

5838

Extract from the speech made by Mr. M.R.Masani
in the Lok Sabha on 16th April, 1964 during the
discussion on Demands for Grants of the Ministry
of ~~Home Affairs~~ Finance

Mr. Speaker, Sir, I want to speak on cut motions Nos. 10, 11 and 12 which I have moved. These are matters of not the gravest importance, but they do concern the operation of various activities of the Finance Ministry and I would appreciate the Minister of Finance considering the matters which are covered in these three cut motions.

The first of these cut motions arises out of a great amount of discontent among Central Government employees that has been caused in my constituency. Rajkot happens to be classified as a C class city along with many others.

It is done on the basis of population. I have no quarrel at all with the classification of these cities because it is done on the basis of population. Among other C Class cities in our country are Guntur and Vijaywada in Andhra, Jamshedpur and Ranchi in Bihar, Baroda in Gujarat, Cochin and Trivandrum in Kerala, Bhopal, Cwalior and Indore in Madhya Pradesh, Belgaum and Hubli in Mysore, and so on.

Now, Sir, recently some cities were upgraded into A and B categories on the basis of population, and those that fell below the B level remained as C class cities. That is perfectly fair. But, Sir, when it came to laying down the scales of house rent and compensatory allowances, I feel that the Central Governments in C class cities have a legitimate grievance in that the application of certain principles does not seem to have been properly made. For instance, in regard to house rent, there is a sliding scale of 15 per cent with a minimum of Rs.20 for A class cities and $7\frac{1}{2}$ percent with a minimum of Rs.15 for B Class cities. One would have imagined, therefore, that there would be a smaller percentage for C class cities with a floor. But in this case, there is a flat rate of Rs.7 $\frac{1}{2}$. Instead of there being a floor, there is a ceiling. Instead of the minimum being set, it is said that no Central Government employee of a C Class city would get house rent allowance if his salary is over Rs.143. If there are floors laid down for classes A and B with regard to house rent allowance, why should there be a ceiling of a very low nature in regard to C Class cities? I am pleading for uniformity of treatment though with a lower percentage. In two cases there are floors and in the other case there is a ceiling. I feel this is a hardship to government employees in C Class cities.

In the case of compensatory allowance, the position is a little worse. While 10 percent with a minimum of Rs.7 $\frac{1}{2}$ is laid down for A class cities and 5 percent for B class cities, there is no compensatory allowance at all for C Class cities. I do feel that, while it may be $2\frac{1}{2}$ percent or 3 percent, there should be some compensatory allowance even for employees in C class cities. This, Sir, may be a small matter, but it does affect a large number of humble employees employed by the Government of India in different parts of the country including, as I said, in my own constituency. I would appreciate it if the Finance Minister would consider whether there is not any justification in the grievances that these employees entertain.

Extract from the speech made by Mr. M.R. Masani in the Lok Sabha on 16th April, 1964, during the discussion on the demands for Grants of the Ministry of Finance

My next cut motion No. 11 is in regard to the grievances of agents and employees of the Life Insurance Corporation. These employees were all out for nationalisation before it took place. Now, unfortunately, they are entertaining second thoughts, because they feel that the management of the Life Insurance Corporation is much more bureaucratic, much more heartless and much more exploitative than any private insurance company had shown itself before. In the last few days I have received representations and complaints from life insurance employees in various parts of the country who all complain bitterly about the treatment given by the management of the LIC to different classes of employees. Here is a letter from the Association of LIC Agents based at Bombay. I will read a few sentences from it. It says:

"My Association regrets to state that whatever communications we have addressed to the Chairman or the Managing Director of the LIC, in a majority of cases, no reply has been forthcoming from the former and replies of the latter are always evasive. In fact, two memoranda submitted in 1960 and 1963 to the Chairman putting forward our grievances and constructive demands have been totally ignored. The second memorandum has not been even acknowledged by the Chairman. My Association has, therefore, now decided to ventilate our grievances with the Members of the Parliament...."

Another letter comes from the Bombay LIC Employees' Co-operative Canteen Ltd. Here is one sentence from that letter:

"The meeting also unanimously passed a resolution condemning the retrograde and anti-employee attitude adopted by the bureaucratic officials of this premier life insurance institution."

A third letter comes from Calcutta which says:

"I solicit the favour of your attention to an extremely unfair practice followed by LIC in the matter of forwarding applications of its technical staff like chartered accountants, engineers, etc."

I am drawing attention to this not with a view to pointing to any specific grievances but with a view to suggesting to the hon. Minister that he might impress on the LIC the desirability of better channels of communications and quicker redress to whatever representations are sent by employees to that institution. As I said, the employees of the LIC, like employees of other nationalised concerns in other parts of the world, have now realised that nationalisation does not pay where the employees are concerned. That is another matter, but while this Corporation remains nationalised, let us see that justice is done to them.

Extract from the speech made by Mr. M.R. Masani in the
Lok Sabha on 16th April, 1964, during the discussion
on the demands for Grants of the Ministry of Finance

.....

My third cut motion is No. 12 about the intended move to shift the divisional headquarters of the LIC from Rajkot. Here again, a large number of my constituents are up in arms. They claim that when the divisional offices in Rajkot and, of course, in many other cities in India, are closed, the LIC will become even more remote from the policyholders and the employees than it is at present. The close contact that there should be between customer and the employee, on the one side, and the management of an insuring body, on the other, will become remote. Already there are signs of bureaucracy and they feel that this centralisation will make things worse.

The hon. Finance Minister has more than once made statements that he would like to see the LIC decentralised and we have welcomed that thought. But here is a contrary trend, namely, that the divisional offices throughout the country at district headquarters are being shut down for most purposes and centralisation is proceeding. It seems that the hon. Minister's intentions are not being carried out in practice. I would like him to tell us how he explains this contradiction between the very legitimate aspirations that he has voiced and the implementation. From throughout the country I have received letters — from Madras and other quarters also — bitterly complaining that the LIC is getting further and further away from its customers and its staff.

Extract from the speech made by Mr. M.R.Masani in the
Lok Sabha on 16th April, 1964, during the discussion
on the Demands for Grants of the Ministry of Finance

Having mentioned these three cut motions, I would like to refer to the efforts of the Finance Ministry to attract foreign capital into this country. This is a step on which I am in deep and profound sympathy with the efforts of the Finance Ministry and I would like to congratulate the hon. Finance Minister and his staff on various actions that they are taking to create a better climate and a better image of India abroad. I am sure the hon. Finance Minister will agree that just giving tax reliefs or a higher rate of return is not the basic way of attracting foreign capital and investment to this country. The image of the country as a whole also has a big role to play. If the image of the country is bad, no amount of bribing by giving a higher rate of return will attract investment to our country.

I would like to share with the hon. Finance Minister a very unpleasant experience that some fellow Members of the House and I had yesterday evening and which we, all of us, felt would do great harm to the image of our country in the eyes of investors from abroad. We went to attend a diplomatic reception organised by the Consulate-General of Israel to which we were invited because it was their Independence Day. When we got there, we were met by the Consul-General looking very unhappy at the door, who apologised to us for the fact that the reception had been cancelled at the last moment. When we asked by the reception was cancelled, we were told that the Ashoka Hotel, which had rented its lounge and a bedroom for the Consul and his wife weeks ahead in writing had suddenly, at the last moment, cancelled both the lounge and even the living accommodation for the Consul and his wife.

An Hon. Member: Shame!

Mr. Masani: We did not know where to look. It was obvious that the Government of India through the Ministry of External Affairs had misused its position as the owner of the Hotel to make cancellations which were unconscionable and unwarranted. We apologised in return to the Consul for our Government's ~~and~~ inept handling of this issue and we came away. Other foreign diplomats who were there at the same time looked aghast. Among the invitees were the members of the American Businessmen's Delegation whom the Finance Minister has been, quite rightly and assiduously, cultivating during the last four days and explaining incentives for coming to India.

Shri Ranga: What is the good?

Mr. Masani: I ask him as to what impression this incident will make on these friends of ours who are here to invest in our country. This was an act of gross discourtesy to the Government of a friendly country. It was not fair dealing as between a hotel and a customer who has booked a room. No doubt, the Consul made the mistake of going to a Government-owned hotel; otherwise, this would not have happened! But is this the way our Government behaves towards foreign countries and foreign visitors?

This morning, the Ministry of External Affairs gave an explanation. The explanation is worse than the act. It says that "the Indian Government's action is also intended to be a demonstration of solidarity with the Arab countries." Can we think of a more inept, more pathetic way of showing solidarity with Arab countries, by insulting a guest of ours, by cancelling his written registration

on the basis of which he had invited foreigners and Indians to attend this party?

I do feel that nothing short of an apology is called for on the part of the Ministry of External Affairs and the Ashoka Hotel to the Government of Israel. That is a country whose hospitality my hon. friend, Shri Raghunath Singh, and I have enjoyed. I enjoyed the hospitality of the Liberal Party of Israel only a year ago. When they come to our country, we expect our Israeli guests to be treated with the same courtesy, which my hon. friend, Shri Raghunath Singh, I and many other Indians, including Acharya Kripalani, have received when we visited Israel. This churlish behaviour of the Ashoka Hotels and the Ministry of External Affairs deserves to be condemned, quite apart from other things, because of the horrible effect it will have on the role of the Finance Minister and the Ministry in trying to build up a better image of our country abroad. It is in these ways, many times, that while doing good with one hand we undo all our efforts with the other.

Shri H.V.Kamath: I am sorry to interrupt. It is an egregious blunder and if the hon. Finance Minister does not reply to this point, the hon. Prime Minister or some other hon. Minister may reply.

Shri Ranga: The hon. Minister without Portfolio is here.

Shri H.V.Kamath: It is an egregious blunder.

Shri Masani: I shall finish by requesting the hon. Finance Minister to consider the implications of such acts and to exercise his influence in seeing, now that the mistake has been made, that due apology and amends are made to those concerned.
