

THE DEPUTY CHAIRMAN: It leaves only the international situation out, one day for that.

SHRI Z. A. AHMAD: I request the hon. Minister to apply his mind a little more to this when he has more leisure.

SHRI BHUPESH GUPTA; Madam, may I bring to your notice a matter of very serious importance, very great importance?

THE DEPUTY CHAIRMAN: We have not finished with this.

SHRI R. S. KHANDEKAR: May I draw your attention to rule 123 in reference to this Railway Appropriation Bill. I understand that the Railway Appropriation Bill has not been passed by the Lok Sabha as yet. Then two days are required after it is despatched here. Here rule 123 says:

"On the day on which the motion for consideration is set down in the list of business which shall, unless the Chairman otherwise directs, be not less than two days from the receipt of the notice, the member giving notice may 'move that the Bill be taken into consideration."

So two days will be required after the Lower House passes that Bill and, naturally, if the Lower House passes it tomorrow, then it cannot be considered on the 23rd here.

SHRI I. K. GUJRAL: I suggest a compromise that we finish the whole agenda by about 4 P.M. on Satu and /rom 4 to 6 P.M. or 4 to 7 P.M. if you so choose, we can discuss the international situation.

SHRI BHUPESH GUPTA; No, no.

THE DEPUTY CHAIRMAN: The number of hours will be the same.

SHRI BHUPESH- GUPTA: Freshness of mind "JlnS :all that kind of thing. I would like one hour more.

REFERENCE. TO -A MEMBER OF THE HOUSE IN THE OTHER HOUSE -

SHRI BHUPESH GUPTA (West Bengal): Madam Deputy Chairman, I would like^ to bring to your notice a matter of very great importance. Otherwise I will be fa.ing in my duty as a Member of this House. A Member of our House, Mr. Arjun Arora, has bsen subjected to all > kinds of accusation in the other House in connection with the Birla accusation. Madam, some document alleged to have been written by him to the Prime Minister has been laid on the Table of that House for the Speaker to see. We demanded that it should be laid on the Table of this House, but it was hot done. Therefore, tomorrow, Madam, we will come to your chamber and raise it. We will discuss it 'because we also believe in the vindication of the honour of a Member of this House.

TF^ BUDGET (GENERAL) 1967-68 —GENERAL DISCUSSION— contd.

THE DEPUTY CHAIRMAN; May I take it that the House desires that the reply to the discussion on the General Budget be given after Question Hour tomorrow?, What do you say?

SEVERAL HON. MEMBERS: Yes, yes.

THE DEPUTY PRIME MINISTER AND THE MINISTER OF FINANCE (SHRI MORARJI R DESAI): I aih ready at any time.

THE DEPUTY CHAIRMAN: So after the Question Hour tomorrow the Finance Minister will reply to the debate.

. SHRI S. S. MARISWAMY (Madras): Madam, we have given Calling Attention Notices also.

. THE DEPUTY CHAIRMAN: That is all right. After that is over tho Finance Minister will reply to- the General Budget debate. To that thL House is agreeaioiei After that we

will see about the other agenda that Mr. Gujral has mentioned. So we will go through that. The Anti-Corruption Laws (Amendment) Bill we will take up after the Finance Minister's reply is over. On Friday we take up the Railways Appropriations and on Saturday the international situation. I think that will be all right. I think we are reasonable with all and we have come to some arrangement now. Saturday we will keep for discussion on the international situation. By Friday we will be finishing the other items because the reply to the debate on the General Budget will be given tomorrow afternoon. Now, Mr. Chetia.

SHRI T. V. AN AND AN (Madras): What about the Members who had given their names for speaking on the General Budget?

THE DEPUTY CHAIRMAN: We are having six days, but everybody cannot speak on everything. There are many who have not had a chance. For instance, from Pondicherry no Member had spoken. We have to give time to each State. Everybody cannot speak on everything.

SHRI A. D. MANI (Madhya Pradesh): May I suggest for your consideration, Madam, that those who do not get a chance to speak on this Budget may be given priority in respect of speaking on the Finance Bill?

THE DEPUTY CHAIRMAN: That we shall bear in mind, of course. Now, Mr. Chetia.

SHRI P. CHETIA (Assam): Madam Deputy Chairman^ I want to take this opportunity of speaking on the General Budget to confine myself exclusively to a matter of very urgent public importance concerning the State of Assam. That important matter is the proposed reorganisation of the State of Assam as per the announcement made by the Ministry

of Home Affairs, Government of India on the 13th January last after discussions with the leaders of the All People's Hill Leaders' Conference, Assam.

This is one of the most burning problems of Assam focussing the attention of the entire people of the State. Any solution of this complicated problem will have a far-reaching political significance not only for the State of Assam and for the matter of that for the entire strategic eastern region but also for the country as a whole. Therefore, I would like this august House to take a serious note of the proposed reorganisation plan and the importance and implications arising out of the same, only because this will have a bearing either good or bad, in many other parts of the Indian Union which are agitating for similar demands.

In the session of Parliament held in March last in connection with the debate on the President's Address in this House, while expressing my personal view on the question of separation, I made an endeavour to trace the history of the administration of the hill districts in Assam during the British regime and the policy of complete isolation followed by the British Government and then after independence the adoption of the Sixth Schedule in the Constitution by the Constituent Assembly on the basis of the recommendation of the Tribal Areas Sub-Committee headed by the late Shri G. N. Bardoloi, the then Chief Minister of Assam. I had also tried then to point out the constitutional impropriety and the infeasibility of accepting the proposed federation plan as envisaged in the Press Note of the Government of India dated the 13th January, 1967. In that context it was my endeavour also to meet some of the arguments advanced by a section of the hill leaders against the Government of Assam stating that there was no basis or truth or substance in the charge

[Shri P. Chetia.]

that the Government of Assam meted out a step-motherly treatment to the hill districts in Assam in matters relating to development plans or that there was any attempt on the part of the Government of Assam to impose the Assamese language on the hills by virtue of the Assam Official Language Act of 1960.

It is a well-known fact that when the State Reorganisation Commission came into being, there was a good deal of agitation in various parts of the country for the creation of new States. In the midst of such an atmosphere, it was quite natural that some of the hill leaders took full advantage of such a situation and pressed the demand for a separate hill State in Assam. Suffice it to say that the States Reorganisation Commission, after a careful study of the problem of a hill State demand, rejected outright such a demand, among others, for the following main reasons: '

1. Economically such a State is not viable.
2. Geographically there will not be contiguity. They are not contiguous.
3. Administratively it is neither feasible nor in the interest of the tribal people themselves.

When the public effervescence as a result of the creation of the States Reorganisation Commission subsided after the Commission had submitted their report, for a while, on account of the rapprochement policy followed by Shri B. P. Chaliha, the Chief Minister of Assam, there was considerable lull in the demand for a separate hill State. But when Statehood was granted to Naga hill district which until its creation as such, was only a district and part of Assam, - the demand for a hill State became once again vociferous, because the creation of Nagaland gave the agitation a helping fillip.

It is hardly necessary for me to recall the circumstances under which the late Prime Minister Pandit Nehru took keen interest and tried to solve the tangled problem of the hills people's demand by declaring to constitute a commission on the Hill Areas of Assam so as to examine and find out what measure of greater autonomy could be granted to the autonomous hill districts apart from the provisions contained in the Sixth Schedule in the Constitution. Suffice it to say that although such a commission could not be constituted during the lifetime of our Prime Minister Pandit Nehru, a commission under the chairmanship of Shri H. V. Pataskar was constituted by his successor, the late Shri Lai Bahadur Shastri on the 16th March, 1965. The report of that commission was submitted to the Government of India on 31st March, 1966. The Pataskar Commission recommended greater autonomy than is provided in the Sixth Schedule of the Constitution, because in their opinion geographically, economically and also from administrative point of view, the hills and plains are interlinked and interdependent on each other and any developmental plans either for the hills or for the plains cannot be undertaken in isolation of each region.

Unfortunately by the time the Pataskar Commission Report was published the tempo of agitation for a separate hill State reached its climax and the leaders of the A.P.H.L.C. totally rejected the same as unacceptable.

It may be mentioned in this connection that the Pataskar Commission surveyed the entire administration and the economic development of the hill districts of Assam and came to the definite conclusion that there was no evidence of any deliberate neglect of the hill areas by the Government of Assam.

It may be asked that if that is the position, then why is there a demand for a hill State? In this connection we are told that on account of the un-

friendly attitude of the plains people, particularly the Assamese towards the hills people, the hills people want separation. If anybody cares to study and analyse the situation and examine such accusation, one would find that such accusation is also entirely baseless. Without contradiction from any quarter it can be said that there is no conflicting ground for a clash of 'interests between the hills on the one hand and the Assamese people on the other. The Assamese people have no vested economic interest in the hills. There is no exploitation by the Assamese people of the people on the hills in any field, either in the field of business, or in industry, commerce, trade or service. On the contrary, the Assamese people are by nature not aggressive competitors. For this reason they have lost ground to the people who are other than indigenous, in all these fields in their own home districts, except of course, in the sphere of service under the State Government.

Then again one may ask why and on what ground the plains people oppose the idea of a separate hill State. Again it is the historical background to which the plains people, particularly the Assamese people, attach so much importance. It may be noted in this connection that in the past, prior to the advent of the British, there were friendly contacts and cordial relationship between some of the hills and the plains of Assam, both in times of war and in times of peace. This age-old emotional feeling has made the plains people to nourish a sentimental attachment to the people of the hills even though that friendly contact and cordial relationship were severed for a time by the policy of the British. This age-old attachment coupled with the fact that the national security of the country would be in danger in the eastern region in case of formation of a hill State due to various possible factors as encountered in Nagaland and recently in the Mizo hill district, the plains people, the Government of Assam and the Assam Pradesh Congress Committee did not like the idea

of a separate hill State. It must be admitted that even granting a hill State would not and cannot solve the problem because the Mizo hill district would not join such a hill State, nor the Mikir hill and North Cachar hill. If the verdict of the recent General Election is to be taken as the index and criterion for a true assessment of the feelings of the hills, it is the two districts, namely, the United Khasi and Jaintia hills and the Garo hills which want a separate State. Then again, one should not forget the example of Nagaland where, even though it is enjoying a full Statehood, the vexed problem of the State with the hostiles is still to be solved.

Assam is not the only State where Tribal people live. Bihar has a tribal population to the tune of 42,04,770. In MP. it is 66,78,410. In Maharashtra it is 23,97,159. In Rajasthan it is 23,09,447. In Orissa it is 42,23,757. In Assam it is 20,68,364 out of which hill tribals constitute 13,15,169 as per Census Report of 1961. But nowhere in the above States even a Sixth Schedule was incorporated in the Constitution although tribals in all these States are more backward than in Assam. Census Reports of 1961 will speak eloquently about this fact. It is known to all that there was persistent demand for a separate Tribal State in MP., a Hill State in UP. and at one time a Jharkhand State in Bihar. Then again the people of Himachal Pradesh are agitating for a considerable time to make that Union Territory a full-fledged State. This has become all the more vociferous after the creation of two States Haryana and Punjab. Judging the demand for a full Statehood to Himachal Pradesh dispassionately I feel constrained to say that there are more weighty reasons to grant Himachal Pradesh a full Statehood than those for which Nagaland was granted. But nobody has conceded to hear such demands. This simply shows a different standard for different people for different regions. In UP. there is no separate census figures for tribals. In the Census Report the tribals have

[Shri P. Chetia.]

been merged with the Scheduled Castes which together comprise a total population of 1,55,99,881. This only shows what is the position of the Tribals there.

Now reverting to the question of announcement of Government of India of January 13 I would like to say here candidly that the conception of a regional federation is a totally negative approach. Instead of bringing stability, unity and cohesion and an integrated administration in the region, it would allow to grow further fissi-parous tendency. It would set a bad example to the rest of India giving chance to other regions for agitation to have such regional federation which will ultimately disrupt the unity and stability of the Indian Union and thus bring potential danger to the foundation of our national solidarity. On the other hand, the proposal of federation contemplated in the Press Note of January 13, 1967, which would lower the present status of Assam has been vehemently opposed by the Assam Pradesh Congress Committee and the plains people.

From the historical past, the plains of Assam is the meeting ground of conglomeration of races and communities, both Indo-Aryans and Mongoloids with the fusion of a culture that is Indian. This led to the formation of a composite nature of population. On account of this composite population, plains people of Assam developed a cosmopolitan character and outlook devoid of any trait of rigid conservatism. On the other hand, in the hills on account of the British policy of isolation coupled with the fact that Foreign Missions while spreading Christianity in the regions where they were working fostered the growth of a feeling among the tribals that they have got a culture different from that of the rest of the country. For these reasons, the separatist tendency in the hills is firm and deeprooted. For these reasons, a section of the tribal people was found to be unreceptive to

the idea of an emotional integration which formed the hard core of the trouble today.

Soon after Independence the flush and tempo of unity was there. It could have been stabilised and consolidated had there been a well-defined tribal policy to deal adequately with any agitational approach to political demands. Such a policy should have been accompanied by an economic programme for an accelerated development of the hills and plains, having regard to the fact that Assam is a backward State industrially while she happens to be the prime sentinels in the strategic eastern region. But unfortunately it was not to be.

For instance, the people of Assam feel, and rightly so, that the Centre was not responsive to the needs of the State as in the first two Five Year Plans Assam was denied her legitimate share for a proper economic growth that was essential to meet the minimum aspiration of the people including the hills. In the political sphere, instead of a firm tribal policy of consolidation there was a vacillating policy of rapprochement often yielding duly or unduly with the result that the political balance of the State has been completely disturbed. If there is an agitation now for disintegration of the State, it is the legacy of that policy and past omission and commission for which the people of Assam are not to be blamed, and for which the Union Government is entirely responsible.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. C. PANT): Madam Deputy Chairman, I am grateful to you for giving me this opportunity to intervene in this debate at a stage when so many hon. Members have spoken and have made many useful suggestions. I won't be able to deal with all of them or even with the bulk of them but I can assure them through you that their suggestions will receive the consideration that they deserve

Madam Deputy Chairman, by and large the Deputy Prime Minister's analysis of the economic situation has been accepted and has been very well received not only in this House but outside also. Of course it is much easier to accept the broad analysis of the economic situation but when it comes to discussing the specific measures included in the Budget there is bound to be some divergence of opinion as indeed there is in this case also because no Budget, however good, can please everybody. In this particular case, in spite of the fact that it has not pleased everybody, it has been generally welcomed and the reason for that, I think, is that the Budget has attempted to tackle courageously a very very difficult economic situation and it has attempted to do so not only with an eye on the immediate future but keeping in mind the need to introduce certain structural changes and to give certain impulses to the direction of economic growth which will yield rich results in the long run.

So far as the detailed points made by friends opposite are concerned most of them have been met very effectively by friends on this side of the House. I shall therefore not need to go into them. Some Members have raised regional and local problems and with your permission I shall not go into those regional and local problems. Some have referred to taxation measures but I think it is proper that these should be dealt with by the Deputy Prime Minister in the course of his reply. My purpose in intervening at this stage, Madam Deputy Chairman, is to deal with some of the general points that have been made and also some of the specific points that have been raised.

The basic general point of course is this. Many friends opposite have asked us to spell out our approach to economic problems; they have asked us to spell out exactly what our goal is, how we intend to approach that goal and what our path is going to be. Now many hon. friends

like Shri Banka Behary Das, Shri Niren Ghosh and others have advocated a swing in our policies in one direction, a sharp swing if I may say so. Some other friends like my hon. friend, Shri Dahyabhai Patel, have suggested a swing in our policies in the opposite direction, an equally sharp swing if I may say so. Then, we have had suggestions like the one coming from my hon. esteemed and venerable friend, Shri P. N. Saprú, who spoke of the Yugoslav pattern where the distinction between the employer and the employee vanishes and where the workers are given a much greater share in controlling the management of the industry. All these are in the nature of a search for new directions and I would welcome them as such. But we on our part are careful to avoid the glamour of extreme solutions which will not fit in with our scheme of things, with our objectives and goals. We have in this country begun an experiment which is unique in many ways, an experiment to combine democracy with the objective of socialism, to combine the freedom of the individual with the system of planning. All this was, in many ways, a new experiment. We have retained a mixed economy, in which the public sector and the private sector work side by side. All these things we have done deliberately and with a clear sense of direction. I think I would have left it at that. But my hon. friend, Shri Damodaran, asked us specifically to spell out our goal. Our goal is to have a socialist State in this country and our goal is to provide adequate economic opportunities to all our citizens. Our goal is to prevent undue concentration of economic wealth and power. Our goal is to see that the public sector gradually occupies an increasingly dominant position in our economic life, whether it is industry, commerce or finance. This is our goal and this goal has been reiterated very often. I did not think it would need reiteration, but he asked us specifically to reiterate it. There is a difference between our approach and the approach of my hon. friend,

[Shri K. C. Pant.] Shri Damodaran, as well as of my hon. friend of the Swatantra Party. Where does the difference lie? The difference lies, firstly, in the fact that while we do give an increasingly dominant place to the public sector in our economy, we do not eliminate the private sector. We keep both of them. While one set of friends is angry with us for keeping the private sector, the other is angry with us for promoting the public sector.

SHRI DAHYABHAI V. PATEL (Gujarat): Do what is in the interests of the country.

SHRI K. C. PANT: You agree amongst yourselves first.

Then, with regard to the instruments of economic policy, one set of friends advocates controls and will not hear of the market mechanism. Another set of friends will not hear of controls. They can only think in terms of the market mechanism. We have adopted a judicious mixture of the two and it is the golden mean. I think the fact that both of them are angry with us shows that we are probably on the right path.

Then, among our friends there are prejudices. One set is prejudiced against some countries and the other against some other countries. We on our part, have no such prejudices and we believe that India should have strong economic co-operation, strong ties, ties of friendship and mutual understanding, with all countries in this world regardless of their creeds or ideologies. So, this is our broad approach and this is where the difference between their approach and our approach lies.

Now, having said this, having spelt out the clear direction in which we want to go, having spelt out the fundamentals of our approach, I would say that in waging any war we have got to give the Generals a certain amount of freedom in the matter of tactics. We are waging a war against poverty. The

whole strategy can be laid down, but so far as tactics go, it is for the man in the field to decide the tactics and respond to the changing situation. So, while this is our overall strategy, I think the Government should have room to make changes, to experiment within the broad framework of this strategy, in the matter of details of economic policy at any given stage. There is after all today a ferment of ideas in the whole world. It is not as if we alone are seeking new answers to new situations as they arise. In the Soviet Union, in the Eastern countries there is a greater recognition of the forces of the market mechanism, of incentives and disincentives in their economic structure. There is in the Western countries a much better appreciation of the role of planning in parcelling out the resources of a country according to certain priorities. All these are very fundamental and all these are indicative of the ferment of ideas which is going on throughout the world. Therefore, we should be allowed to have that freedom of tactics to which I referred earlier. Some friends opposite cannot get out of their fixed ideas and I am afraid, many times, it is because the ideas are borrowed either from the West or the East and unless they change, it is very difficult for them to change here. I appreciate their difficulty, but they should appreciate the direction in which we are going.

There has been some reference to the fact that we have decontrolled cement and steel and it has been alleged that there was pressure from the World Bank or some other people. I should like to make it clear that in determining our economic policy, in determining the steps which we take, at no stage is there any question of giving up our basic objectives. There is no question of giving up our Plan priorities and the allocation of resources according to those priorities. There is no question of giving up any of those goals which I mentioned earlier. But at a given stage we have certainly freedom to experiment and we have experimented with decontrol.

in these two particular fields. If the experiment fails, we certainly have the courage to go back to control. So, let us look at it from a practical point of view. After all, when an economy grows beyond a certain size and sophistication, a certain degree of decentralisation becomes necessary and these decontrols should be looked at from this point of view. Some hon. friends talked of decontrol as if we were abandoning controls altogether. This is far from the truth. Actually even if you look at the import liberalisation, LO which there were many references in the House, you will find that it is confined to raw materials, components and spare parts. It is not extended to capital goods. For these goods there is no liberalisation of any kind. Even in the matter of raw materials, spare parts and components, there is a list of banned goods. There are certain priority industries, fifty-nine priority industries, to which this liberalisation relates and every time a licence is issued, due account is taken of the phased programme of indigenous production of the industries for which particular items are to be imported as well as the availability of those items in the country. Therefore, this idea that we have liberalised imports, without any check, is a completely false idea.

Then, Mr. Mathur, in particular, had certain misgivings in regard to import liberalisation. Well, I can tell Mr. Mathur, whom I respect very much, that it is a matter of waiting for the result, of seeing how the experiment works. Judged by the result and the experience if we find that it does not work, we can always change that policy. There is nothing sacrosanct about it. If, on the other hand, we find that it works well, there is no reason why we should not extend it.

4 P.M.

These are some of the general points which I wanted to take up.

Then, I come to some of the specific points and I refer to them briefly.

The first was by my friend, Shri R. K. Sinha, who said that even though there was a deficit of Rs. 68 crores, excise duty totalling Rs. 115 crores has been levied. He also added that if these duties yielded Rs. 68 crores only in ten months, then that meant that there was inefficiency. Actually, there is no inefficiency, Madam Deputy Chairman. He has failed to take into account the loss of Rs. 19 crores in a full year on account of concessions in the export duties on jute products, manganese and iron ore fines, and he has failed to take into account the share of the States of Rs. 22.98 crores. If one takes these two factors into account and also takes into account the fact that this Budget refers only to ten months, then one will see that the figure comes to Rs. 68 crores. There is no inefficiency and there is no sleight of hand in this.

Then, my hon. friend, Shri Triloki Singh, for whom I have great respect, said something which I consider it my duty to take up because it creates a wrong impression and I think that if he studies the facts and figures, he will realise that he is far from being correct in saying that in the last twenty years, the growth has been much less than between 1920 and 1940. Now, detailed statistics, accurate statistics, are rather difficult to come by for the period: 1920 to 1940. Yet, whatever estimates are available, whatever studies have been made, they do not show any growth in the economy during the period: 1920 to 1940. Some of them show a decline. I will refer specifically to one such estimate. The Indian Conference on Research in National Income has brought out some studies. In Volume II of these papers, there is a study by Shri K. Mukerjee on long-term growth in national income in India. According to the estimates presented in this study, the per *capita* income in India in 1920-21 was Rs. 259 at 1948-49 prices. This figure may be compared with Rs. 247 for 1948-49—from Rs. 259 in 1920-21 to Rs. 247 in 1948-49 and to Rs. 317 in 1964-65. I

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[Shri K. C. Pant.]

hardly say anything more. These figures speak for themselves. And behind these figures lie all the efforts of the Plans and all the progress that we have made which, though it may not satisfy us, cannot be regarded as being less than what was achieved during the period: 1920—1940.

Then, my hon. friend, Shri Babubhai Chinai, made a few points. He referred to the impact of the Budget on the living of the common man. I am glad that he raised this point. But I want to ask him whether he has studied the impact of the Budget on the prices because the impact of the Budget has been marginal as it was intended to be and the reason for that, the chief reason, is that the items to be taxed had been very carefully selected precisely with a view to seeing that they do not add to the price index and to the cost structure. Only in certain narrow areas is the price affected to a certain degree and even there, an attempt is made to see that the increase in prices is not passed on to the consumer—I do not say that in every case it will not be passed on—but in many cases, an attempt is being made to see that this is not passed on. And, Madam, the fact that we have retained food subsidies which come to Rs. 118 crores is indicative of our concern for the price structure. We want to see that the prices do not rise rapidly and the surest and the best way to do that is to see that the food prices do not rise because they are the base on which the price structure rests and in order to see that the food prices do not rise, we have accepted Rs. 118 crores as subsidy, not on a long-term basis but at least for a short-term we have accepted this subsidy.

Now, Shri Chinai also spoke of unaccounted money and tax-evasion. I am glad that he focussed attention, on this point. And I would particularly appeal to him—I am sorry that he is not here in the House—that as a prominent member of the business community, well, he could help us a great deal by asking the business

community to see to it that dishonesty is frowned upon and that it is discouraged and that the Government is helped in collecting the taxes, in seeing that the evaders are brought to book, that there is no black money, because the continuation of black money in our economy is certainly a thing that should cause all of us concern and our concerted effort should be to see that this is eliminated. And in this, I feel that Shri Chinai, having recognised the evil, should help us actively in seeing that it is curbed.

Then, he said that the Budget leaves the economy, more or less, to itself. I do not think that that is our approach. It is his approach. His whole point was that we do not leave the economy to itself. I do not know whether he has changed his view. But we, at any rate, believe that the economy cannot be left to itself, that it must be regulated, that we must regulate it, keeping an eye on the overall economic and social objectives. And in this particular Budget, we have given certain incentives for greater production and these are for agriculture, for fertilisers, for financial institutions, etc. Therefore, I cannot accept his criticism, and I would say that we have no intention of leaving the economy to itself.

Then Shri Mirdha referred to the expenditure on advertisements and on perquisites. I do not want to go into details. (Interruptions) Anyway, I would say briefly that the Finance Act of 1964 made a provision in the Income-tax Act empowering the Central Board of Direct Taxes to frame rules prescribing limits and conditions on allowances and expenditure incurred on advertisements, maintenance of guest houses, etc. Some rules were framed and subsequently revised. But nevertheless, we have certain limits and certain restrictions details of which I could give him if he is interested. But I only wanted to point out that this matter has not been left unattended. Similarly, in the

matter of perquisites, the Income-tax Act contains provisions designed to curb excessive or unreasonable expenditure by companies in providing amenities or benefits to a director of the company or to a person who has a substantial share-holding in the company or to a relative of such a director or such a person. Again, I do not want to go into details. But in any case, an attempt has been made to curb excessive perquisites. Not only are these not allowed to the company by way of rebates but the person who receives these perquisites is also taxed. I can give him the other details if he is interested.

Then, my hon. friend, Shri Tariq and also, I think my hon. friend, Shri Triloki Singh, referred to Jammu and Kashmir. Now, both of them raised the point that Jammu and Kashmir should be treated better. I am sure that Shri Tariq knows that the entire Plan outlay of Jammu and Kashmir is met out of Central assistance and that we have made a provision of about Rs. 19.4 crores of Central assistance for Jammu and Kashmir in this year's Budget. And if I were to highlight this point, then the percentage of population in Jammu and Kashmir is 0.8 per cent of the whole country, whereas the share of Central assistance is 3.5 per cent for the Fourth Plan, that is more than four times. (*Interruptions*). Then he referred to industries. Among the industrial projects I would like to mention the cement factory at Wuyan, the spinning mill at Amda-kadal, a brick and tile factory at Pampur and mining projects apart from a number of small-scale industries. Investigations are in progress about setting up a newsprint factory and a rayon grid pulp factory. I am sure this will not satisfy him, as it does not satisfy me, but here, again, efforts are being made and we are proceeding ahead on the basis of raw materials to be found in Jammu and Kashmir.

Madam Deputy Chairman, a reference was made in the course of his

speech yesterday by Dr. Baghel to my colleague, Shri Vidya Charan Shukla. There were personal references. He made certain allegations. I informed Shri Shukla about that and he wrote to me denying these allegations. I do not want to go into details, but he strongly repudiates these insinuations.

SHRI LOKANATH MISRA (Orissa): If you kindly allow me to interrupt you for a minute, Dr. Baghel wants to know whether he also repudiates the judgment of the Supreme Court.

SHRI K. C. PANT: The judgment of the Supreme Court has nothing to do with it.

SHRI LOKANATH MISRA: One of the allegations he indulged in was that it was a breath-taking line . . .

SHRI K. C. PANT: I may tell you from what he has written to me, the Supreme Court did not go into points of fact. It only went into points of law and there is no question . . . (*Interruption by Shri Lokanath Misra*) Why are you so impatient? (*Interruption by Shri Lokanath Misra*) I am not yielding.

SHRI LOKANATH MISRA: If it comes to that, he is also making a wrong statement.

SHRI K. C. PANT: I do not yield I am sorry.

SHRI LOKANATH MISRA: The fact is . . .

SHRI K. C. PANT: I am sorry I am not yielding. Madam, I did not know that there were mouthpieces in this House. Dr. Baghel is sitting here. If he wanted to say anything he could himself say. But I am not yielding . . .

SHRI K. C. BAGHEL (Madhya Pradesh): I want to say, that I have proofs . . .

SHRI LOKANATH MISRA: Madam, I am on a point of order. The practice in this House is that whenever there is a controversy, the hon. Member involved is given a chance to clarify his position. Now it cannot be a

[Shri Lokanath Misra.]

one-way traffic. He cannot go on repudiating whatever he wants to repudiate. Dr. Baghel referred to the judgment that it was a breath-taking line. He went in appeal to the Supreme Court and the Supreme Court dismissed it.

THE DEPUTY CHAIRMAN: He is explaining that.

SHRI LOKANATH MISRA: . . . and, therefore, the judgment of the Supreme Court stands.

SHRI G. MURAHARI: He is not denying that.

श्री के० सो० बघेल : मने का सुप्रीम कोर्ट के रिफाई से कहा था ।

THE DEPUTY CHAIRMAN: That does not arise here.

SHRI K. C. PANT: It is precisely because certain things were put in the record that I thought it my duty, in view of the fact that I had received a letter from Mr. Shukla, to put the record straight. That is all I am here for. I do not see any objection being taken to this.

Now I want to refer to a very important subject which naturally concerned many hon. Members in this House, the subject of agriculture.

THE DEPUTY CHAIRMAN: How much more time would you take?

SHRI K. C. PANT: How much time would you like me to take, Madam?

THE DEPUTY CHAIRMAN: There are many speakers yet.

SHRI K. C. PANT: I am entirely in your hands. If you can give me another fifteen minutes, I will finish.

THE DEPUTY CHAIRMAN: You can continue.

SHRI K. C. PANT: Madam Deputy Chairman, almost everybody spoke on agriculture. But there are so many facets to agriculture, and if I went on to deal with agriculture in all its

facets, irrigation and the package programme, etc. it will take a very long time. Therefore, I want to confine myself only to agricultural credit.

THE DEPUTY CHAIRMAN: You have taken half an hour, and the total time allotted for the Minister is 1½ hours.

SHRI K. C. PANT: In five or ten minutes I will finish. I wanted to refer to agricultural credit. Shri Mirdha referred to it also and he made, I think, a very valid point that not enough capital was going into agriculture from the commercial banks. I would only point out to him that while agriculture on the whole is certainly not receiving the kind of credits needed to transform it overnight, a lot has been done to divert funds into agriculture. But the channel for this has not been the commercial banks. The channel has been co-operative banks and co-operative institutions. And if I may give some figures, in 1951-52 the co-operative societies provided only 3.1 per cent, of the total annual borrowings of cultivators, in 1961-62 the co-operative societies provided 25.8 per cent, of the total annual borrowings of cultivators, which means that there was an increase of eight times.

Then, the Reserve Bank's role in the matter of short-term credit is also something which needs to be mentioned. Here the finance provided by the Reserve Bank has increased from Rs. 3J crores in 1950-51 to Rs. 170 crores at the end of 1966-67. Then there are special credits for the kharif and the rabi crops which have been introduced to see that finances are available for the high-yielding variety programme on which we are pinning our hopes now for a break-through in agriculture.

Then there is credit for fertilisers. Again, a separate credit of Rs. 50 crores has been given by the Reserve Bank to the Apex co-operative banks to enable marketing societies to hold

fertilisers received from the Central pool.

Then there are tacaavi loans and other loans for agriculture. The crop loan system is being experimented with to see that the security, which a farmer finds it difficult to possess and to own, is not the only criterion for giving him loan but his capacity to produce. The crops he can produce and his means are taken into account in advancing him loans.

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

Then, certain facilities are given for medium-term loans and long-term loans. In the medium-term loans the amount has gone up from only a few lakhs of rupees at the end of 1954-55 to Rs. 15 crores at the end of 1965-66. The conditions under which loans are given have also been liberalised in procedure. Formalities are being simplified. A National Agricultural Stabilisation Fund was set up by the Reserve Bank to enable short-term overdue loans to be converted into medium-term loans. Similarly, in the field of long-term loans, the disbursements have increased from Rs. 1.3 crores in 1950-51 to Rs. 93 crores at the end of 1964-65. So, these are some of the programmes.

Some Of the other Government programmes which, I think, ought to deserve a mention here are as follows. The Government propose to set up agricultural credit corporations in a number of States and propose to extend the provisions of the Deposit Insurance Corporation Act to co-operative societies which will increase the confidence of the rural public in such banks.

Now I want to refer to the question of monetary policy because Shri Niren Ghosh criticised the Finance Minister for that.

SHRI N. SRI RAMA REDDY (Mysore): Would yots please tell us how much credit is made available during 1967-68?

SHRI K. C. PANT: If you do not mind, I will certainly do it later. I

do not have much time at my disposal presently.

Sir, he referred to the fact that the Finance Minister had balanced his Budget in order to divert more money to the private sector. Now my own impression is that because Shri Niren Ghosh could not find any fault with the Budget and when he found that the Finance Minister's balanced Budget received such widespread support in the country, he chose this very novel argument to run it down. The fact of the matter is that because the Reserve Bank advances a certain amount of money and the other banks advance money in turn to the private sector, to the public sector, to the Government, then to the extent that this money has not been diverted to balance the Budget or to make up the deficit, to that extent there is greater credit available all round. And so both the private sector and the public sector benefit from it. So far from what he insinuated, this is something which will help production all round.

Finally, Mr. Vice-Chairman, I want to say a few words about the complaint of some Members that India takes foreign aid. As Dr. Chandra-sekhar, in the course of his reply to a question this morning, said, there is nothing to feel ashamed of taking aid. Historically, all under-developed countries have fallen behind developed countries for reasons which are well-known and which do not need to be recounted here. There is even some historical justification in the aid flowing back to the under-developed countries. I think we ought to recognise this historical justification as one of the big facts of the twentieth century. Hardly any country has grown, at various stages of its development, without foreign aid, whether it is the Soviet Union or any other country. They have all taken aid at various stages Of their development. So it is all right provided we get the aid on terms which are acceptable to us. I see no reason why we should shirk this. And if we do not

[Shri K. C. Pant.] get that aid, it will be difficult for us to improve our economy. I for one think that we should work towards the day when we will not require that aid either in terms of food or in terms of money. Therefore, Mr. Vice-Chairman, if it has to be so, we have to plan for that. We have got to be ruthless and strong enough to follow that path because if we do not take aid we cannot improve our economy. Let us be clear that we have to increase our rate of savings to the extent that we can finance our development to the required extent so that we can create a self-generating economy. We need stepping up production, stepping up savings and more taxation. All that is necessary. So those who criticise taking of aid, let them do something to help in promoting production more rapidly. Let them help in promoting productivity in industry. Let them advise their labour unions not to go on strike, not to create conditions where production goes down. Let them help us and let them increase productivity. Let us cut down the costs because in the long run, we have to export more to keep our economy going and this is only possible when we increase productivity and reduce the costs. In all these things, I would invite the co-operation of hon. Members opposite because without that, we cannot work towards a gradual reduction to a point where we can do without aid altogether. I am almost done and I would like in the end just to reply to Mr. Banka Behaiy Das's contention that Pakistan is progressing more rapidly than India. Two Members have raised this point and it has been partially answered but I think it needs to be repeated, that if you take the fifteen-year period between 1951 and 1966, the *per capita* income in India has risen more than the *per capita* income in Pakistan and not less. That is my first point. And the second point is that the increase in agricultural production in both the countries has been about 38 per cent in spite of the fact that at the time of partition, nearly two-fifths of the cultivable area in

Pakistan was under irrigation and only one-fifth in India. Therefore, let us not run ourselves down too much. Let us recognise what we have done in the past and let us not fall a prey to pessimism.

Mr. Vice-Chairman, I should like to end with a word of cautious optimism that in spite of the difficulties we have been facing to-day, in spite of the problems created by these two droughts and the two wars, if there is one good monsoon, it can change the picture so much that all these things will be matters of the past. And there is real hope that a good monsoon can produce spectacular results. One would not like to say anything at this stage because it could be misunderstood. But I am sure that with a good monsoon we shall certainly be in a much more optimistic frame of mind and if we all accept the challenge this historical challenge, that is posed to us to-day, and if we work together unitedly towards the ends that we all believe in, there is no doubt that with a better monsoon, we shall make much faster progress towards our chosen goal.

SHRI A. M. TARIQ (Jammu and Kashmir): With your permission, may I ask a question?

آپ نے یہ فرمایا ہے کہ ۳۰۴ پرسلٹ
آپ کشمیر کو اسسٹنس دیتے ہیں جو
کشمیر کی آبادی کے حساب سے چار
گنا زیادہ ہے - جہاں تک اسسٹنس
دینے کا تعلق ہے اس کو کوئی شخص
چھللیج نہیں کر سکتا ہے لیکن کیا
کبھی سرکار نے اس بات کی زحمت کوارا
کی ہے کہ یہ ۳۰۴ پرسلٹ خرچ کھسے
ہوتا ہے - آپ نے دو فیکٹریوں کے نام لئے
ہیں - سیمٹ جس فیکٹری سے نکلتا
ہے وہ ہندوستان سے چھ روپے زیادہ
مہنگا ہے - دوسری جس بریکس
فیکٹری کا آپ نے نام لیا ہے اس میں
مہرے خیال میں ۶۰ یا ۷۰ سے زیادہ
مرزور کام نہیں کرتے ہیں -

†[आपने यह फरमाया है कि 3.4 परसेंट आप कश्मीर को असेसमेंट देने हैं जो कश्मीर की आबादी के हिसाब से चार गुना ज्यादा है। जहां तक असेसमेंट देने का ताल्लुक है इसको कोई शक्स चेलेंज नहीं कर सकता है। लेकिन क्या कभी सरकार ने इस बात की जहमत गवारा की है कि यह 3.4 परसेंट खर्च कैसे होता है। आपने दो फैक्टरियों के नाम लिये हैं सीमेंट जिस फैक्टरी से निकलता है वह हिन्दुस्तान से छह रुपये ज्यादा महंगा है। दूसरी जिस ब्रिक्स फैक्टरी का आपने नाम लिया है उसमें मेरे ख्याल में 60 या 70 से ज्यादा मजदूर काम नहीं करते हैं।]

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): You cannot make another speech, Mr. Tariq.

SHRI A. M. TARIQ: This is very important.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): What is your question? You cannot make another speech. You have already spoken.

SHRI A. M. TARIQ: I want to know whehter they have seen how this money is being spent there.

SHRI K. C. PANT: I would only say that we have every sympathy for the progress of Jammu and Kashmir. What I say does not mean that we have no sympathy or that we will not do whatever is possible. That is not the point.

श्री गोडे मुराहरि : मिस्टर वाइस चेयरमेन, जो बजट हमारे सामने रखा है, वह या तो हमारी आर्थिक स्थिति को देखते हुये इनफ्लेशन खत्म करने वाला बजट होता या दामों को घटाने वाला बजट होता, लेकिन जो बजट हमारे सामने लाया गया है उसमें अफमोस के साथ यह कहना पड़ेगा कि उसमें कुछ हद तक बैलेंस करने की बात कही जा रही है, लेकिन न इनफ्लेशन का

जवाब है और न जो बढ़ते हुये दाम हैं उसका कोई जवाब है।

एक तो काफी, चाय और सिग्रेट जैसी चीजों पर उन्होंने कुछ टैक्स लगा कर के यह कोशिश की है कि कुछ रेवन्यू अपनी बढ़ायें। लेकिन उसका यह नतीजा भी होता है साथ साथ कि यह एसी चीजें हैं जो आम-तौर से हिन्दुस्तान में आम आदमी इस्तेमाल करते हैं और इनका जो दाम बढ़ेगा, वह जो साधारण आदमी है उस पर भी उसका कुछ असर पड़ेगा। यह सही है कि अलूमीनियम या एसी कुछ चीजों पर उन्होंने कुछ टैक्स लगाया है। हमको लगता है कि शायद उन्होंने कुछ एक-आधे इंडस्ट्रीज को अपने ध्यान में रखा और उन्हीं से कुछ पैसा निकालने की कोशिश की है। मैं चाहता हूँ कि अलूमीनियम जैसी कुछ और चीजों पर भी उनका ध्यान जाता क्योंकि सिर्फ अलूमीनियम इंडस्ट्री ही नहीं है बल्कि और भी ऐसी इंडस्ट्रीज हैं जहां से पैसा वसूल किया जा सकता है सरकार के लिए। वह तो खैर वित्त मंत्री का काम है कि वे आगे जाकर के क्या करेंगे और वह हम नहीं कह सकते। लेकिन यह काफी और चाय के ऊपर टैक्स लगाने के बजाय अगर वे अलूमीनियम जैसी और चीजों को ढूँढ़ते तो शायद अच्छा होता।

एक बुनियादी बात यह है कि हम लोगों को यह मानना पड़ेगा कि जब डिबैल्यूएशन हुआ था हिन्दुस्तान के रुपये का तो उस वक्त जब यह आशा प्रकट की गई थी कि डिबैल्यूएशन के फालो अप मेजर्स ऐसे होंगे कि उसके जो गलत परिणाम हो सकते हैं वे नहीं होंगे, वह आशा बिल्कुल गलत निकली। डिबैल्यूएशन का परिणाम यह हुआ कि हमारी सारी आर्थिक स्थिति जो है वह बिगड़ गई और रुपये की जो कीमत है वह घटती ही रही और इसके साथ-साथ जो हमारा एक्सपोर्ट और इम्पोर्ट का बैलेंस है वह भी खराब हुआ। तो डिबैल्यूएशन का जो

[श्री गोडे मुराहुरि]

खराब असर है वह हमारे माथे पर आया और साथ-साथ हमने कोई ऐसा कदम नहीं उठाया कि जो हिन्दुस्तान में ब्लैक-मनी है उसको खत्म करने की और उससे जो इनफ्लेशन हिन्दुस्तान में है उसको खत्म करने की कोई हम योजना बनाते । जब तक हम डिमो-नेटाइजेशन के बारे में नहीं सोचेंगे और जो काला पैसा हिन्दुस्तान में है उसको खत्म करने की कोई योजना नहीं बनायेंगे तब तक यह इनफ्लेशन ऐसे ही जारी रहेगा ।

तो मेरा ऐसा खाल है कि हम लोगों ने जो भी प्लानिंग 20 साल में की है उसकी बुनियाद ही शुरू से गलत रही है क्योंकि हमने अपने को मोडर्न और तरक्की पसन्द कहलाने के लिए और दुनिया में दिखलाने के लिए बड़ी-बड़ी इंडस्ट्रीज के फेर में पड़ गए जिसका नतीजा यह हुआ कि जो हमारी कृषि है और जिसको ठीक करना हमारा मुख्य उद्देश्य होना चाहिए था वह उद्देश्य पूरा नहीं हो पाया । उस तरफ भी जब हम लोगों ने कुछ प्रोजेक्ट्स के बारे में सोचा तो उस तरफ भी भाखड़ा-तंगल या दामोदर या बड़े-बड़े प्रोजेक्टों के बारे में सोचा, जो अपने इर्दगिर्द की जमीन को ही सिंचाई दे सकते थे और हिन्दुस्तान के लाखों गांवों और उनकी जमीन को सींचने का प्रबन्ध न हो सका । असल में सरकार को चाहिये था कि हिन्दुस्तान के गांवों की ज़िन्दा भी जमीन है उसमें किसी तरह की सिंचाई का प्रबन्ध करती । सबसे पहला काम यह होना चाहिये था, लेकिन यह नहीं हुआ । एक एक्सपर्ट बुलाया गया था इजराइल से, उसकी रिपोर्ट भी सरकार के सामने आई, उसका भी यही कहना था कि बड़े-बड़े प्रोजेक्ट्स के बजाय, छोटे-छोटे प्रोजेक्ट्स ऐसे हों जो हिन्दुस्तान के सारे इलाके में सिंचाई का काम कर सकें । लेकिन ऐसा न करके, उन्होंने बड़े-बड़े प्रोजेक्टों पर ध्यान दिया, काफी पैसा उन पर खर्च किया और उसका नतीजा हमारे

सामने है कि बिहार, उत्तर प्रदेश और कई प्रान्तों में अकाल और सूखा पड़ा हुआ है ।

20 साल के बाद हमारे मंत्री ऐसे भाषण दें और कहें कि मानसून आ जायगी तो हमारी समस्या हल हो जायगी—यह बिल्कुल हास्यास्पद लगता है । शायद दुनिया में हमीं ऐसे देश हैं जो हर तकलीफ को मानसून के ऊपर डाल देते हैं । मानसून ठीक हो जायगी तो सारी मुसीबत निकल जायगी—20 साल के बाद यह भाषा हिन्दुस्तान में सुनाई नहीं पड़नी चाहिए क्योंकि एक आजाद देश अपनी योजना और अपनी परिस्थिति को खुद ठीक करता है और 20 साल काफी समय होता है इस चीज को खत्म करने के लिए, लेकिन अफसोस की बात है कि हिन्दुस्तान में 20 साल के बाद भी हम मानसून की बात करते रहते हैं ।

इर्रिगेशन के बारे में जब हम कहते हैं तो मैं एक चीज कहना चाहूंगा कि हमारे कई राज्यों में ऐसे रस हैं कि वहीं पर सरकारी द्यूबवैल हैं तो इतने गज के अन्दर कोई द्यूबवैल नहीं लग सकता । मेरी समझ में यह बिल्कुल मूर्खता की बात होगी । हिन्दुस्तान में अगर कोई आदमी अपनी जमीन पर द्यूबवैल लगाता है तो वह सरकार से क्या कम्पीट करता है ? अगर सिंचाई के लिए जितने पानी की जरूरत है उससे ज्यादा पानी की पैदाइश की कोई योजना बनती है तो सरकार को कोई एतराज नहीं होना चाहिये । कई राज्यों में इस तरह के खूल्स हैं सरकार को यह सब खत्म करना चाहिये और खुली इजाजत होनी चाहिये कि जहां चाहें द्यूबवैल लगायें ।

साथ-साथ जब एग्रीकल्चर की बात हम करते हैं तो सरकार को यह योजना बनानी चाहिये कि न सिर्फ गेहूं और चावल के बारे में सोचें बल्कि जो फल वगैरह का उत्पादन है उसके बारे में भी बड़े पैमाने

पर सोचें क्योंकि कई ऐसे इलाके हैं जहाँ जैसे हिमाचल की पूरी तराई है जहाँ फल की उगाई अच्छी तरह हो सकती है, लेकिन उसके बारे में कोई ध्यान नहीं दिया जाता क्योंकि यहाँ पर कृषि के बारे में बुनियादी तौर से सोचा नहीं जाता, खाली जो पिटी-पिटाई बातें होती हैं उन्हीं के बारे में सोचते हैं। गेहूँ और चावल के उत्पादन के साथ और चीजों के उत्पादन के बारे में कोई योजना बने और टोटल फूड प्रोडक्शन को किस तरह से बढ़ाया जाय इसके बारे में कोई योजना नहीं बनती।

यह सही है कि सरकार ने हमारे सामने एक बजट पेश कर दिया लेकिन अभी हिन्दुस्तान में जो राजनीतिक परिस्थिति है उसके बारे में सरकार को बुनियादी तौर से कुछ करना चाहिये। मैं चाहूँगा कि सेन्टर का जो भी बजट बनता है वह हिन्दुस्तान के टोटल फाइनेंस के एक-चौथाई का हो क्योंकि मैं नहीं चाहता कि सेन्टर के पास सारा धन हो और सेन्टर उस धन का प्रयोग करे बड़ी प्लान करे और उसी के अन्तर्गत सारा खर्च हो। जब तक चौखम्भा राज्य हिन्दुस्तान में नहीं होता तब तक प्रगति नहीं हो सकती। चौखम्भा राज्य का मतलब यह होता है कि जो सरकारी पैसा है वह चार हिस्सों में बंट जाना चाहिये—ग्राम, जिला, राज्य और केन्द्र तार हिस्सों में बराबर से बंट जाना चाहिये और पूरी इजाजत होगी चाहिये उन यूनिट्स को कि वे जैसे चाहें खर्च करें। कोई पंजाब आपने बना दी, उसके पास धन हो, सारा धन सेन्टर में या स्टेट में हो या स्टेट के लिये आप यह कहें कि सारा धन सेन्टर में हो वह अपनी योजना बनाये तो काम नहीं चल सकता। इसलिये जब तक इस तरह का बटवारा नहीं होगा, तब तक हिन्दुस्तान का कोई राज्य अपना काम ठीक से कर पाएगा यह मेरी समझ में नहीं आता। खासकर आज की परिस्थिति में जब कई राज्यों में कांग्रेस की सरकार नहीं है और केन्द्र में कांग्रेस की सरकार है तो यह लाजिमी

तौर से माना जा सकता है कि केन्द्र पूरा धन अपने पास रख कर जो राज्यों का काम होना चाहिये और उसके प्रोग्राम होने चाहिये उनमें बाधा डाल सकता है। इसलिये मैं चाहूँगा कि इस चौखम्भा राज्य के बारे में सरकार को सोचना-समझना चाहिये और बराबर से बांटने की एक योजना बनानी चाहिये।

जब तक सरकारी खर्च पर कोई रोक नहीं होगी तब तक मेरे खयाल से इन्फ्लेशन की रोक भी नहीं हो सकती। मेरी ऐसी जानकारी है कि जो केन्द्र की सरकार है वह काफी पैसा ऐसी योजना पर और ऐसी चीजों पर खर्च करती है जिसका नतीजा 50 फी सदी या उससे भी कम निकलता है, जितना खर्च होता है उससे ज्यादा फिजूलखर्ची और कमीशन या ऐसी चीजों पर चला जाता है जिसका कुछ फायदा नहीं है। जब तक इस तरह की व्यवस्था हिन्दुस्तान में है कि अन-प्रोडक्टिव चीजों पर ज्यादा पैसा खर्च होता है तब तक इन्फ्लेशन रहेगा, कोई उसको रोक नहीं सकता। सबसे पहले सरकारी खर्च पर रोक होनी चाहिये। सरकारी खर्च पर ही नहीं, जो हिन्दुस्तान में आम लोग हैं उनके खर्च पर भी रोक होनी चाहिये। मैं तो यह कहूँगा कि कोई भी आदमी—चाहे वह टाटा हो, बिड़ला हो या साधारण आदमी हो—हजार डेढ़ हजार से ज्यादा खर्च न कर पाए ऐसी रोक हो। तभी जाकर हिन्दुस्तान में कोई चीज हो सकती है, तभी सम्पत्ति का सही उपयोग हो सकता है, किसी प्रोडक्टिव चीज में उसका उपयोग हो सकता है। लेकिन आज यह देखते हैं कि एक तरफ तो पैसा फिजूलखर्ची में जाता है, दूसरी तरफ यह कहते हैं कि इन्फ्लेशन है, दाम बढ़ते जाते हैं। दाम तो बढ़ेंगे ही। जब लोगों के पास पैसा ज्यादा है, ज्यादा पैसा देने के लिये तैयार हैं तो दाम बढ़ते रहेंगे।

इसी सम्बन्ध में एक चीज और कहना चाहूँगा कि अरबन प्राइसेज को फ्रीज करना

[श्री गोडे मुराहरि]

की एक योजना होनी चाहिये। जो बड़े-बड़े शहर हैं, जब तक उनकी जमीन और सम्पत्ति के दामों के ऊपर रोक नहीं लगाई जाती तब तक हम समझते हैं कि इन्फ्लेशन रोक नहीं जा सकता। इस लिये मैं चाहूंगा कि जो आज दाम हैं उनको फ्रीज किया जाय, उनको रोक जाय।

साथ-साथ मैं यह भी कहना चाहूंगा कि जो प्रोडक्शन है उसके बारे में भी हमारा दृष्टिकोण बदलना चाहिये। अगर हम देखेंगे कि 20 साल में हमारे देश में क्या प्रोडक्शन हुआ है और किस चीज का प्रोडक्शन हुआ है तब हमको समझ में आयगा कि हिन्दुस्तान जैसा गरीब देश जिस चीज पर खर्च करता है। कभी मोटर कार के प्रोडक्शन पर इस पार्लियामेंट में बहस होती है, कभी कोस्मेटिक्स के ऊपर बहस होती है—मेरी समझ में नहीं आता। रूस जैसे शक्तिशाली देश ने भी पहले 20 साल में ऐसी रोक लगा रखी थी अपने प्रोडक्शन की चीजों पर कि कोई भी ऐयाशी की चीज वहां प्रोड्यूस नहीं हो सकती थी और साबुन के बारे में तो मुझे मालूम है कि एक ही तरह का साबुन यहां पर बनाया जाता था और तीन साल पहले तक एक ऐसी व्यवस्था थी कि रूस भर में अगर कोई नहाने का साबुन लेना चाहे, खरीदना चाहे तो उसे सिर्फ एक किस्म का साबुन मिलता था, क्योंकि जो एसेंसियल चीज है, जो जरूरत की चीज है जैसे कि अगर साबुन चाहिये तो एक स्टैंडर्ड साबुन ही वहां पर बनता था और वह इस तरह से प्रोडक्शन को प्रायरेटि देते थे। तो जो एसेंसियल चीजें हैं उनको आप पहले प्रोड्यूस कीजिये और उसके बाद में ऐयाशी की चीजें प्रोड्यूस की जाय। हम अपने देश में ऐसी कोई प्रायरेटि देखते नहीं हैं, जिसका जो मन चाहे प्रोड्यूस कर सकता है और चाहें तो कोई कम्पनी फारेन कालो-बोरेशन भी कर लें, उसके ऊपर कोई रोक नहीं और सरकार ने छूट दे रखी है कि

कुछ परसेंटेज बाहर जा सकता है और साथ साथ ऐसे कालोबोरेशन में कई कम्पनियां ऐसी चीजें प्रोड्यूस करती हैं जैसे कि कास्मेटिक्स है या और चीजें हैं जिनकी कोई जरूरत नहीं है, जिन पर रोक लगा सकते हैं और अपने देश की गरीबी को देखते हुये ऐसी चीजों पर रोक लगानी चाहिये लेकिन 20 साल तक इस तरह का अनप्लॉन्ड प्रोडक्शन जारी करके एक लक्जरी लिविंग और लक्जरी ओरियंटेड प्रोडक्शन को हमने बढ़ावा दिया। यह बड़ा गलत काम हुआ है। हम चाहेंगे कि इस पर रोक लगाई जाय। अब कार की बात होती है, मेरी समझ में नहीं आता कि कितने लोग हिन्दुस्तान में हैं जो कि कार खरीद सकते हैं या रख सकते हैं, हां, कुछ लोग हैं जो कि चार पांच कार रख सकते हैं। तो मैं चाहूंगा कि अगर कार प्रोड्यूस करना है तो कारों को टैक्सी के लिये प्रोड्यूस करें और ट्रकों का प्रोडक्शन हो, बसेज का प्रोडक्शन हो, जिस पर कि ग्राम आदमी जा सकता है। तो इसको प्रोड्यूस करें और जितनी कारें प्रोड्यूस होती हैं उनको रोड पर लगावें और ट्रांसपोर्ट का जो बाटेल-नेक है उसको खत्म करें। लेकिन ऐयाशी की कोई चीजें प्रोड्यूस हों, इसकी इस देश में कोई जरूरत नहीं है। मैं चाहूंगा कि इसके बारे में भी रोक होनी चाहिये।

अब जहां तक पैसे की बात है तो सरकार कहेगी कि सरकार चलाने के लिए पैसा चाहिये, तो मेरा सुझाव यह है कि जितनी बड़ी-बड़ी फारेन कम्पनीज हैं उनको नेशनलाइज करने की बात सोचें, जो बेसिक इंडस्ट्रीज हैं उनको भी नेशनलाइज करने की बात सोचें, और जितने प्लांटेशंस हैं और माइंस हैं उनको नेशनलाइज करने की सोचें और इस तरह की बुनियादी चीजें करके सरकार अपनी आमदनी बढ़ाने का काम कर सकती है, लेकिन इस तरह के छुटपुट टैक्स लगा कर, जो ग्राम आदमी है, जो ग्राम जनता है, उस पर टैक्स लगा कर, आमदनी नहीं बढ़ायें।

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Mr. Gaure Mura-h-ari, I may tell you you have two minutes more.

श्री गोडे मुराहरी : और जो इम्पोर्ट की बात होती है तो इम्पोर्ट पर भी कंट्रोल होना चाहिये। आज मैं देखता हूँ कि कितनी-कितनी किताबें इम्पोर्ट की जाती हैं, मेरी समझ में नहीं आता। कोई टेक्निकल किताब हो, साइंटिफिक किताब हो या कोई बेसिक लिटरेचर की किताब हो, तो समझ में आ सकता है लेकिन उसने लिए भी मैं चाहूँगा कि कोई ऐसी व्यवस्था हो कि वहाँ के जो आर्थर्स हैं और पब्लिशर्स हैं उनसे इस प्रकार की इजाजत ली जाय कि पब्लिकेशन यहाँ पर होता, प्रिंटिंग यहाँ पर होनी लेकिन मैं ज़िन्दा कि बुकस्टालों पर देखता हूँ कि प्रिंट होकर बल्क का बल्क रूम से या अमेरिका से यहाँ आता है, यह नहीं होना चाहिये। प्रिंटिंग यहीं होनी चाहिये और यह आसानी से सरकार कर सकती है और मैं जानता हूँ कि कई लोग इस तरह का अर्रेंजमेंट करते हैं लेकिन उस वक्त भी यह देखना चाहिये कि कहीं ऐसा न हो जैसा कि अभी मैंने देखा कि एक किताब है "मेनकाफ वाई हिटलर" वह किसी कंपनी ने छपाई, पब्लिशर से या किसी से जहाँ पर क्या अर्रेंजमेंट है, लेकिन वह यहाँ पर छप कर खुलेआम विक्रि रही है और ऐसी चीजों पर कोई निगरानी नहीं की जाती है। तो जो बेसिक लिटरेचर है, अमली किताब है, उन चीजों को यहाँ पर पब्लिश कराने की कोई कोशिश होनी चाहिये और ये जो नावल थ्रैरर हैं वे भी इसी तरह से पब्लिश होने चाहिये कि जो मूल है वह यहाँ पर आवे और यहाँ पर प्रिंटिंग हो।

मैं इस सम्बन्ध में यह भी कहूँगा कि फिज़ूलखर्ची को कम करने के लिये जितने भी अपर हाउसेज हैं हिन्दुस्तान में, चाहे वह नेज़िस्टेब कोमिल हों, चाहे वह राज्य गभा ही क्यों न हों, इन सब को एवालिश कर

देना चाहिये और साथ-साथ जितने गवर्नर या कलेक्टर वगैरह इस तरह के जो लोग हैं इनको भी खत्म करना चाहिये, ये सब खर्च भी खत्म करने चाहिये।

मैं यह भी कहना चाहूँगा कि हमारी जो इंटेलिजेंस सर्विस है उनके बारे में अभी यहाँ पर एक प्रश्न हुआ था तो चह्वाण साहब ने यह कहा कि हमारी इंटेलीजेंस तो बिल्कुल रिक्वायर्ड है और उसके बारे में ऐसी बात कहना ही गुनाह है लेकिन मैं उनको फिर भी याद दिलाना चाहूँगा कि इंटेलिजेंस सर्विस में कई सालों पहले की अग्नेजों की एक परम्परा चली आ रही है और उसमें ऐसे कुछ इनफ़्लुएन्सेज हैं जो कि विदेशों से कुछ तात्त्विक रखते हैं इसलिये हमारे देश के हित में और खुद हमारी होम मिनिस्ट्री के हित में वह होगा कि इनकी जांच करें और तहकीकात कर के अगर देखें कि वहाँ कुछ ऐसे इनफ़्लुएन्सेज हैं तो उनको वहाँ से निकालें। इस सम्बन्ध में मैं यह भी कहना चाहूँगा कि कुछ फारेन पावर्स हमारे देश में कुछ ऐसी साजिशें कर रही हैं हिन्दुस्तान को तोड़ने की खासकर के हमारा नाथे ईस्ट फ्रंटियर में जो इलाका है, आनाम, नेफा, उबे-सिवम और मनोपुर और जो बंगाल के पूर्व में है उन सब इलाकों में फटी साजिशें हो रही हैं और इसके बारे में जहाँ तक मैं समझता हूँ हमारे गृह मंत्रालय को जो मालुम है तो उनको सचेत हो जाना चाहिए और जो भी फारेन पावर्स ये सब साजिशें कर रहे हैं उनके बारे में पूरी निगरानी कर के इस चीज को रोकने की कोशिश करनी चाहिए।

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Mr. Balachandra Menon.

SHRIMATI YASHODA REDDY (Andhra Pradesh): Up to what time we are sitting today?

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): That question will arise at 5 O'clock.

SHRI BALACHANDRA MENON (Kerala): The Finance Minister has tried to tell us that there is a sense of direction in this Budget; I do not know, but I thought that, after the failure of the Third Plan, after the effects of devaluation of the rupee, and particularly after, food scarcity began to persist in our country, bolder steps should have been taken so that we could have had a breakthrough. But nothing like that has happened. It is, after all, old wine in a new bottle. There is the usual helpless reliance on the monsoons, on food imports and on foreign help, and we believe that a miracle will take place, that we might somehow manage to get out of the crisis we are in.

The taxation measures taken will only help to make the life of the ordinary man much more miserable. The duty on tea, coffee, tobacco, petrol, leather articles, and the excise duty on aluminium ingots, the increase in postal rates on registered articles, and also the increase in railway freight charges and the increase in railway passenger fares will definitely make the life of the ordinary man much more miserable. If more freight charges are there for the railways it will mean greater cost in production of commodities, and it is certainly going to affect our economy however much we may try to say that this will not in any way affect the economy. It is definite that if freight charges are higher, the whole burden will fall on the industry. So too in the case of tea, coffee, tobacco, etc., these are what the ordinary people use, and all these are taxed.

The Finance Minister has stated that the areas of immediate concern in the economic field are easy to define. Quite right. As he says, firstly, there is the serious situation created by the drought concerning food supplies; secondly, the price in-

creases; thirdly, revitalisation of industrial activity and, fourthly, the adverse trends in exports.

Now the malady is found out, but I am definite that the remedy which he suggests is not going to save the dying man. Actually, this crisis is going to be far larger than what we imagine it to be. Already it is seen everywhere. Let us take the question of food. Of course there had been failures of monsoons. There was a deficit of 17 per cent in food production. This is a huge deficit it is true. But even this we could have got over to some extent if we had taken certain measures. What are the measures that we are now trying to take? There is this reliance on imports and then some procurement in which each State can do what it likes. In some States there is reliance on millowners. In other States the procurement is not very effective. There is no national plan. Of course this is a State subject, we all agree. But we also know that this problem has affected the entire country. The food problem has affected every area. To solve this national problem certainly we need a common plan with regard to food production and its distribution. Take this question of procurement prices. The strategy of the Government on the food front is to get some more fertilisers and give a little more irrigation. And it is hoped that this is going to solve the problem. This is nothing but reliance on the very vested interests which have been responsible for creating this food scarcity. Will this help us to get out of this crisis? It is the rich peasants and the landlords who have created this situation in the countryside. In fact a new class has been created and the rich peasant is now in a position to corner all the agricultural products. The result is that he is able to dictate and he is not prepared to accept fair prices. This section of the people is able to corner all these rural products, grains and so on, and this has resulted in black markets. The rich peasant is

helped by the traders and in this the millowners also have a big role. These people have completely smashed the economy of the rural areas. In the industrial sector we see that the monopolists have complete control of that sector. This is the direction to which our economy has gone. Here I would like to reply to the hon. Minister of State for Finance by quoting a few sentences from Prof. K. N. Raj's Lai Bahadur Shastri Memorial Lectures of 1966. There he has clearly pointed out that there is no proper sense of direction in our planning. He says:

"... one reason for this slower progress is that only about 2 per cent of the total investment in India's Second Plan was allocated to machine-building."

And further on he states:

"If a broad distinction is drawn between industries manufacturing the simpler types of machinery and equipment and 'heavy machine-building industry' it is also evident that whatever progress has been recorded has been mainly in the former."

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Also he has said:

"However, an important reason for the much slower progress in this sphere appears to have been that, in the scramble for scarce foreign exchange, industries offering higher rates of profit in the private sector were in a position to compete them away and there was little in planning mechanism to ensure that the actual use-pattern of resources conformed to the priorities laid down. Thus, even while there have been serious shortfalls in machine building industries, other industries to which lower (or no) priority was attached, like- rayon, sugar and plastic goods industries (to mention only a few), managed to secure foreign exchange even in periods of acute shortage and often over-fulfil the targets laid down."

So this is the position. Whatever scarce foreign exchange we had got diverted and it is being diverted to 'other channels and the result is that those industries which are not so essential are getting the foreign exchange. The innumerable foreign collaboration—arrangements which we have entered into also have created a situation which does not help to strengthen our economy. In fact they only weaken it.

It has been stated that every backward or developing country has got to take help from other countries. Of course, that is true. But reliance on such help should not go to such an extent that we are completely dependent on it even for our daily existence. What has happened is that our debt payments together with the necessity for import of foodgrains will cost us much more than any export earnings that we may be able to get. After devaluation we have clearly seen that we have lost nearly 130 million dollars during the last six months. This devaluation has completely hit us. I would certainly have expected that an attempt would be made at least now to revalue our rupee. If this had been done we would have been saved from this position where in spite of our exporting more and more we are getting much less. It is not as if we are not exporting more. We are exporting much more than before and we are earning much less. That is the position now. In this connection I might quote Prof. Raj again. He says:

"It is to a large extent due to the increase in political strength and influence of groups whose immediate interests might be adversely affected by the kind of measures that are now required for reducing dependance on external aid. This conflict of sectional with national Interests has to be resolved essentially on the political plane."

[Shri Balachandra Menon.]

If this foreign aid does not to the extent of completely subordinating our economy to foreign interests I would certainly have welcomed it. But the position is not that.

For increasing agricultural production, of course, fertilisers have got a big role to play. Also better irrigation facilities will certainly help us. But land reforms during this period had not taken place as effectively as they should have. In most of the States we have not been able to do it. It is actually the landlord who has been converted into the rich peasant and it is this class which is now dominating the country. If only effective land reforms had taken place, if only the land ceiling laws had been properly implemented, then something good would have happened in the countryside. The peasant would have been helped to produce more. But today the peasant is afraid to produce more because he knows that if he produced more he would have to pay more to his landlord. In case he has to purchase the rights of the landlord, he will have to pay higher compensation on the basis of the increased yield. So the peasant is afraid of producing more. So he is not interested in producing more. This is what has happened in the countryside.

What about the other produces like tea, coffee etc.? The Finance Minister has pointed out that the excise duty on coffee and tea will certainly help us. But actually what will happen is this. Now there is a reduction in the customs duty and there is an increase in the excise duty. This increase in excise duty will certainly help us to earn something more. But in the case of ordinary tea it is just, an inducement for reducing the quantity of tea consumed inside the country in order that we may be able to export the tea. This will only mean that even the ordinary tea of the common people will be exported. This is the case of coffee too. Coffee

has a good market in the country. In fact all the coffee we produce can be consumed here. But because of the necessity for exporting it we want to reduce the home consumption. I do not know if the international price will come up to the price of coffee in India. Certainly the higher variety of coffee to which the Finance Minister refers, the higher variety of arabica, it is not possible to export it more because *arabica* is almost extinct. This is what has happened during the last ten years because of the failure of *arabica* plantations. There have been attacks by pests and as a result we have almost lost the *arabica* variety. And in the world market I do not know how 5 P.M. far we will be able to fight

Brazil and other countries which have a dominant role in coffee. We are producing only three per cent of the total coffee production and this will not have such a big possibility of competing in the world market and I am sure there is not going to be much in that. The idea I think is only to export as much as possible. If these commodities are allowed to be sold here and if the purchasing capacity of our people increases, 50 crores of people is the biggest market that we can have. The most absolutely necessary foreign goods alone we need import and not rayon or plastic industries or such other unessential industries which are today getting foreign exchange. All these could well be stopped and special priority should have been given to certain essential industries. That we have failed to give.

India's economic growth rate is the lowest in the developing countries. Of course we can say that it is better than in Pakistan but certainly so far as other countries are concerned ours is the lowest.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Mr. Menon, That

we have failed to give.

SHRI BALACHANDRA MENON: I will take only about 10 more minutes.

SHRI A. D. MANI: When do we rise, Sir?

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): It is up to the House to decide. I have got still a very large list with me. Would the House like to sit longer or shall we adjourn after Mr. Menon has finished?

HON. MEMBERS: We shall sit till 6 o'clock.

SHRI BALACHANDRA MENON: Actually, most of the countries which are giving us aid today will not be in a position to do so for a long time. They are themselves facing crises. Even America is facing a crisis and it is trying to export its crisis on to our shoulders. The annual repayment of debts will be more than 20 per cent and it will go up to one-third by 1970-71.

Sir, now I would like to point out the role of the foreign capital in our country. About Rs. 20 crores is invested annually and actually about Rs. 25 crores goes out of the country in the shape of profits, in the shape of compensation for know-how and so on. I would therefore suggest that there should be an actual study about this. We have seen that most of the foreign industries here have recently revalued their properties. The capital of the foreign plantations which stood at about Rs. 600 crores has, after this revaluation, now come up to Rs. 90 crores. That means we have to pay a compensation of Rs. 90 crores if we ever think of nationalising these plantations. Apart from the amount of compensation that we will have to give, it also means that this increased capital will take more interest than before or more dividends. I would therefore suggest that firm measures will have to be taken in this regard. There should be an enquiry into the revaluation of the foreign properties in India which they have done recently. We must conduct an enquiry and find out how much they have increased the value.

Sir, the Deputy Minister has been speaking about financing the agricultural sector and he has been telling us . . .

SHRIMATI YASHODA REDDY: Minister of State; not Deputy Minister.

SHRI BALACHANDRA MENON: AH right, State Minister. He has been using us that in the rural areas the co-operatives will continue to help. But with the present rate of interest of 10 per cent which the peasant has to pay it will not help the peasant at all. Even small industrialists get loans at 4 or 5 per cent but the peasant is expected to pay 10 per cent for the loans he takes from the co-operatives. The State Bank gives the money at 4 per cent but the peasants have to take the money from the co-operatives at 10 per cent, in such circumstances the co-operatives cannot be of much help. I would therefore say that if the banks had been nationalised, if these Rs. 3000 crores which we have in these banks had been used for the purpose of helping industry and agriculture we would have got out of this situation. Through these co-operative banks we are not going to make much advance.

SHRI K. C. PANT: May I tell the hon. Member that the Reserve Bank gives loans at two per cent below the bank rate?

SHRI BALACHANDRA MENON: I know the Reserve Bank gives it at 4 per cent. The State Co-operative Bank gives it to the District Banks at 6 per cent; the District Banks give it to the Co-operative Banks at 6 per cent and these Co-operative Banks charge 10 per cent from the peasants. So what is the use of these loans? This does not help the peasant at all; it only helps a large number of banks. The peasant who is in need of the money has to pay this high rate. Of course he has not been able to get money from any other source and therefore he has certainly gone to

[Shri Balachandra Menon.] these Co-operative Banks. And the finance provided by co-operatives is more; that is accepted. But he should not be made to pay this exorbitant rate.

Now the peasant has to purchase certain commodities at a higher price while he has to sell his things at a lower price. I can point out the index numbers of parity between the prices received and the prices paid by farmers in Kerala. I can only speak about that State, and it will clearly show how much it is to the disadvantage of the farmer. For example in 1964-65, prices received was 149, domestic expenditure 150, cultivation cost 161, prices paid 156 and parity 95. This is on the basis of 1952-53 being taken as the base year with 100. So this is the position. It adversely affects the peasant. Therefore the easiest way, especially when we are in such a crisis, is to get hold of this money which is ours. The Rs. 3,000 crores which these banks hold with them are the people's money which could very well be utilised. Similarly if insurance had been nationalised we could have taken up the question of crop insurance. So on the question of nationalisation of banks, on the question of nationalisation of insurance, on the question of State trading the Government must have a bold policy. These are not socialist measures which will create much opposition from anybody. I am sure that a large number on the Treasury Benches as well as a large number of people here in the Opposition would agree to this and in fact have been demanding the same. Why should we not proceed with it? Of course there will be people who would like to have a free economy; there will be people who would insist that we should get more aid and there will be people who would want that finally we should have a subservient economy. And 'their politics will also be the same; from a non-aligned position to a neutral position and then to a complete protection under an air umbrella. That is their

politics; their politics and economics go together. But such politics and such economics is not going to help our country. I would therefore appeal to the Minister to take real drastic measures so that we can change the economy of our country. This can only be done if bold policies are followed but the Finance Minister refused to take any such bold policy. He is having the old policy and nothing more. This is what I wanted to speak about the general position. But then these Plans are intended to see that the disparity between States is ended. What has happened? During the last three Plan periods the disparity has become much more than ever before. It has been increasing. From 1950-51 to 1964-65, the *per capita* income of Kerala increased only by 16.8 per cent, whereas the *per capita* income in India increased by 26.5 per cent. The more the Plans, the more the difference, and the disparity is much more. This is what has happened. Every Plan means that some of these backward States will become much more backward and the other States will be much more progressive. Is this the idea of planning? If the idea of planning is to help the backward States then certainly more help should be given to places like Kerala, Kashmir, Assam and other States which have not come up to the level of States like Maharashtra, West Bengal and Madras. Kerala occupies 1-27 per cent of the total area and its population is 3.85 per cent of the population of the whole of India. We are having three times the population per square mile. Ours is about one thousand and three hundred per sq. mile while in the rest of India it is 300 per sq. mile. This is the situation. The population is so high. Then it is about 6-3 million labour force in Kerala, of which only 1.6 lakhs are in the factory sector. A huge unemployed reserve army is there. How are you going to help the State? This is what I want to know. Otherwise, this is going to be the biggest problem for all India. If the present disparity is not ended, if Kerala does not come

up to the level of other States in respect of industries, it is not possible for either India or for us to advance. We will be a problem State. It is not possible to do much in regard to improvement of agriculture. We know that the area is very small and whatever we have been producing is for the whole of the country. For example, our production of commercial crops* for export is as follows:—

	Rs.
Cashew	27.94 crores.
Coir	10 to 11 crores.
Pepper	10.35 crores.
Coffee	5.02 crores.
Tea	23.14 crores.
Cardamom.....	67 lakhs.

Then, there are ginger, lemon grass and other hill products, etc. Fisheries also give us about Rs. 6.01 crores. This is the position. Every year it has been increasing. Even if all these things are done, industrially we continue to be backward. Therefore, we say that certain immediate steps will have to be taken for the industrialisation of Kerala which alone can help us.

Plans have been submitted to the Government of India. During the first two Plan periods we got a DDT factory. Now, we have been promised a ship-building yard. I do not know how long it is going to take. When India requires more ships, when even the Visakhapatnam yard produces only two ships per year, it is absolutely necessary that we have four or six ships per year. If the Government of India does not take this up seriously, it would mean that we will not have a sufficient number of ships for our exports and imports. We are relying on other countries and every time they increase their freight charges. Today we are so shortsighted that we say a few lakhs can be gained by purchasing ships abroad. If you are building ships, it means more jobs for workers. If we have a sufficient number of ships, at least six per year, it will mean that the cost of production will also go down. So,

I would insist that the ship-building yard should be immediately taken up and there should not be any idea of dropping it by the Government of India or of making it a smaller one.

Already plans have been before you for other industries. There are a number of State-owned industries in Kerala. Luckily for us we were the people who had the State-sector much earlier than anyone else. But then we have not been able to expand. I would, therefore, request the hon. Minister to see that all the expansion programmes of the State-sector industries are immediately taken up, i-e., those industries which we have in Kerala. Also, a few modern industries have to come up there.

As far as the problem of the cashew industry is concerned, which earns about Rs. 30 crores of foreign exchange, it is going to be a very serious one. Twenty-five factories have closed down. Cashew industry employs about 70,000 women workers. These women workers cannot go anywhere else. It is not mobile labour. Unless this industry is rehabilitated, unless it is taken over by a corporation or by the State with Central help, all these women will be without jobs. It is going to affect our export industry. I would, therefore, request that in the case of cashew industry, which employs about 70,000 women, a determined effort must be made by the hon. Minister to help it to survive either through a cashew corporation or an industrial corporation. This is required for earning foreign exchange. This is required in the interests of some 70,000 women who work in it. They cannot go anywhere else. The same is the case with coir. Coir earns about Rs. 10 to Rs. 11 crores. That also is in a difficult position. Help will have to be given. These are the crisis-ridden industries of Kerala, viz., cashew coir, bidi, handloom, etc. It is a case of organised workers in an unorganised industry. You can understand what trouble there will be. In such cases a determined plait

[Shri Balachandra Menon.]

a new plan must be made by the State Government and the Centre, so that we can rehabilitate those industries which will help in our export promotion and getting jobs for our people.

I would request that the minerals of Kerala also should be properly utilised. Restarting of the ilmenite processing in Chavara should be taken up. Government has agreed to it, but steps are not being taken. The Rare Earths Factory of the Central Government has agreed to take up the ilmenite processing, but it has not been done as yet.

Then, we produce about 90 per cent of India's rubber. Birlas had an idea to start a factory there. This is not necessary. We want more tyres. Our Defence Services require tyres. There is the Government Rubber Factory. Why not make it into a bigger factory, so that we can produce the bigger type of rubber tyres from the Government factory? We do not want Birlas to come there and start their factory. It can very well be stopped. The licence can be cancelled. He is trying his best to have a factory there. If the Kerala Government itself is helped to have the factory, it would be better. They have already got the Government Rubber Factory which is now producing cycle tyres.

The study of minerals is also absolutely necessary. We have a large number of minerals. We are unable to make use of these minerals. I would, therefore, suggest, that a survey must be conducted to find out the mineral resources of Kerala. Kerala has got sufficient monazite, ilmenite and other rare earths. There is also a good deal of iron ore, limestone and gold. These things have not been properly surveyed. Recently the Government attempted to have some mineral survey, but it has not been completed.

fy, I would request that the fishing industry in Kerala should very well be developed into one of

the biggest industries. It will help India a good deal, because even now we are earning about Rs. 6 crores. Major share of the marine fishing is ours. It can be much more, if we take to deep-sea fishing. I would, therefore, suggest this. I do not ask for a Bhilai, I do not ask for any steel plant. I do not ask for heavy electricals. Why not you invest Rs. 100 crores on this, so that the entire coastal area can well be helped and the fishermen can get proper wages and proper jobs and see that our country advances? We could have sufficient quantities of fish which will help us to export them. I would therefore say that if you are anxious to have new commodities for export, the biggest will be our fish which can very well come up. This must be taken seriously and during the food shortage period you can very well understand how important it is.

I would therefore request that, a big plan for deep-sea fishing in Kerala must be immediately attempted.

This is all that I have to say.

श्री टी० पांडे (उत्तर प्रदेश) :

श्रीमान् मैं इस बजट को संतुलित, वृद्धिमत्तापूर्ण किन्तु असमाजवादी बजट मानता हूँ। बड़ा नीभाग्य है कि पन्त जी यहां मौजूद हैं। पटेल आयोग में गाजीपुर, जौनपुर, आजमगढ़ और देवरिया जिले लिए गए थे—उत्तर प्रदेश का पूर्वी हिस्सा, उसमें बस्ती और बलिया को भी जोड़ दिया गया। जब यहां केन्द्र में कांग्रेस की सरकार थी और उत्तर प्रदेश में भी कांग्रेस की सरकार थी तो केन्द्र ने जब रुपये देना नय किया तो उत्तर प्रदेश की कांग्रेस सरकार ने रुपये देने से इन्कार कर दिया। अब 6 करोड़ रुपये का उत्तर प्रदेश के बजट में प्रोवीजन किया गया है और केन्द्र की सरकार जो कांग्रेस की सरकार है—वहां गैरकांग्रेसी सरकार है—वह बजट में कोई प्रोवीजन नहीं करती है। इसका प्रोवीजन करें।

दूसरी बात मैं यह कहना चाहूंगा -

श्री के० सी० पन्त : उन्होंने वहां नहीं किया ?

श्री टी० पांडे : उन्होंने 6 करोड़ का प्रोजेक्ट किया है। आप कुछ नहीं करते हैं क्योंकि आप कांग्रेसी हैं, वे गैर कांग्रेसी हैं। जब वहां कांग्रेस गवर्नमेंट थी तब भी उन्होंने नहीं किया।

दूसरी बात मैं यह कहना चाहूंगा कि उत्तर प्रदेश का पूर्वी हिस्सा घिर हुआ है बिहार से, खास कर गाजीपुर देवरिया, बलिया, गोरखपुर और बनारस वहां के मारन और शाहाबाद डिस्ट्रिक्ट से घिरे हुए हैं। वहां अकालपीड़ित क्षेत्र घोषित कर दिया गया है। पता नहीं आपकी दृष्टि उस तरफ क्यों नहीं जाती है। उत्तर प्रदेश की सरकार ने हम पर लेवी लगा दी है, हमसे गल्ला खसूल किया जा रहा है जबकि गल्ला नहीं हुआ है। मैं यह चाहूंगा कि पटेल आयोग के अनुसार आप रूपा दीजिए। आप इस ओर विशेष ध्यान दें। केवल उत्तर प्रदेश का पूर्वी हिस्सा ही नहीं बल्कि बुन्देलखंड और पर्वतीय क्षेत्र भी पिछड़े हुए हैं। इन पर विशेष ध्यान देने की आवश्यकता है जिसके लिए बजट में कोई प्रोजेक्ट नहीं है।

उत्तर प्रदेश औद्योगिक दृष्टिकोण से भी पिछड़ा हुआ है। मुझे यह पता चला है कि खास तौर से छोटी इंडस्ट्री में प्लान में एक करोड़ पचास लाख रुपये की कमी कर दी गई है हमारी केन्द्रीय सरकार की तरफ से। आप कृपा करके इस कमी को दूर कर दीजिए। मैं यह भी चाहूंगा कि जो पिछड़े हुए क्षेत्र हैं उपेक्षित हैं उनकी तरफ विशेष ध्यान दिया जाय, सर्वे कराया जाय कि वहां पर किसी प्रकार की कोई इंडस्ट्री आगे बढ़ाई जा सकती है या नहीं बढ़ाई जा सकती है। चीनो की इंडस्ट्री उत्तर प्रदेश में पड़ी हुई है। मैं चाहूंगा

कि सरकार उसकी तरफ विशेष ध्यान दे।

मैंने इस बजट पर बहुत विचार किया और मौलिक अपने विचार व्यक्त करना चाहता हूँ। यह मेरा अन्तिम विचार है जो एक मिनट में व्यक्त कर दूंगा। हिच-किचाहट से और संदिग्ध हो कर आप देश को आगे नहीं बढ़ा सकते। यहां जो बैंक हैं उनको हिन्दुस्तान के सी परिवार कंट्रोल करते हैं। आप उन पर सामाजिक कंट्रोल चाहते हैं, सोशल कंट्रोल। यह शब्द ठीक नहीं है, यह शब्द-जाल है। इसलिए मैं चाहता हूँ कि बैंक का जनरल डायरेक्टर का एक्सपोर्ट और इम्पोर्ट का राष्ट्रीयकरण कर दिया जाय। इसी के साथ साथ मैं यह भी चाहूंगा कि गवर्नमेंट इस पर विचार करे कि और कौन ऐसी इंडस्ट्रीज हैं जिनका राष्ट्रीयकरण किया जाय जिससे जनता के ऊपर जो करों का बोझ बढ़ रहा है वह कम हो जाय। जय हिन्द।

SHRIMATI LALITHA (RAJA-GOPALAN) (Madras): Mr. Vice-Chairman, Sir, at the outset, I congratulate the Finance Minister for avoiding deficit financing and presenting a Budget which shows a surplus of 0.85 crores. The Budget, on the whole is a balanced one and is realistic taking into account the present economic situation of the country. To the critics of the Budget I would like to say that a Finance Minister, if he satisfies every section of the population, is not fit to be a Finance Minister. Tapping money from one sector and utilising it in another sector is his job and how far, to the best of his ability, he does it, depends upon the foresight and imagination of the Finance Minister. And I am confident that the present Finance Minister has the initiative, capacity and imagination to fulfil this task provided that nature is kind to him in future and the economic situation of the country also shows a favourable trend

[Shrimati Lalitha (Rajagopalan).]
and there is complete co-ordination
and co-operation from all sections of
the community.

The main dissenting note of the public regarding the presentation of the Budget was the excise levy on footwear, tea and coffee. Otherwise, the public did not heave a sigh nor was there any bubbling criticism or expression of awe at the Budget. But I hope that the Finance Minister, in course of time, will be able to reconsider his decision regarding the levy and reduce or abolish this.

The main problem facing the country is the drought situation, the drastic fall in agricultural production, the spiralling increase of prices to dizzy heights, with the result that the rise in the cost of living affects every income group of people. In this connection, I would like to say that the real national income of India fell sharply by 4-7 per cent in 1965-66. Then, the fall in the *per capita* real income is 7*1. per cent, in 1965-60 which is a record decline for any year since 1948-49. So there is bound to be a rise in prices and economic instability. The rise in prices for the last 15 years has been 80 per cent. Since the Chinese aggression, the rise in the price index rose up from 125 to 153 within 31 years; that is about 50 per cent. This spiralling rise in prices, this increase in prices, is not something new or something which is not unforeseen. But at the same time I would like to point out to the Finance Minister that proper steps had not been taken to check this rise in prices, and the prices are soaring high.

The Finance Minister is also very emphatic that there will be no further devaluation nor deficit financing and that he will not allow the States to resort to overdrafts. He has also stated that deficit financing is neither a necessity nor a sufficient condition for price stability in all circumstances. Time and again, he has mentioned

also about the general price rise and he has also expressed his concern regarding that.

As far as the rise in prices is concerned, I would like to say that the Super Bazar which has been started by the former Food Minister, Shri C. Subramaniam, to tackle the food situation and to bring down the open market prices has had a psychological effect on the people, but it did not go beyond that. I am not going into the working of this Super Bazar. But as far as its financial aspect is concerned, I would like to mention one or two points. Central assistance to the Super Bazar is about Rs. 36 lakhs including the share capital, loans and subsidy and the consumers' share is worth about Rs. 1 - .45 lakhs. The Super Bazar is running at a loss of Rs. 4-30 lakhs. While the turnover is about Rs. 3 lakhs the daily loss is Rs. 15,000

In this connection I would like to say that the audited accounts of the Super Bazar are not kept properly. There is difference between the report of the internal Auditor and the statutory Auditor who are holding up the completion of the audit work. The Registrar of the Co-operative Department has invited both the auditors on May 17 to iron out their differences so that the audit work is expedited. During the last 22 months of the Super Bazar's existence, neither its accounts have ever been audited nor stocks checked. Stock checking begun in December last was abandoned half way. This state of affairs has already been brought to the notice of the Union Government. In reply to a question put by me as to what they have done in the matter the Food Minister, the other day, said that a committee had been appointed under Dr. P. S. Lokanathan to go into the working of the Super Bazar. I hope the report of the Committee will be ready by August for presentation before the House.

I would like to say another thing about the financial aspect of the Super Bazar. The Super Bazar is

at present functioning with an overdraft of about Rs. 80 lakhs from its bankers, repayable at 9 per cent, interest. The textile department which can make a 15 per cent, profit, has incurred a loss of roughly Rs. 3.5 lakhs.

There is another thing about the Super Bazar. Certain items recently transferred to the I.N.A. Market were registered in the Super Bazar books under "sales" and not under "transfers", thus unnecessarily incurring sales tax. I do not know why this was done.

Another thing that I would like to know is whether it is a fact that despite the fact that various banks offered to supply credit to the Super Bazar at 7 per cent, interest, the Super Bazar "accepted" a bank which gives credit at 8 per cent. Sir, the main purpose of the Super Bazar is to check prices in the open market and to provide all the essential commodities. The Super Bazar is not satisfying either of the conditions.

Then, Sir, one point which the Finance Minister pointed out was price chasing costs and costs chasing price. It should not be allowed to go unchecked. This is what the Finance Minister said. I do not know how he is going to stop it. Sir, I had suggested earlier that profiteers in essential commodities should be severely punished; they should be awarded rigorous imprisonment for at least two years. The Finance Minister also made this suggestion. I do not know how the Government is going to implement this measure. But I hope he will do something about it.

Besides this, I would like to make another suggestion. The prices of commodities should be displayed in fair price shops and if any shopkeeper charges more and the consumer brings that to the notice of the authorities the authorities should immediately take action against the shopkeeper, whether whole-seller or retailer. It will have a very good all round effect on the traders. The consumer will benefit from this step.

Then, Sir, in the Budget top priority has been given to agriculture. In this context the importance of irrigation can be very well understood; agriculture cannot exist without irrigation. But as far as I know, there has not been an all-India Irrigation Commission. One such Commission was instituted under the British regime in 1902. In reply to a question the answer I got was that are still consulting the States. I would like to know from the Finance Minister when these consultations with the States will be completed and when they are likely to receive a report from the States. The constitution of an all-India Commission for irrigation is a very important thing for the growth of agriculture. Similarly fertilisers, seeds and other things will receive the Finance Minister's due attention I hope.

The Finance Minister has given priority to the tourism industry, tourism being a very good foreign exchange earner. Within the limited time at my disposal I am afraid I cannot go into any details. But I would like to say one thing. If tourism is to be promoted the Department of Civil Aviation and the Public Works Department should work in complete co-ordination and co-operation with each other. With adequate financial resources tourism can develop to a great extent. In this connection I would like to say that there should be a Tourist Board not only for taking quick decision but for necessary follow-up action. There should be no red-tapism or obstruction to the suggestions given by this Central authority, and the whole of India should be treated as a single State zone for promotion of tourism; otherwise the declaration made by the hon. Minister will be just a formal declaration. Tourism should be treated as an export industry. At the same time I have every confidence in the present Minister of Tourism, Dr. Karan Singh. He is a man with initiative and imagination and I am sure he will take every step possible to improve tourism in the country.

[.Shrimati Lalitha (RajagopalanU THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): I am glad the Deputy Minister of Tourism is here.

SHRIMATI LALITHA (RAJAGOPALAN): Regarding the curtailment of non-development expenditure, the Finance Minister himself is very much keen about that matter. I do not know how far the Government is going to implement it. They appoint many Commissions. They got their recommendations. But in appointing a Commission, getting its recommendations and consideration of the recommendations by the Government and then implementation of those recommendations takes so many years, so much so that no plan is expedited in proper time. I think the Finance Minister will take up the matter and do something about it.

Then, Sir, I feel that the public sector and the private sector should go hand in hand and should be encouraged if, they are running *odi* sound lines. Certain items like the manufacture of cars, television sets radio sets, transistors should be encouraged in the private sector so that the Government can utilise their resources in the public sector for undertaking projects of national importance and national benefit.

There is one more thing. There are certain private undertakings in the fertiliser section at Madras, Kanpur and Barauni which are due for completion in the last year of the Fourth Plan. They will result in adding the capacity by 6.4 lakh tonnes.

There are certain private sector undertakings which are assisted with funds by Government and they are not on sound lines - Such private sector undertakings should not go waste. As they have progressed so far, Government should step in and help them to tide over their difficulties.

Lastly, I would like to say that the Finance Minister had been in the Administrative Reforms Commission

and has given certain good recommendations regarding non-development expenditure and pruning expenditure in the administrative as well as other spheres. I hope the Government would visibly show that they practise it before they preach.

One more thing. The Finance Minister, when he was previously Finance Minister, introduced Gold Control and when it was introduced, there was public criticism as well as stricture about his policy. But I think that if only we had adhered to that policy, we could have avoided this devaluation.

As regards prohibition, there are non-Congress Governments also in some States and some State Governments have relaxed prohibition. I think it is impossible for the Central Government to adopt a national police-in this regard, but at the same time, they should see that in a certain measure prohibition is adhered to.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): That is all?

SHRIMATI LALITHA (RAJAGOPALAN): One more thing. Lastly, I would like to thank the Vice-Chairman for giving me this time to say something about the Budget. I hope the Finance Minister will look into the Super Bazar matter and see that something is done about it. Thank you.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Let us now hear the maiden speech of our new Member, Mr. Abdullah Koya.

SHRI AKBAR ALI KHAN (Andhra Pradesh): If he can finish in five minutes, others also will get a chance to speak for five minutes each.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): If the House is generous. We can take another half-an-hour and finish.

SHRI B. V. ABDULLAH KOYA (Kerala): Mr. Vice-Chairman, Sir, I am happy to speak about a Budget which is balanced, but I am sorry I cannot congratulate the Finance Minister for presenting such a Budget

because I think he is compelled to produce such a Budget because of the ' very unfavourable economic conditions in this country just now. The prices of all our commodities have gone up and the poor people are suffering very much and it is very difficult for them get on. I do not at all agree with the method and means of finding finances for presenting a balanced Budget by taxing the poor who are already overburdened with taxes, both direct and indirect. Sir, the tax on tea, certain petroleum products, leather goods, aluminium and heavy duty on counts of yarn below 60's will surely hit the common man, in spite of the promise of the Finance Minister that he would try to check the prices from going Up. We know that the spinning and weaving mills have already taken advantage of the situation and have increased the prices of yarn, even those of coarser yarn of 20's and above. So also regarding the prices of tea, according to the Finance Minister, the increased duty is only about 5 paise per pound. But we know the increase in the prices of tea effected by the hotel-keepers is more than 20 per cent. Such being the case, how can we agree with the Finance Minister?

Sir, we, Indians, have struggled for about 50 years for attaining Swaraj or Independence. Our people have undergone untold miseries for attaining Swaraj and we deserve our Independence very well. But immediately after Independence in 1947, people heaved a sigh thinking that they would get on very well in this independent country. But we were asked to suffer again for the sake of future generations in the name of Five-Year Plans. Three Five-Year Plans we have had and the Fourth Plan is already there. Therefore, I feel that the Finance Minister and the Government should give a holiday for further Plans or at least they should concentrate more on agri-culture and small-scale industries, leaving the big industrial projects and other matters of the Plan, for the time being.

Sir, I come from a State which is considered to be backward. I mean Kerala which is nicknamed as a "problem State." Our problems, according to me, are man-made problems. It should be the duty of all public-conscious people and the Government to help to solve some of these problems. We have not got any Central industry worth the name. The Centre has not cared even to give us sufficient, urgently-required rail lines. Our long-felt need of an aerodrome at Calicut, which has got business connections with foreign lands for thousands of years, even before modern cities like Bombay, Madras and Calcutta had such connections has not been fulfilled so far. Our long-desired dream of having at least one all-weather port at Beypore still remains a dream.

In the Malabar area which is world-famous for small-scale industries like coir, handloom, soap-making, umbrella-making, cap making etc., innumerable factories have either closed down or curtailed their production considerably for want of adequate raw materials at reasonable rates or because of absence of credit facilities on easy terms.

Even though we have the heaviest rainfall, it has not been conserved and utilised properly for irrigation. Our small State, with about 3-112 per cent, or 168 lakhs, of the total Indian population, and only 1 per cent of the total area, or 14,000 sq. miles, contributes nearly 22 per cent of the total foreign exchange earnings of the country. But we are supplied only about three ounces of rice. For example, for the last one month, our people are not getting enough rice to eat. Rice, as you know, is the main food of the Kerala people. I earnestly hope that the Food Minister will fulfil his solemn promise to supply adequate quantities of foodgrains for our immediate and future needs.

Before I conclude, let me say a few things about our Defence expenditure. The Finance Minister has not

(Shri B. V. Abdullah Koya.)

done well in reducing the expenditure on this item, especially when a hostile neighbour like Pakistan spends more than half of its revenue for the same and when China is seriously thinking in terms of hydrogen bombs.

Our Emergency-commissioned officers, after forsaking their usual peaceful jobs and after their risking their very lives during the Chinese and the Pakistani aggressions, have now been compelled to knock at every door with tears in their eyes for getting alternative jobs. I know of so many young officers who applied for Emergency commissions and got into it losing other chances. They served in the wars at the risk of their very lives. Now unfortunately they have been issued with notices saying that they would be released. If this is the case, Sir, I would ask the Defence Minister how we can expect our young people to enlist themselves for a future emergency risking their very lives and career. So something should be done. Yesterday, our Defence Minister said here that he would do his level best to find permanent commissionship for at least 45 per cent. I would say 45 per cent is not enough. All these Emergency-commissioned officers should be taken or all of them should be given some alternative jobs.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Whether they reach the requisite grade or not?

SHRI B. V. ABDULLAH KOYA: I know most of these officers got promotions during the fight. Those officers who joined as Second Lieutenants, got promoted as Lieutenants and Captains and have got merit certificates on release. I do not know why at this time they cannot make the grade. I have seen some of the certificates and even their commanding officers themselves are surprised why such and such an officer has been left out, without giving a permanent commissionship. When

such is the case, I would feel that something should be done by the Government. Otherwise our young people would feel bad about it and it will not be good for our country to have a set of disappointed young people, especially people who have served us during a bad time.

Thank you.

MISS M. L. MARY NAIDU (Andhra Pradesh): Mr. Vice-Chairman, I take this opportunity to congratulate the Finance Minister on the very excellent balanced Budget that he has produced, introducing, stability, and any remarks that I make are intended to increase the value of the concessions made in the Budget, but before I proceed, I want to protest against some remarks made by One of the Opposition Members the day before yesterday, on Monday. If I understood correctly the Hindi translation, he said something about our Prime Minister wearing bangles, meaning want of courage. Indian woman is not wanting in courage and specially not our Prime Minister. Tinkling of bangles denote music and bangles themselves denote beauty, not cowardice. Anyway, for his information—I am sorry he is not here—our Prime Minister does not wear bangles and is not wanting in courage. She always rushes into places brushing aside danger. During the Indo-Pak conflict, she was the one who was amidst the soldiers or Jawans at the topmost hills in the midst of danger and she was the only One who dared to reach Madras during the language trouble. Does that denote want of courage? Anyway, ours is a democratic set-up and hence combined responsibility. This kind of personal remarks and especially unkind attacks on womanhood should be avoided. I entreat gentlemen to remember their mothers, sisters, wives and daughters and respect the rest of the women before they make any such remarks on womanhood and especially our Prime

Minister whom we elected and on whom we put the burden of this vast country. I hope the gentleman will not pass such remarks at random henceforth. It is only for this that I waited so long to speak on this Budget and had such patience.

Coming to the Budget, many learned friends spoke before me, giving valuable suggestions or totally criticising.

SHRI BHUPESH GUPTA (West Bengal): But Budget is a man's Budget.

MISS M. L. MARY NAIDU: Who says? What do you mean? Perhaps that is why the Budget is like that.

Before I give my humble opinion, I like to comment on one point made by many of the Opposition Members. They said that all the tax burden is placed on the poor common man. I differ from them because in our country it is not only poor like me that are taxed but also the rich. The rich are taxed, I think, 14 annas in every rupee they earn. The question really is, can the poor common man bear any more taxes, just at this time? Can he really pay even one pie more and what is to be done about the soaring prices and how to bring the price-line down? That is what we have to consider.

Well, I am particularly happy to note that the highest importance to agricultural production has been indicated in the Budget. It is stated therein that minor irrigation has to receive a high priority. I wish to point out that what we want is water to the lands and not 'minor' or 'major'. We do not bother about the source. Various projects will have various advantages. What we should aim at is having water for the lands. That is the basic and most important point. The more the lands, we bring under water, the more is the food production. For example, taking my own State of Andhra Pradesh, we find the Nagarjunasagar Project, which is capable of producing very large amount of rice, and which can assist all the rice-eating States is

being delayed and dragged on. I request the Finance Minister and the House to note the following points and difficulties of Andhra.

Loan for Nagarjunasagar project is completely financed by the Andhra State alone. The only thing is that the loans are advanced by the Centre and these loans are given at such a slow rate that the project is being dragged on for more than 13 years with no benefits coming from it. The interest charges that the State has to pay to the Centre are mounting up. I wish to remind both the hon. Minister and hon. Members that this is the only huge project in the country, the burden of which is entirely being borne by one State alone. Other big projects like the D.V.C., the Beas, etc. are being shared by many States. Andhra Pradesh is known to all as a surplus State. So naturally anybody would ask, why Andhra subjects herself to a very difficult financial condition by undertaking a huge irrigation project, which, we all know, cannot pay even the interest charges? May I please explain the position as to how Andhra is brought into this very difficult financial condition. It is because in all the Three Plans they have not been able to develop any industries, they have not been constructing any roads, they have not been able to do any other development works except irrigation. At the present moment, in spite of all the above drawbacks I am proud of my Andhra Pradesh, because she has given priority to irrigation and production of food and is feeding her own children and sharing with the very rich industrial States which are short of food. Well, irrigation has stabilised food production in Andhra and the food production in the State is certain irrespective of the weather conditions. Hence as far as the State is concerned, there is no need to undertake huge projects and further food production is not important from the State point of view. It is only at the call of the nation and our late revered Prime Minister Jawaharlal Nehru, that this project is under-

[Miss M. L. Mary Naidu.]

taken. What we need is industries which give employment to people. In Andhra there is large-scale unemployment. In the absence of industry, the State is not able to find any avenue for taxation. Very little is derived from Sales Tax. Now will the hon. Minister visualise Andhra, a very big State, with an extensive area of more than 100 square miles and with 4 crores of people having no resources excepting land revenue, undertaking huge projects for the benefit of the rest of the country? That is the real picture of Andhra Pradesh. Instead of buying food from outside at more than thrice the amount we have to pay in this country and depending whether Suez Canal is open or closed, also paying extremely high freight charges, is it not better to produce the same amount of food in this country itself? I am not talking of my own State alone. I am thinking of all the projects in the country. In Bihar I understand, there are big projects. So also in Maharashtra. Why not develop them all quickly? Why not spend more on water-supply and solve once for all the food problem? We have reduced the fair name of Bharat-mata, which was known as Anna-purna, to that of a food beggar. The sooner we retrieve that name the better it is for us.

Let me take this opportunity to bring to the notice of hon. Minister the imbalance of power. Power projects in some States are either very small or very big. Is it not surprising that Andhra which has all the vital resources like coal, water, etc. has got the least amount of power? When such things exist, is it not the duty of those in authority to look into the reasons for this and go to their help? The power sector in Andhra Pradesh has been the lowest per capita. There are some other States also suffering likewise. Wherever there is a big lapse, -wherever there is an imbalance, it is the responsibility of the House and the Govern-

ment to look into it and find the reasons. So I suggest that the Centre must appoint a Committee to go into the imbalances of Andhra and other States and take measures to rectify the imbalance to some extent at least.

6 P.M

Next I like to draw the attention of the hon. Finance Minister to the fertilizer factory. It is a known fact that, in view of the excellent water facilities available in Andhra, and agriculture having developed to a very high degree, fertilizer is being used much more extensively there than in many other parts of India. I understand that one-fourth of the fertilizer goes to Andhra Pradesh. If that is the case, is it not just and proper to construct a fertilizer factory in Andhra in the public sector? On the one hand you say that Andhra is financially weak. On the other hand, Andhra is the largest consumer of fertilizer, and yet, no fertilizer factory in the public sector is located there. Why is this? One reason that is being given is that fertilizer factories should be near the refineries. Is it really necessary? Is the Nangal fertilizer factory located near any refinery? Is not the weight of the fertilizer much more than that of the naphtha which is the only product coming from the refinery? Why not naphtha be transported from Madras to Kothagudam and have a fertilizer factory there, so that the product will go right in the middle of the utilization? It costs very little to transport fertilizer and, therefore, the amount of money spent on transporting naphtha to Kothagudam is more than compensated.

SHRI K. C. PANT: The Nangal factory is not based on naphtha.

MISS M. L. MARY NAIDU: I take the information.

Just look at the strange justice.

THE VICE-CHAIRMAN (SHRI M. P. EHARGAVA): Miss Mary Naidu, it is time to wind up;

MISS M. L. MARY NAIDU: I am finishing.

Just look at the strange justice. To produce power at Madras, coal is to be taken from Kothagudam, whereas the power could have been produced at Kothagudam and easily conveyed to Madras. But the reverse order is being followed regarding fertilizer. I do not know the reasons for it. Perhaps calculations were made at some old time. But calculations will always have to be brought up-to-date. So I request the hon. Minister to look into this matter. If he does, I am certain that he will realise that the location of the fertilizer factory in Andhra Pradesh is the most economical way of producing and utilising this fertilizer.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): That will do.

MISS M. L. MARY NAIDU: All right. Thank you, Sir.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Mr. Kesavan. You have six minutes.

SHRI KESAVAN (THAZHAVA) (Kerala): Mr. Vice-Chairman, Sir, I have great respect for our Finance Minister, Mr. Morarji Desai, but I do not find my way to shower encomiums on his Budget and the proposals contained therein. Anyhow, fortunately or unfortunately, Mr. Morarji Desai has perpetuated his name by his Budget as Finance Minister on a previous occasion, while he was the Finance Minister, he presented his Budget, and on account of the Gold Control which he introduced, several goldsmiths had committed suicide. And a new variety of gold also came into existence in our parts, which is called Morarji's gold.

Sir, the present Budget presented by him is not for the benefit of the common man in India. He has made all possible concessions to the rich persons, to persons who pay income-

tax, and the common people are burdened with more taxation. In paragraphs 59 and 60 of his speech in Part B, the concessions made by him are enumerated. In paragraph 59, sub-paragraph (a), he has granted an allowance for maintaining parents or grand parents of those income-tax payers whose income is not above Rs. 10,000 and said that this concession is estimated to cost approximately Rs. 2 crores. I take strong objection to what appears in the first sentence of sub-paragraph (a) of paragraph 59, because it reads thus:

"In our society, many of us have to maintain dependent parents or grand parents-----"

"Many of us"; what does it mean? I think that since the speech is made before Members of Parliament, "many of us" seems to indicate that the allowance is intended for the benefit of Members' of Parliament also. It is a disgrace. Anyhow, even a beggar in the street has got the responsibility to maintain his parents and grand-parents, who are unable to maintain themselves. One may be a Member of Parliament, or whoever he might be, he has got a responsibility to maintain his dependent parents or grand parents, and it is a responsibility equally cast on all persons including beggars in the street, who, unfortunately, are unable to maintain themselves. But here he has not made any provision to maintain the parents or grand-parents of the poor people, the beggars in the street, who are unable to maintain themselves or to maintain their parents; on the other hand, he has made provision for the maintenance of parents or grand parents of those persons who pay income-tax whose income is not above 10,000 rupees. So it can be clearly seen where he stands. The concessions made in the Budget will clearly show that he stands not for the common people but for the richer sections of the society. That is to say, he represents the vested interests,

(Shri Kesavan (Zhanzhava).) not the common people. Before independence the common people were not burdened with any direct or indirect taxation. After independence every year the Budget is produced and direct and indirect taxes are imposed on the common people. And now they find it impossible to maintain themselves or their families. When an excise duty is imposed, certainly the price of the articles also would be increased, but his income may not have increased. What does it mean? His life becomes more impossible. So what I have to submit is that this Budget is not intended for the benefit of the common people, and as I said before in reference to a former Budget about the suicide by goldsmiths, the chances at present are that the common people, the already starving millions of India, who are dying inch by inch by starvation and who are now being burdened with more taxes, certainly will be forced to commit suicide. So many deaths by suicide will take place and he will hear them in future.

Here in this Budget you will see that more than a thousand crores of rupees are allocated for defence. Of course strong defence is necessary. Now, Sir, American and Russia, the two greatest power*? in the world, are feared by others, because they have got nuclear weapons. They have got enough resources. We have got manpower but no resources, no weapons. So, we must have, strong defence; there can be no doubt about it.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): That will do. It is time to wind up.

SHRI KESAVAN (THAZHAVA): Just one minute. There is Pakistan on one side who is our enemy; there is China, on the other side who also is our enemy. With regard to these countries we know that either we must wage war against them and settle the dispute or, if it is not found advisable, we must negotiate with them and arrive at a settlement. I

say that the greatest men of the soil are still alive. Our ex-President, Dr. Radhakrishnan, Shri Jayaprakash. Narayan and Shri Rajagopalachari, all these persons are alive. Approach them and request them to negotiate with these countries and come to a settlement. Give them full freedom to negotiate and to make a settlement, and you must be ready to accept the settlement which they arrive at. Then we can use this huge amount earmarked for defence for the development of the country.

Thank you.

PANDIT S. S. N. TANKHA (Uttar Pradesh): Mr. Vice-Chairman, Sir, I thank you at the very outset for giving me this opportunity to speak although I find I am the last speaker for the day and in the Budget discussion as well.

Now, Sir, the lesson which one learns from the recent unfortunate war between the Israelis and the Arabs is that even a small well armed nation can give a crushing defeat to a much bigger nation, which does not arm itself adequately for its defence. The Arabs with their numerically superior numbers and with their numerous smaller allies could not withstand the onslaught of the Israelis even for a few days and had to be humbled in putting down their arms before the victor within such a short period of time. This conclusively points to the fact that, if a nation wants to survive in the present-day world, its primary concern should be to make itself strong militarily in order to be able to stand against any aggressor, big or small. But this cannot be done unless the nation is prepared to suffer hardships and to forego many of its essential needs which it could otherwise have provided its people with. I have no doubt, Sir, that our people are prepared to* such a sacrifice if they are called upon to do so. Let us not forget that our country is not yet out of the woods and the danger to our borders still persists both from the north and the east and the west.

China's attitude towards us even today is evident from the shameful treatment it has recently meted out to our diplomats in its country. Our other neighbour, which suffered a crushing defeat at our hands hardly a year back, seems again to be preparing itself for another aggression on us as soon as it has replenished its lost armour and ammunition. Under such circumstances is it not our duty to maintain our defence expenditure to the full as decided earlier, if not to add to it because of additional increases in costs because of devaluation? But instead we find that the Finance Minister has cut down the Defence Budget by Rs. 190 crores. I would certainly have congratulated the Finance Minister on this achievement if I had been convinced of the fact that our Defence Services needed nothing more for their efficiency. But believing as I do that the Defence Forces still need so much more money for their efficiency, I am constrained to say that the saving intended to be effected by the Finance Minister is unfortunate. Our Navy as you know, Sir, needs submarines for the protection and defence of its ships. As such the sum of Rs. 1,000 crores a year fixed for the Defence Services for being spent during the Fourth Plan period should under no circumstances be reduced. I would instead plead that this amount should be increased further to cover the price rise which has taken place because of devaluation.

When considering the question of our defences we need to be specially alert about the fact of the development which China has made in the field of nuclear armaments. It has already exploded successfully the uranium and hydrogen bombs. This technological success of China has not only alarmed the Eastern nations and specially India, but even countries like America and the U.S.S.R., which did not expect China to make progress in this line to the extent it has done within such a short space of time. The Government should, therefore, revise its

policy regarding the non-use of nuclear energy for purposes other than peaceful purposes. It is my definite view that the Government should instruct the Atomic Energy Commission immediately to direct its attention to the scientific aspect of the manufacture of the atom and the hydrogen bombs so that it may be in a position to manufacture the same as and when it may be asked to do so by the Government.

Our economy during the last few years has been in a very bad way, whether it be because of the failure of the monsoon for two years in succession or because of our folly in devaluing the rupee or on account of both. Because of these two factors the prices have risen to the great extent at which they are today. Therefore it becomes incumbent on us to take some drastic steps to remedy the situation. I am glad that the Finance Minister is fully conscious of the situation and has taken some steps to remedy the evils, but to my mind some bolder and more drastic steps should have been taken by him such as those adopted by England last year to improve its economy and to save the pound sterling. If a country like England could, by freezing the salaries and wages at their then existing levels, improve its economy, I see no reason why our country cannot adopt the same method and profit by it and bring down the prices to normalcy say to the 1952 price level, in our country within the next two or three years. It is said that salaries and wages cannot be frozen in our country because even as it is their level here is too low. But I cannot appreciate this argument. I consider it would be far better to improve the economy within a few years, even though at a sacrifice rather than allow the situation to drift on and on and allow the prices to go up still further. However, in taking this step the cooperation of the opposition parties and of the salaried classes and wage earners in particular will be essential and steps should be taken throughout the country to

[Pandit S. S. N. Tankha.]

explain this point of view to all those who will be affected by it. If this is done I am sure their cooperation¹ will be forthcoming as it did in England.

Another connected matter upon which I would here like to touch is the question of granting further dear-ness allowances to government employees, consequent upon the constant rise in prices. It is true that by giving them a further rise in their clearness allowance their cost of living will be neutralised to some extent. But let Us not forget that the government servants alone do not live in this vast country. Let us remember that there are crores of others whose incomes are much lower than those of government servants and for whom also the cost of living index rises as much as it does for the government servants, but who unfortunately get no benefits to neutralise that rise. Is it then at all equitable that while one section of the people receive this compensatory allowance every now and then, the other vast multitude of our people have to groan under the price rise which is still further accelerated because of the very payment of further dearness allowance to government employees? I would like to know from the Finance Minister how far such a thing is consistent and in keeping with our ideal of a socialist State, which to my mind can never allow an improvement of one class of people at the expense of the rest of the country. By suggesting such a course let it not be thought that I have no sympathy for the government servants or that I do not realise the misery of a large and vast number of them brought about by the ever-recurring rise in prices. But when I think of the much larger numbers of all those people who are groaning under much greater hardships I am compelled to suggest that no further additional dearness allowance benefits should be given to government employees for at least some years to come.

SHRI BHUPESH GUPTA: You never used to make such reactionary sugges-

PANDIT S. S. N. TANKHA; Let me now say, Sir, that I welcome the Budget generally and I compliment the Finance Minister for his adjusting it in such a manner as n^ot to fall back upon deficit financing. This indeed is the 'most welcome feature of the Budget which has been praised by both sides of the House and also throughout the country generally. It was a very difficult task which the Finance Minister has so ably managed. Some of his critics have criticised him for levying a few new excise duties. But these critics must realise that the Finance Minister is *iot a juggler who has jins and spirits at his command to bringforth for him whatever he wants from some other world. Therefore, we should examine the Budget realistically to see if anything better was possible within the limited resources of the country.

The Finance Minister has been blamed by some of his critics and he has been told that he has done nothing to take the country out of the morass into which it has been pushed according to them. But they overlook the fact that the Finance Minister had already provided for the agricultural sector all its needs during the current year in his interim Budget. In addition to that he has allotted in the present Budget as much as 300 million dollars for the import of fertilisers and also Bs. 5 crores more to enable the grant of larger loans to agriculturists by the land mortgage banks. He has also in the present Budget raised the figure of assistance to States from Rs. 535 crores to Rs. 590 crores so that the States may have greater funds in their hands to benefit the agricultural sector.

Now, coming to the industrial sector of ou, economy, the rate of growth of which also during the last two years has fallen, the Finance Minister, I am glad to find, has taken definite steps to revive it and to increase its output both in the private sector and in the public sector. One of the causes of the slowing down of the rate of growth in the industrial sector was want of I import requirements, of industrial I raw materials and other components

and spares for machinery. Both these deficiencies have been more than adequately met by grant of industrial licences to the public and private sector industries to import their requirements. In this connection I would like to point out that very strict vigilance is needed on the part of the Government to see that these licences are not misused and are not sold to others as also that only the actual requirements are imported and made use of to step up production within the shortest possible time. (*Time bell rings.*) One or two minutes more, Sir.

While dealing with this subject, I
* would like to meet the criticism which
1. I think an advance! against our

Lie :- 2,030 odd
been invested on them have not given sufficient returns. May I remind my friends that already about 30 industries which have been in production for some time now are giving profits and their profits range from a low figure to about 8 or 10 per cent or so? If that is so, I think the results shown are fairly good and I have no doubt that in course of time it is these very industries which will confer great benefits on the country since they form the base on which other industries can be built. It should also not be forgotten that it is this industrial sector which has given us the base for our Defence industries to go into production.

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Now, Sir, I will leave aside the excise duties but I will just say a few words about income-tax. I would have liked the hon. Finance Minister to give some relief to the smaller wage-earners; by smaller I mean that fixed income group which draws less than Rs. 500 per month. And for this group instead of the present lowest limit of Rs. 4000 at which no tax is imposed I would have liked the Finance Minister to raise this to Rs. 5400 at least; that is to say, to exempt persons drawing up to Rs. 400 per month. I would have sug-

gested Rs. 6000 as the lowest limit but I do not do so lest it should be taken to mean that I want the salaries of the Members of Parliament to be exempted. That is why I plead that the minimum raised to Rs. 5400 from the present Rs. 4000.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Pandit TV doer, not want himself to be given tax exemption. And . . .

PANDIT S. S. N. TANKHA: I already pay a little tax, apart . . .

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): . . . that is why you are not suggest!:-, Rs. 6000.

PANDIT S. S. N. TANKHA: . . .

SHRI BHUPESH GUPTA: I hope you are not of the Biju Patnaik kind.

PANDIT S. S. N. TANKHA: Nothing of the kind, Mr. Gupta. "I am a poor man."

SHRI BHUPESH GUPTA: For the style of it; the Patnaik style; concealing it as much as possible.

PANDIT S. S. N. TANKHA: Now, Sir, I am glad that the Finance Minister has given some concession for the upkeep of the grandparents of the assessee. It is a very good idea.

There is one other little matter I want to refer to and that is about the deduction of tax at the source on interest and deposits, etc. This will cause great hardship to the small people who have made small investments either in banks or in companies because to get back the deducted amounts would be difficult for the assesses, especially for ladies and others who have small investments. Therefore I think the Finance Minister should do something to remove that hardship.

Then, Sir, I am surprised that there has been a demand from a section of this House for the small car project to be brought into existence within

[Pandit S. S. N. Tankha.]

the Fourth Five Year Plan. I do not think that this small car project is at all necessary in our present financial state of affairs. There are not many persons in the country who can buy a car and even if the small car is priced at Rs. 7,000 or Rs. 8,000 there will be very few people who can afford to buy it. Further, I submit it is really the amount of tax which the Government imposes upon a car raises its price. Instead of taxing Rs. 5,000 as is done now, if the tax is reduced to Rs. 1000 per car, the price of even the cars which are ^{now} being manufactured in the country, like the Fiat, Ambassador, etc, will come down considerably. I think it should be possible for the Government to reduce this tax instead of having a new car project in hand.

SHRI AKBAR ALI KHAN: But the Birla monopoly will continue.

PANDIT S. S. N. TANKHA: You cannot allow others also to manufacture

them. There will thus be competition. I do not want that the Birlas should continue to have the monopoly. On the other hand if the Government is going to impose such a high tax on the new car also, that is, if you are going to levy a tax of Rs. 5000 on that small car also, then its price also will come to about Rs. 10,000 to Rs. 11,000. So it will not be cheaper also, and I maintain that it is not necessary to have a small car project in the present state of our economy.

Thank you.

THE VICE-CHAIRMAN (SHRI M. P. P.:

): The House stands adjourned till 11.00 A.M. tomorrow.

The House then adjourned at twenty-seven minutes past six of the clock till eleven of the clock on Thursday, the 22nd June, 1967.