Ministry is also part of the Government of India. As the House is aware, the area of Pondicherry is only 480 square kilometres and its annual revenue is only Rs. three crores. As you know, Pondicherry is not a viable State. It is necessary— though not in all cases—that States should be viable. But with this state of affairs I do not think that Pondicherry will be a viable State. (*Interruptions*).

Shri Bhupesh Gupta said that no Central assistance has been given to Pondicherry. May I inform, him Sir, that in this very year the Government of India I has given Rs. two-crores as grant and Rs. two crores as loan to the State of Pondicherry?

Therefore it is not proper to say that the Government of India has not taken proper care of this small State. Now, Mr. Appan has said that the small-scale industry should be the backbone. I fully agree with him. We are also keen that the people of Pondicherry should feel that they are part and parcel of India and they are also as prosperous as the other people of India are. With these comments I hope the Members will feel satisfied and pass the Bill.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): The question is:

"That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of the Union territory of Pondicherry for the services of the financial year 1968-69, as passed by the Lok Sabha, be taken into consideration"

The motion was adopted.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): We shall now take up clause by clause consideration.

Clasues 2 and 3 and the Schedule were added to the Bill.

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

SHRI JAGANNATH PAHADIA: Sir, I move :

"That the Bill be returned."

The question was pioposed.

SHRI LOKANATH MISRA (Orissa) = Mr. Vice-Chairman, Sir, I am very happy that the hon. Deputy Minister assures us that they would help Pondicherry in every possible way to raise the standard of life of the people there.

SHRI N. PATRA (Orissa) : They have given four crores.

SHRI LOKANATH MISRA: I do not know whether the hon. Deputy Minister knows that a very big project is coming up in Pondicherry. It is under the auspices of Shri Aurobind Ashram and is known as Aurc ville. When the project was inaugurated representatives from about 116 countries came with their soil from their countries and they were all put together in one place which is supposed to be the spot from where the enlightenment to the entire country for spiritual progress and for the upliftment of the people would spread. It is all done under the auspices of Shri Aurobind Ashram of Pondicherry. Shri Aurobind Ashram has also different* sections. It has an industrial section; it has a co-operative section. It has all the necessary sections for industrial progress. May I know whether the Government of India has ever thought of giving some help to this Ashram for these industrial projects?

I hope the Government of India would look into it and whatever help is possible they should give to these small industrial projects that are already there in the Ashram. As for Auroville, I am told people of the different countries of the world are eager to come there. There is a suggestion for a free port; there is a suggestion for having different localities for different people. If the Government of India would take some active interest in the matter I think all the other countries of the world which believe in peace, progress and spiritual upliftment

would also take greater interest. The initiative must come from the Government of India, whether through money or even through the purchase of a piece of land there. They must take a piece of land there and show their goodwill and their sympathy for such a great project which would go a long way in providing the atmosphere for peace, progress and spiritual upliftment in the world.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Have you any reply to this suggestion for action?

SHRI JAGANNATH PAHADIA: Certainly we will consider all the suggestions made by hon. Members. I want to refer to one question which I had left out. Mr. Abraham asked when the elections are going to be held. As far as my information goes, the Election Commission has tentatively decided to hold the mid-term poll in Pondicherry on the 9th March.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): The question is:

"That the Bill be returned." *The motion was adopted.*

THE APPROPRIATION (NO. 5) BILL, 1968

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JAGANNATH PAHADIA): Sir, I beg to move :

"That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 1968-69, as passed by the Lok Sabha, be taken into consideration".

Sir, this Bill arises out of the Supplementary Demands of Rs. 7331.98 lakhs voted by the Lok Sabha on the 18th December, 1968 and the expenditure of Rs. 75.61 lakhs charged on the Consolidated Fund of India as detailed in the Supplementary Demands Statement laid before the House on the 11th December, 1968. As full explanations have already been given in that statement I would confine myself to a few introductory remarks on some of the major items for which additional provision is required.

The amounts included in this second batch of Supplementary Demands represent the unavoidable minimum additional requirements which have arisen after the passing of the first batch of the Supplementary Demands for Grants in August last. The total Supplementary Demands in the present batch are for Rs. 74.08 crores of which Rs. 22.37 crores are on Revenue account, Rs. 1.71 crores are on Capital account and Rs. 50 crores are for disbursement of Loans and Advances. The total additional requirement of Rs. 74.08 crores will, however, be set off to the extent of Rs. 72.11 crores on account of receipts recoveries, etc. The net outgo arising from these Supplementary Demands would thus amount to Rs. 1.97 crores only.

Of the various items constituting the Supplementary Demands, I might mention Rs. 50 crores are for advancing a larger loan to the Food Corporation of India to enable it to take over the stocks from the Food Department, consequent on the transfer of depots and port operations to the Corporation from the Food Department. This would not, however, affect the Budget as there would be additional receipts to Government for the stocks transferred. Rs. 20 crores are required for reimbursement to the Corporation of the consumer subsidy in respect of foodgrains handled by it but the additional requirement will be covered by the profit expected to be made by Government on the sale of imported wheat. Rs. 1.36 crores are required for the scheme of incentives to cotton textile mills which produce controlled varieties of cloth in excess of their obligation. Of this amount, Rs. 55 lakhs represent only a national advance to the Textile Commissioner and the balance of Rs. 81 lakhs is expected to be set off by receipts of equivalent amount from the defaulting mills. Rs. 75.37 lakhs are required mainly for making payments in satisfaction of court decrees and awards against Government in connection with the acquisition of land. Rs. 75 lakhs are required for investment in the India Tourism Development Corporation Ltd., in the shape of transfer of tourist bungalows. Rs. 60 lakhs are for demarcation of Indo-Burma and Indo-Pakistan (Rann of Kutch area) boundaries.

The Supplementary Demands include token provisions under three Grams, as the additional expenditure involved during the year can be met from savings available within the Grants but the items represent expenditure on 'new service' or 'new instrument of service'. These are: