

[Shri A. C. Guha.]

venue. The development of the cultivation of tobacco is the concern of another Ministry and of the commodity committees. There is one important commodity committee on tobacco also.

MR. DEPUTY CHAIRMAN: And perhaps Prof. Ranga is a member of that committee.

SHRI A. C. GUHA: I think so.

SHRI G. RANGA: Only fifteen lakhs.

SHRI A. C. GUHA: Even though as a Minister it does not concern my Ministry, still I have tried to be helpful in this matter to Andhra. I think something was done about two years ago for the co-operatives in Andhra in regard to drying machinery and something like that.

SHRI G. RANGA: It was taken up by your Ministry.

SHRI A. C. GUHA: That I know. That was done. And now if the co-operatives have not been able to use it properly, that is not my fault. But the best thing for Prof. Ranga would be to develop the co-operatives there and surely that would serve the interests of the cultivators better. But for the present, I think, the trouble of the Government is rather overproduction of tobacco. So, that also he should consider. This is not only just to help the production of tobacco, but I think for the last two years the greatest evil for the cultivators, and the greatest source of trouble also for the Finance Ministry, is the overproduction of tobacco. Sometimes middlemen are taking advantage of this over-production and the benefits of whatever concessions we have given for this tobacco, mostly have gone to the middlemen. And that was why after my last personal visit to a tobacco growing area, I asked the Ministry to withdraw those concessions, because those concessions would have been harmful to the growers and would be beneficial only to the middlemen.

As for other points, Mr. Sekhar has referred to something about Kerala. I think he should refer to section

74 (2) (b) of the States Reorganisation Act. I am sorry he is not here. In that he will find that a certain provision has been made to make good any loss of revenue to the Kerala State from the stipulated figure of Rs. 232.38 lakhs. This section provides for the payment to the Kerala State of the difference by which its share of income-tax and Union excises falls short of Rs. 232.38 lakhs. So, some arrangement has been made in the States Reorganisation Act. Even if the allocation according to the recommendation of the Finance Commission fell short, that would be made good under that provision in the States Reorganisation Act. I hope the Bill will now be returned.

MR. DEPUTY CHAIRMAN: The question is:

"That the Bill to amend the Union Duties of Excise (Distribution) Act, 1953, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

MR. DEPUTY CHAIRMAN: We shall now take up clause by clause consideration. There is no amendment.

Clause 2 was added to the Bill.

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

SHRI A. C. GUHA: Sir, I move.

"That the Bill be returned."

MR. DEPUTY CHAIRMAN: The question is:

"That the Bill be returned."

The motion was adopted.

#### MOTION RE. INDIAN FOREIGN SERVICE BRANCH 'B' RULES

SHRI KISHEN CHAND (Andhra Pradesh): Sir, I move:

"That the Rules relating to the initial constitution of the Indian Foreign Service Branch 'B' be taken into consideration."

You are aware of the growing importance of our Foreign Service. Our missions abroad are growing and their importance is growing. So, it is very essential and necessary that a proper cadre for many of these missions be instituted in our country. There is the Foreign Service Branch 'A' with which we are not concerned today. I have brought in motion for this Foreign Service Branch 'B'. This is for all officers below the grade of 'A'. They are called Under Secretaries and Section Officers in the Indian missions abroad; that is the highest post of this grade and then lower down it goes on to stenographers, clerical staff, etc. Now, in a nutshell I may say why I have brought this Motion. In our missions abroad a large number of foreigners are employed and the strength of Indian element is small. My main object is that this Branch 'B' should be extended to such an extent that largely all our missions abroad are manned by Indians, by members of this Service, and as few as possible of foreigners or local persons should be employed. That is my main object.

To develop that point I would have begun really by giving facts and figures of the number of persons employed by our missions abroad and analysed them—how many of them are Indian nationals, and how many are non-Indian nationals. I asked for this information from the External Affairs Ministry, but unfortunately nobody supplied me that information. And so I have to rely on general information and.....

SHRI H. P. SAKSENA (Uttar Pradesh): Guess work.

SHRI KISHEN CHAND: ... mix it with some sort of guess work. It was the duty of the Ministry to have supplied me with figures when I asked for them in writing, and they say they do not have the figures, that the file is completely missing and they are unable to supply it because the file is missing. You know that there was a disqualification about married women and I am very glad that the Ministry has removed that disqualification. As a matter of fact, I want that

especially for the posts of steno-typist and office secretary, it should be Indian women who should be sent abroad.

4 P.M.

SHRI G. RANGA (Andhra Pradesh): Why women alone?

SHRI KISHEN CHAND: Because, Sir, for that particular job in the European countries it is supposed that the women are better suited. If we are going to create the impression that our Foreign Service is equally well manned, equally efficiently manned, it is very necessary.....

SHRI G. RANGA: Well woman-  
ned also

SHRI KISHEN CHAND: I appreciate the pun on the word. But that does not help. We do not say 'Chair-woman'. What I am submitting is that it is very essential that our Missions become models of our great country, and that the people of those countries where our Missions are located come to the offices of our Missions and get some picture of India. That is only possible if these Missions are entirely manned by Indians. You will be surprised that, if you go to the High Commissioner's office in London, out of hundreds of staff, the number of Indians is very small. They are all people from the local area, foreigners, and the impression is created that our people are not qualified enough, to find service even in our own diplomatic Missions. That will be the impression created on the people of the country where our Missions are located, when they go to the Mission's office and find that there are not many Indians employed there but their own people. I submit, Sir, that it is essential that we have more people of Indian origin manning these Missions.

Then, I come to the question of expense. I have always been asking for economy, retrenchment and various other measures of this type, and it is possible that the hon. Minister may reply that if we are going to have Indians, the expense will go up.

[Shri Kishen Chand.]

I submit, Sir, that this will not be the case. The scale of salary paid to the foreigners in the United Kingdom or the U.S.A. is very high. Even if an Indian is taken from India and paid overseas pay, even then his total emolument will not be more than the emolument paid to the local people in these Missions there. The result will be that even if we have to spend a little extra amount, there will be some saving by these officers in the Missions abroad, and that saving will come back to India in the shape of remittances, but if we pay the extra amount to the foreigner, that money is not going to come back to our country. So, from every consideration, even if we have to pay extra salary to take Indians from here to the Missions abroad, what I have suggested is very useful.

Sir, regarding matters of secrecy, regarding matters of patriotism, regarding other matters, it is natural that when Indians are employed, we will be quite safe in the matter of safeguarding the interests of India in every way.

Sir, our Missions are expanding. Not only that, we have a Foreign Service but there are technical sides to our Missions. There is the Trade Commissioner, there is, for instance, a Purchase Section, and for looking after our students who are going abroad for further studies there is one section. There are various sections, and this Foreign Service Branch 'B' should not be confined only to the diplomatic part of the Service, but it should have men and women who can serve in the various other branches which I have pointed out; that is, the Trade Commissioner's section, the Educational section, the Publicity section, and so on. I come to certain figures which I place before you.

MR. DEPUTY CHAIRMAN: The time allotted is only half an hour.

SHRI KISHEN CHAND: May I know, Sir, how much time I will be given?

MR. DEPUTY CHAIRMAN: You have already taken ten minutes.

SHRI KISHEN CHAND: Then I shall require five minutes.

MR. DEPUTY CHAIRMAN: The hon. Minister has to reply. Then you have to reply. Perhaps there may be one or two speakers.

SHRI KISHEN CHAND: We have got time till six o'clock.

MR. DEPUTY CHAIRMAN: No. I cannot extend the time. We have to close this in half an hour.

SHRI KISHEN CHAND: Then, Sir, I shall finish in two minutes. In the Service I find that the promotion percentage from 'B' Branch to 'A' Branch is 10. That is too low a figure. In every case there should be a minimum percentage of 25; 25 per cent. of the vacancies in 'A' Branch should be earmarked for promotion from 'B' Branch. Unless you give that prospect, people will not be attracted. I mean people of high calibre who are best fitted for such service.

Then, about conditions of employment. When you take people from India, naturally you will have to consider that the conditions of employment are slightly better. Some provision should be made for the education of their children, for them to spend their furlough in our country, for them to get long leave and passage money for coming to India and going back.

I will say something more later in reply.

MR. DEPUTY CHAIRMAN: Motion moved:

"That the Rules relating to the initial constitution of the Indian Foreign Service Branch 'B' be taken into consideration."

SHRI BHUPESH GUPTA (West Bengal): Mr. Deputy Chairman. I wish we had a little more time for discussing a subject like this because we do not have such opportunities in this House. However, I would like to

make some observations in this connection, and I shall confine my remarks mostly to my personal experience in England when I had been there only about five or six months ago.

My experience relates to the High Commissioner's office. Now, the very first thing that I should like to mention here is that I find that here is a sort of unequal treatment between those Indian nationals who are recruited in this country and those Indian nationals who are recruited abroad from England or from France or from other countries in Europe. In regard to the allowances, I think that some of the advantages that accrue to people who are recruited from here are denied to those of the other category, those Indian nationals who are recruited in England itself or from the continental countries. As you know, Sir, a large number of our students and others have joined the Foreign Service or these establishments there. They did not come to this country and get the appointment here and go back again. I found out that what I say is true. I can say that some kind of discriminatory treatment is made, not in the old way, but some kind of discriminatory treatment is made which has created a considerable amount of discontent amongst the officers and other employees in the High Commissioner's various establishments. I think this should be removed.

Then, Sir, those people who have been recruited there have certain difficulties in coming to this country, and I think that Government should liberalise the rules so that they could come here and get in closer touch with the people at home.

In fact, I understand that, in justifying the discrimination, it is said by the High Commissioner's Office that those people who had been recruited abroad do not have much touch with people, with the country and all that. I think that that kind of an argument should not be made in regard to the Indian nationals; no matter where they are recruited, once they are in

service, the Government should extend to them necessary facilities so that they can go to their country and get in touch with the people.

Then, I come to the various establishments and staff. I have not got full facts with me. But I find that in the London High Commissioner's Office, there are various establishments. About 1,200 or so people are engaged and quite a big chunk of them are not Indian nationals; they are mostly British. I do not see as to why this arrangement should continue. I think that the entire staff should be made of Indians, unless, of course, it becomes absolutely necessary for some technical or other reasons to have foreigners there. This is my view and the view of many others also. And the Government has been extremely slow in this matter. British nationals are there in the staff enjoying very heavy salaries and almost all the advantages that they have been enjoying at the time of the British.

Then, certain Departments should be strengthened by some kind of reorganisation. There should be departments to look after the welfare of students, and also of the workers there—Indian nationals who are resident in England. I went there; I met a number of workers and was taken to the Indian Workers Association. London—the Hindustani Mazdoor Sabha. A copy of the memorandum which was submitted by them to our Prime Minister was given to me. The Prime Minister was there about that time. He first went to France and from there, he went to London. I just missed him.

The memo. was given to me. The Indians complain there:

"The only avenues of employment open to Indians are hard, unskilled jobs. Quite a number of industries and establishments refuse to employ them at all. There is no security of service and the rates of pay are low. Jobs commensurate with academic qualifications in government offices, and commercial establishments like banks, insurance companies are not available."

[Shri Bhupesh Gupta.]

Then, it gives a fairly long account of the sufferings to which they are subjected and the difficulties which they have to face. Then a complaint is made and I would like the hon. Minister to note it...

"It is but natural that Indians look forward with pride and hope to the India House for assistance and guidance in their difficulties and problems. But it is a fact that the help obtained there is very inadequate."

Due to shortage of time, I will not recite anything more. All that I can say is that I met a large number of workers and other residents there. They have very serious grievances against the manner in which the India House is running. They have got complaints to make against some of the officials. I would not like to say them here.

MR. DEPUTY CHAIRMAN: That will do.

*(Time bell rings.)*

SHRI BHUPESH GUPTA: Sir, I will mention only two other points.

Sir, about expenses, of course, the India House spends a lot of money on Rolls Royce cars. When I was a student there, I saw a car and it is still there and I do not know whether another has been bought. At that time there was a lot of criticism as to why so much money should be spent. They met the Prime Minister. At that time he used to be in London and took part in the agitation in a way. He must be knowing this thing because we met him there as students. Now, the same kind of thing is going on there, I am not particularly against any big car. But I do not think that you can be extravagant in this matter. I watched as to how the car is used. Well, what I found out does not give me a very encouraging impression. Therefore, what I say is that the expenditure has got to be cut.

Cultural side is very much neglected. I say, you should have proper cultural attaches there. Recruit people

from here—people who have some knowledge of Indian culture and who can represent our culture properly to foreigners. That is very important. I went there. It took a long time to get a book on Rabindranath Tagore there. All kinds of things were there. When the British Press was attacking Shri Nehru and the policy of the Government of India, the publication brought out by the High Commissioner's Office contained no answer at all to that. That is another waste of money. Good people, proper people are not employed. I think there is a lot of bungling there; money is being wasted. Patronage and nepotism is there. The High Commissioner's Office is becoming a laughing stock.

THE DEPUTY MINISTER FOR EXTERNAL AFFAIRS (SHRI ANIL K. CHANDA): Mr. Deputy Chairman, this discussion was supposed to be on the initial constitution of the Indian Foreign Service Branch 'B'. Unfortunately, hon. Members who took part in this discussion have brought in matters which really do not come within the ambit of this.

Shri Kishen Chand referred to the question of employment of foreigners. So far as the Indian Foreign Service Branch 'B' is concerned it is never contemplated that any foreigner would be in these services. In fact, in all foreign embassies either of this country or of other countries, a certain number of local people are always employed for generally doing inferior jobs, like that of the doorman or the watchman or the chauffeur or posts of that nature. It is not merely with us, but with all other foreign missions. They take recourse to recruitment of local people for jobs of this nature. Therefore, we also have in all our foreign embassies, a certain number of inferior posts held by local people. They have no political work to do, nothing to deal with what may be considered secret matters.

SHRI BHUPESH GUPTA: Not in High Commissioner's Office?

SHRI ANIL K. CHANDA: I am coming to that.

The only exception is the High Commission in London. The history of the High Commission in London is well known. It is not that we opened that establishment after our Independence. It has been in existence there for many years before with the result that quite a large number of local people have been recruited during the days of the British. Of course, it was open to us, when in 1947 we became independent, to get rid of those people. That would be, in one way, rather an act of unkindness to those people who have been faithful and loyal to their masters for so many long years. And, secondly considering the very large number of people involved, if we were to send from India our own people to take up those posts vacated by the English people, the cost would have been enormous.

The hon. Member, Mr. Kishen Chand, said that an Indian officer, comparatively speaking, would be less expensive than a locally recruited assistant officer. But that I do not think is really correct, because though the basic salary might be considerably lower than that of the local man, but whenever we send a man abroad from India, we have to give him an adequate foreign allowance. After all, he must live according to the standard of the people of his office in that particular country.

DR. ANUP SINGH (Punjab): May I ask the hon. Minister one question? We can appreciate the position in the beginning that it was neither advisable nor perhaps feasible to replace so many people *en bloc*. But I would like to know what steps, if any, have been taken since then to replace these people by Indians—at what rate and how many people have been replaced.

SHRI ANIL K. CHANDA: Well, I am afraid I could not straightaway tell the hon. Member what the pace of replacement is. But, obviously, when a man gets superannuated, we would not employ, normally speaking, any local man. We would send a man from India. Now, all India-based officers are given an adequate foreign

allowance. Therefore, with his personal salary and the foreign allowance, it will be almost equal to that drawn by a locally recruited man. We have to give him house allowance, apart from the cost of transportation charges of the whole family.

Shri Kishen Chand referred to certain benefits which should be given to our personnel sent abroad. I may tell him that the passage money is given to them. They are entitled to a foreign allowance and then, for some time past, we have allowed certain additional allowances, *i.e.* for the education of the children, up to Rs. 80. This does not affect officers of the higher status, but officers below the rank of the 1st Secretary are entitled to children's education allowance.

With regard to employment of women, the offending clause has already been deleted. But I would like to inform the House that sometimes, we find it rather difficult about women employees. In this connection, I may mention that the President of the Indian Women's Federation had drawn the attention of the Prime Minister himself to this and I would quote a relevant paragraph from Prime Minister's reply to that letter.

He says, Sir, that "Of course, there should be no discrimination on grounds of sex, but in practice we have found it difficult to find suitable posts for women in these services, more especially in the subordinate positions in our missions abroad. If they are married, the difficulty increases, because they have to be sent to some places separated from their husbands, or we must give up the idea of posting them abroad. In the normal course, they cannot be separated from their husbands. This is a real difficulty." Then again, Sir, he goes on to say that "Some unmarried women who had been taken into our service had married and left service." We have, as a matter of fact, allowed women who married while in service to continue in service so long as the question of transfer does not arise. We have nothing against the employment of women in the foreign service,

[Shri Anil K. Chanda.]

but, Sir, these are the practical difficulties. It is no discrimination on grounds of sex etc. Most of us, I am sure, would like very much if a greater number of women get into the services, but there are certain practical difficulties which I have already mentioned.

Then, Sir, Mr. Kishen Chand referred to the percentage of promotions from Foreign Service 'B' to Foreign Service 'A'. We have given considerable thought to this matter, and for the time being we think that we should start with 10 per cent. promotions from Foreign Service 'B' to Foreign Service 'A', because this service is running parallel to the Central Secretariat Service of the Government of India. It bears the same relation to the Central Secretariat Service as the Indian Foreign Service bears to the Indian Administrative Service. Therefore, the treatment accorded to officers of this service is, more or less, based on parity with the conditions prevailing in the Central Secretariat Service.

Then, Sir, the hon. Member, Mr. Gupta, referred to certain discrimination between the locally-recruited staff in London and those who are India-based. It is a fact that people who are locally recruited get a little lower than what is given to India-based officers, but they come under a different category altogether. In the case of India-based officers, they have been permanently taken into our service, and their cases have been scrutinised by the U.P.S.C. and it is on the recommendation of the U.P.S.C. that they have been appointed. Therefore, Sir, these officers who are permanent in our service deserve a different treatment to some extent. But we are looking into the question of allowances and emoluments of locally-recruited staff. Incidentally, I might mention that locally-recruited staff who have served for a number of years in temporary posts are eligible for being considered for Foreign Service 'B'.

Then, Sir, Mr. Gupta referred to the grievances of the Indian people in England. That is a much bigger

matter, and it has hardly anything to do with the Foreign Service 'B'. He also referred to the Rolls Royce car for the Indian High Commissioner. That also, I believe, is beyond our scope of discussion.

MR. DEPUTY CHAIRMAN: Yes, Mr. Kishen Chand, have you got to say anything?

SHRI KISHEN CHAND: Mr. Deputy Chairman, the aim of this motion was to extend the 'B' service category to such an extent that all our foreign missions are manned by Indians. The hon. Minister has pointed out that the foreign missions in India employ local Indians, but the scales of salaries are so different. An American or a U.K. man gets such a high salary in his own country that if he is brought to India, the cost will be tremendous. But the scales of salaries in our country are very low. The hon. Minister has confessed that it is only the basic salary plus some allowance, and the total comes to almost the amount which is being paid to a foreigner in our mission abroad. The only difficulty is about the transport charges and the larger leave facilities. For the sake of these two things we should not deprive our own people to be employed. If there are more Indians in our High Commissioner's office in London, that in itself will create a good atmosphere which is worth the slightly extra expense. The hon. Minister does not realise that a larger number of Indians, and especially women, in our foreign missions will get a great opportunity in carrying our cultural traditions abroad and making them familiar to the foreigners. Therefore, Sir, I think it is very essential that the Branch 'B' of our Foreign Service be developed and enlarged to such an extent that the entire foreign missions of our country are manned by Indians.

SHRI BHUPESH GUPTA: Sir, I would just ask one question. I am very glad to hear that the hon. Minister is looking into the grievances of the locally-recruited people. I would only like to know from him in what manner exactly their grievances

are being looked into, and whether the Government have made any proper arrangements in order to look into their cases, and if so, what are those arrangements?

**SHRI ANIL K. CHANDA:** Obviously, Sir, I cannot now and here tell him how those particular grievances are being redressed. But as I have already said, our Administrative Section is looking into the grievances of these officers.

**MR. DEPUTY CHAIRMAN:** So, the Rules relating to the initial constitution of the Indian Foreign Service Branch 'B' have been discussed. We now go to the next motion.

#### MOTION RE EIGHTH REPORT OF THE INDUSTRIAL FINANCE CORPORATION

**SHRI KISHEN CHAND** (Andhra Pradesh): Sir, I move the following Motion:

"That the Eighth Report of the Board of Directors of the Industrial Finance Corporation of India on the working of the Corporation, together with the annual statement of accounts of the Corporation, for the year ended the 30th June, 1956, be taken into consideration."

Mr. Deputy Chairman, the annual report of the Industrial Finance Corporation for the year ending 30th June, 1956, was laid on the Table of the House a few days ago. I submit, Sir, that the hon. Members are aware of the fact that the Government of India has guaranteed a minimum dividend of  $2\frac{1}{4}$  per cent. on the capital of this Industrial Finance Corporation. During the last seven years the Government of India has paid Rs. 42 lakhs as a subvention for the payment of that minimum dividend of  $2\frac{1}{4}$  per cent. This year the profits are not sufficient. The result is that on the total capital of Rs. 5 crores, subvention at  $2\frac{1}{4}$  per cent., amounting to about Rs. 11½ lakhs, has again to be paid. It shows that the Government of India would have paid Rs. 53½

lakhs up till now as subvention to the Industrial Finance Corporation. The Industrial Finance Corporation is a commercial concern in the sense that it charges a fairly high rate of interest from the industrial concerns of which advances are made. The rate of interest is  $6\frac{1}{2}$  per cent. If the industry or the company borrowing money repays the instalments and interest in a particular time, it gets a rebate of  $\frac{1}{4}$  per cent. Supposing all the companies get this rebate, even then there is a net rate of 6 per cent. The Corporation earns that net rate of 6 per cent. The capital of the Corporation consists of Rs. 5 crores. Then they have got debentures floated at 3 per cent. Then there is an advance from the Reserve Bank at a low rate of interest, and now the Government of India is going to give them an advance at a low rate of interest. The net result is that they get money from the market at 3 per cent. or less. On their own money—the share capital of Rs. 5 crores—they have to pay nothing, while on the amount that is lent out or invested, they get 6 per cent. That means normally the company should make quite a good profit.

The Industrial Finance Corporation should have made good profits. They lend at 6 per cent. and borrow at 3 per cent. and they have Rs. 5 crores free of charge. They should have made a fair amount of profit, but what is the result? Year after year there is no net profit and year after year the Central Government has to give subvention to ensure the guaranteed minimum dividend, and up till now they have paid Rs. 53½ lakhs. That is one side of it. I would not have minded if this Rs. 53½ lakhs subvention was the only burden. During the last year large loans have been given to co-operative sugar factories and the Corporation has insisted that in the matter of loans to these sugar factories and others, the Central Government and the State Governments should guarantee the principal. That means that the principal also is guaranteed by the Central Government. The Corporation is only acting as a post office. Money is guaranteed by the