

करना चाहिये और निर्णय एक ही हो सकता है कि सरकार और उसके नागरिकों के बीच बातचीत करने के लिए किसी मध्यस्थता की जरूरत नहीं है। हमें किसी नये पीस मिशन की आवश्यकता नहीं है।

**THE LEADER OF THE HOUSE (SHRI M. C. CHAGLA):** We have no information whatsoever about this and there is no basis for what has appeared in the papers.

**श्री प्रतुल चन्द्र मित्र (बिहार):** आज अखबार में यह निकला है और उसमें यह बताया गया है कि मुख्य मंत्री श्री चालिहा ने उसका स्वागत किया है . . .

**श्री सभापति:** इस बारे में कोई डिसकशन नहीं होना चाहिये। उन्होंने नोटिस भेजा था इसलिए उस पर तबज्जो दिलाई है।

We go to the legislative business.

#### THE KERALA BUDGET, 1966-67—*contd.*

**SHRIMATI DEVAKI GOPIDAS (Kerala):** Mr. Chairman, I stand here to support the Budget proposals before us pertaining to Kerala. Of course, it is not with much pleasure I do so but it is with a heavy heart. Normally, this Budget should have been presented before the Kerala Legislature, vote for every Department should have been dealt with in detail, and the representatives of the people should have had enough opportunities to discuss them and to bring before the Government the needs of the various localities. But we are not getting opportunities like that, the Centre is ruling there and the officers are ruling there. Anyway, in this contingency, this is the only possibility.

[**THE DEPUTY CHAIRMAN** in the Chair.]

We find from the Budget proposals that the estimates of revenue will be higher, from Rs. 80 odd crores to Rs. 103.1 crores, in this Budget. There is an increase. But this increase is not realistic in the sense that by the recommendations of the Fourth Finance Commission we are getting some revenue from the common pool that has accrued from the excise duty and other revenue collected from the State. That

comes to about Rs. 6.25 crores. So, this enhancement that is found there, that is added to, is not so much realistic. Then again, we find that on interest from the loan to the Kerala State Electricity Board a sum is included, that is about Rs. 4.9 crores. That is also not realistic. Anyway, that is the position.

We find that expenditure on the revenue side has gone up by Rs. 15.8 crores more this year. But I am not very happy to support this because we find no additional service for any industrial project or any developmental programme in the State; this is merely for administrative expenditure. We find that for administrative expenditure even though we are incurring a huge amount, an excessive amount, the administration is not up to the mark as it ought to be. There is so much of administrative delay in every sphere. There is so much of lack of imagination in the dealings of day to day affairs, and there is no human touch. I can just show it from the answers to some of the questions put very recently.

There was an acute power shortage in our State and I put a question here as to what was the total loss on the industrial sector on account of power shortage. That is the question I put and from the answer to that question it can be seen in what callous way the affairs of the State are being handled. It is not in any imaginative manner the whole thing is going on. The reply is there:

“As various factors affecting industrial production; it is ordinarily not possible to assess the loss due to cut in power alone. Many industries utilise such periods of compulsory shut-down to get through their periodical overhauling, cleaning up, maintenance, etc.” But from the annual report that has come out on the industries we find that in respect of one factory alone, that is, FACT, not less than Rs. 11 crores is the loss for the last three years on account of power cut alone. This is the imaginative way in which things are going on there.

But the expenditure on the administrative side is to be incurred for enhancing the pay scales of the N.G.Os. Still we find that the N.G.Os. are not satisfied with the revision of pay that has been granted to them by the Pay Commission. Anyway, they are threatening to stage a strike, and

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I hope that the Government will take early steps in time to avert such a mishap in the State which will paralyse the administration of the State and land the State into difficulty. The N.G.Os. who have served the Government for more than fifteen years, are not getting any relief according to the pay revision in comparison with the fresh recruits. I feel that they should be given some relief, at least one increment for every ten years of service. That is the minimum that should be given, and that is only just and proper.

Then, we find that there is so much of saving. From the Appropriation Accounts for 1963-64, 1964-65 and 1965-66, we find there is a saving from the amounts voted, that is about Rs. 17 crores. Out of the total money voted for expenditure there is a saving of Rs. 17 crores. This we find is on essential services. Under university education alone it is 7.6 per cent. 57.7 per cent. is saved on general education; and on medical service 55 per cent. is saved out of the amount that is voted. Most of the essential service grants have not been spent, and we find that this is only because of sheer incompetence in performance. Always we find that at the fag end of the year money is allotted and that is spent somehow. We have to see that that is not the position. Money allotted for each Department should be given in time and that should be utilised in such a manner that it is beneficial to the maximum. It need not be shown that so much amount is expended. This fact we have to note.

We find that there is a huge amount of arrears of taxes to be collected. In the year ending 31-3-1964, Rs. 10.20 crores out of Rs. 80 crores is arrears; on 31-3-1965, it is Rs. 10.37 crores out of Rs. 80.38 crores including revenue from the Centre on account of the 16 per cent from the Central pool we are getting. In regard to the collection of tax arrears I have to say that there the policy adopted should be equal to all. We find that from small merchants utensils and everything are being taken away by the revenue authorities for small amounts. But big people get exemptions. So there is frustration among the small business people. We have to see that such things are avoided. When we frame rules, they must apply equally to all.

1 P.M.

We find that the main problem regarding Kerala, to put it in a nutshell, is the growing pressure of population on land coupled with a high degree of population growth, secondly, an undeveloped industrial sector and a highly developed social service sector, especially in education, which are adding to our burden of educated unemployment. Regarding education, I would like to congratulate our Education Minister for his word, for the promise that he made in his statement yesterday, during his speech, that the fifth Central University will be located in Kerala. We find at this juncture that there is only one university there and there are about 120 colleges. And so many lakhs of students are studying there. Everybody knows that more than 85 per cent. of the people in Kerala are going to school without any compulsion whatsoever. Even if they do not have anything to eat, it is sure that the parents will send their children to school. In view of this situation, unless there is another, one more, University there, it is very difficult to maintain that discipline and maintain control over the colleges and the curriculum. Education has so much improved there that educated unemployment is the main problem facing the State so that industrialisation is the only possibility of solving the unemployment problem. It is stated that Kerala is a problem State. But the problem there is only this. When the people have nowhere to turn to, nothing to do, nothing to live upon, frustration exists and their attention is turned upon something. As it is said, an idle brain is devil's workshop. So, the intelligent youngsters, who are out of the university, find no jobs and they find it difficult to remain quiet. So that is the root cause of all the unrest. And we find that the people who have something to do, something tangible to live upon, they are not going into party politics or anything of that sort but they are looking to their own affairs and they are for the improvement of the State and for having a good Government there.

We find that Kerala has not got any mineral oil or coal. But Kerala is blessed with hydro-electric power potential. But up to this time only 8 per cent. of the hydro-electric power potential is tapped. If all the projects that are coming up are completed in the manner in which they ought

to be completed, even then only 21 per cent. of this potentiality will be tapped. We find that cheapest electricity can be produced from hydro-power there. But still that small State, that is situated at the far end of the country, is suffering from a severe power-cut. We were producing 32 lakh units per day before the power-cut. Now, that has fallen to six lakhs because there was no monsoon last year. The present installed capacity is 192.5 MW; in summer it fell to 105 MW. There is a chronic deficit of 87 MW of power every year. And as I have already stated the industries there are suffering and we incur so much of loss from the power-cut.

**THE DEPUTY CHAIRMAN :** You have taken nearly 15 minutes and there are five more speakers.

**SHRIMATI DEVAKI GOPIDAS :** We are only two Members from Kerala. So we have to be given more time.

**THE DEPUTY CHAIRMAN :** There are also others. The Chairman has said that one hour is allotted.

**SHRIMATI DEVAKI GOPIDAS :** Anyway, we are not discussing the Appropriation Bill.

**THE DEPUTY CHAIRMAN :** How much more time do you need ?

**SHRIMATI DEVAKI GOPIDAS :** I want ten minutes.

As I have stated, the loss incurred by FACT alone comes to Rs. 10 crores and according to the reply given to me on the floor of this House, for putting up a 100 MW thermal station the cost comes to about Rs. 10 crores. Let me just ask which is better—whether to incur loss on account of not putting up a thermal plant or to put up a thermal plant and solve the problem of everything, that is unemployment, etc. ? Now in the 27th Report of the Committee on Public Undertakings, they have stated :

“No industry can thrive if it has to reduce production to one half for about 100 days in a year. There are several new factories and additional new plants in the existing factories which have been erected in many parts of the Kerala State which are waiting for power in order to be commissioned. Such a state of affairs if allowed to continue is bound to have

adverse effects on the economy of the State. The present power cut is for six months. In an already densely populated State, the creation of further unemployment by lay-off of industrial workers creates several social problems. The Committee feel that a 100 MW thermal unit would meet the requirements of the State in full. Hence the proposal is worth reconsideration by the Central Government.”

This is the recommendation of the Committee on Public Undertakings. Even before, the then Finance Minister, Shri T. T. Krishnamachari, had promised that one 100 MW thermal plant was coming to Kerala and the concerned Minister, Dr. K. L. Rao, has also said that we will be getting a thermal plant. But nothing is happening.

Now, this is the position. We have not improved in the industrial sector and in the matter of industries, we are not getting much consideration, the backward States like Kerala, Orissa and Assam. So the licensing policy about such backward States must receive special consideration if we want incentives to be given. We find that there is not much resource inside the State for investment; we do not find a large number of entrepreneurs coming forward within the State itself. So we have to see that the licensing policy and the investment policy are given special consideration. We will have to say that if you put up such and such factory in Kerala or in Orissa or in Assam, you will get such and such special consideration. In that way the Central Government must come forward. Then only will these backward States become advanced and will be able to tide over the gulf between the improved areas and such backward areas. It is the considered policy of the Central Government that regional imbalances should be reduced. Taking that into consideration, we have to see that regional imbalances are reduced by bestowing special consideration on backward States. But in spite of all this, we find that some factories that have already received licences for operation in Kerala have shifted to some other places. For example, an American firm for the manufacture of packing paper, with an investment of Rs. 15 crores, dropped the idea, because the

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correspondence went on for one year. They found that it was better to drop the plan and so they dropped it. When the Government agreed to it and that sanction came to Kerala, this factory had decided to scrap it after incurring so much of expenditure. There was one firm for manufacturing road-rollers and that has also shifted to Mysore. A proposal for setting up a factory for the manufacture of ocene and gelatin has dragged on for three years because licences are not coming forward. I feel that it must be implemented soon and it must be given a preferential treatment. In Kerala, there is the Industrial development Board. The Kerala Government is doing its mite. But without enough money to invest and without enough co-operation from the Centre, this Development Board finds it difficult to pull on. They go out and cajole and canvass foreigners and entrepreneurs from other States to come and put up factories in Kerala. But here at the Centre we are not getting enough encouragement. Because of lack of special consideration, these people are not coming forward and no industries are forthcoming. So we have to give special consideration to factories that are being started in the backward areas. Then only we will be able to tide over the gap between the backward areas and the forward areas. In the Central sector investment policies, the question of backwardness will have to be given much more consideration. In that also we are not moving in a proper directions.

In Kerala, only Rs. 79 crores were invested in the First Plan and Rs. 25 crores in the Second Plan though we have spent more than Rs. 2,000 crores in the Central sector in the Second Plan and that investment includes the shipyard also. And regarding the shipyard it is stated that the report has come after 15 years. And when it is asked whether it will be set up, there is no proper reply. Every year we have been bringing facts before the House but nobody is here to care to them and answer about them. I hope we will be given due consideration and not only evasive reply.

Then, there is an oil refinery to be commissioned soon in Kerala. In connection with that refinery a set of industries are to come up. Madam, the unemployment problem can be solved to some extent by

starting industries which are ancillary industries to the heavy industries and there is scope for many ancillary industries depending upon the petro-complex industry in connection with the Cochin Oil Refinery. We thought that this petro-complex industry is going to come to Kerala. But now there is no definite answer in that respect also. I request that petro-complex industries connected with the Oil Refinery should come to Kerala so that so any ancillary industries can sprout upon it. That would solve the educated unemployment problem of the State.

Coming to fisheries, let us realise what steel is to Bihar and Bengal, fishing is to Kerala. It is the policy of the Government to form co-operative societies for fishermen. Trawlers are to be introduced which will improve the living conditions of fisherman and bring more income to the Government. There are about 20 lakh fishermen in the State. The third Plan target for the co-operative societies was 180. But because of the enthusiasm of the people, the number of fishermen's co-operative societies is now 210. We have invested money on trawlers etc. Now, the Fisheries Corporation is coming up. But I wonder of how much help will this Corporation be to the fishermen society. In the minds of the concerned quarter there is so much of apprehension. They feel that this Corporation is not going to function properly and it is not going to be beneficial to the fishermen. How they will fit in the fishermen society I am at a loss to understand. Anyway, such things have been put up previously also. And our experience in such things has been that more and more of retired people are put at the helm of affairs. The fear is that young men bubbling with enthusiasm, with scientific knowledge, will not be allowed to work. Their ideas are not allowed to be carried out. Retired people with old thoughts are put at the helm of affairs. Today, we should avoid such things to enable improvements to be there in all the sectors.

Regarding the labour sector I would like to say one word. The labourers there are skilled labourers and they can do any sort of work with dexterity but the difficulty is about labour troubles. Even in the Cochin Dock, when unloading foodgrains, we find there are labour troubles. I would

request my friends from the Opposition to help to educate the labour force so that all of us march along for the improvement of the State. I wish and pray that all of us join together to see that improvements are effected in the State.

**THE DEPUTY CHAIRMAN :** You have taken ten minutes as you wanted.

**SHRIMATI DEVAKI GOPIDAS :** Just one minute.

Regarding the food situation, the prices, specially of rice, are very high in the State. Then there is the levy from the Government side. There are complaints that they are incurring more by way of administrative expenditure. Our representatives in the Government are responsible for charging more from the public. Since I have no time, I cannot afford to go in detail. I have to state many things. My case is an example. Two months before I had no ration card since it had been taken away from me. This shows how the Government encourages people to go into the black market. I had to go to the black market for purchasing rice.

**AN HON. MEMBER :** Why go to the black market ?

**SHRIMATI DEVAKI GOPIDAS :** I have to go to the black market to feed my children because I cannot allow them to starve. That happened for two months. My ration has been cut on the ground that I have some paddy land in another district without any consideration whatsoever as to when that harvest will come. I wrote a letter and the reply came 1½ months after that. Now they have asked me to produce a statement from the other taluqa office. So things are going on like that. Therefore, we have to see that the food situation in the State improves considerably. For that we have to pay great attention to the irrigation works. We have to invest more and more on irrigation works which are already shattered. I feel that by improving the cultivation, by producing more, only that way we would be able to solve the problem. I would challenge anybody to put his hand on any plot of land which is not being cultivated in Kerala. Therefore, by irrigation and intensive cultivation we have to improve the production. For that also some more amount has to be

invested. There are already so many irrigation projects started. A sum of about Rs. 13 crores is to be invested in medium irrigation works. I hope the Government will bestow proper attention on these matters. I take it that the authorities would not recruit more hands in administration when the Administrative Reforms Commission is already looking into the problem. While creating more force, they must see that the money is invested in such matters where it is useful and advantageous to the general public. Thank you, Madam.

**SHRI S. S. MARISWAMY (Madras) :** Madam Deputy Chairman, years ago I witnessed a case when a man was convicted for unlawful entry and harassment of people. The Government of India appears to me, Madam, exactly like that accused. The accused, when he was sentenced, was given another three months extra for having entered into the house when the head of the family was not present in the house. In the case of Kerala too, the Government of India have acted in the same manner as the accused did. It has taken upon itself the unnecessary burden of the State and is meddling in the State's politics when there is no Assembly.

Madam, the Assembly was elected, but it was not allowed to function itself. So in that respect also the Government of India is doubly guilty.

Madam, Kerala is noted for its highest rate of literacy and for its adventurous and enterprising people about which many of my predecessors have spoken. But Kerala is also noted for its abject poverty. Politics has become a bane to that State and Congress power politics has become a curse on the people there.

The other day the Minister of State, Mr. Hathi, had said that Governor's rule is unavoidable in Kerala. Instead he should have said that the Opposition rule in Kerala is unavoidable. If he had said so, I would have applauded him and I would have garlanded him. But I know they are not here to speak the truth in regard to Kerala. They are here to prop up the dead Congress in Kerala. That is why Governor's rule is imposed upon the people, and here, sitting 2000 miles away, we are to discuss the Budgetary demands of that poor, helpless State.

[Shri S. S. Mariswamy]

Recently, Madam I was informed of some of the Governor's actions, some of which are termed as high-handed. There is a Consultative Committee which is not consulted on major items. Far-reaching decisions are taken by the Governor independently. For example, Madam, the retirement date of the District Magistrates has been extended in order to oblige a few individuals. This case, I am told, was put up before the former Governor, Mr. A. P. Jain. But he had flatly refused to be a party to such a far-reaching decision. Now, Madam, the present Governor has extended the retirement age of the District Magistrates.

There is another thing which has come to my notice. The Governor has cancelled some of the concessions and other facilities that were earlier accorded to the backward communities in certain parts of Kerala. These facilities were enjoyed by that particular community from the days of the late Dewan, Sir C. P. Ramaswamy Ayyar, and the Britishers. Now, without making any enquiry into the case, the Governor has cancelled it.

Mr. Palat Kunhi Koya was speaking about Malabar yesterday. He said that Malabar is another Kerala in Kerala but how it is receiving a step-motherly treatment. Madam, this area has been a backward area for a very long time. Still it is getting step-motherly treatment at the hands of the Government of India also.

As regards the industrial policy of Kerala, I do not know what is the real policy there. Very recently, to put up an aluminium factory some power concessions have been extended to an industrialist from upper India. I am also told that the same industrialist has been given huge contracts for exploitation of forest wealth. I do not mind a man from outside is given concessions, but I want to know whether these concessions are extended to bring in outside capital or to discourage the local talents. If local talents do not come out to start industries, why it is so? It is because the industrial policy discourages to attract the local talents. If it were so, how does the outside capital come? Something attractive must be there for outside capital to come in and what are these attractions? Is it to oblige this particular

industrial house that concessions are extended? Is it also because of that that this particular industrial house is a major donor for the Congress funds? If the answer is in the affirmative, this evidence is self-sufficient to show that the prime aim of our Government in chalking out industrial policy is not for balanced industrialisation of our country but to distribute favours to their favourite few.

Another glaring exploitation of public exchequer by the higher-ups in the Congress Party must be brought to the notice of this hon. House. Here I have before me the Sixteenth Report of the Committee on Public Undertakings which relates to Trivandrum Titanium Products Ltd., Trivandrum. Here you will find on page 16 the adverse comments made by the Committee against the sole agency given to Messrs. T. T. K. & Sons. The commissions paid to T.T.K. & Sons during the years 1962, 1963, 1964 were Rs. 1,67,069, Rs. 2,06,412 and Rs. 2,52,875 respectively. The Committee in their recommendations expressed unhappiness "with the terms and conditions of this agreement in view of the great demand for the product." The Committee have expressed their doubt whether "any sole selling agent is necessary to effect or push sales" of a product which is fast selling without any canvassing whatsoever. The Committee has seen "no justification for continuing the existing system of sole agents, whatever the historical reasons for those terms of agreement might be." We need not go into the historical background of the contract because that will bring to the surface many other said stories.

Madam, I would like to bring to the notice of this House a paragraph from the speech of an hon. Member of this House. He is my good friend. Unfortunately I do not find him now. He is also from Madras like me but he belongs to the Congress Party. I am referring to Mr. S. S. Vasan.

SHRI LOKANATH MISRA (Orissa) .  
He is a film producer.

SHRI S. S. MARISWAMY : He is a studio owner. He delivered his maiden speech on the 11th of May. Unfortunately I was not present. He had taken a portion of my speech wherein I had stated that the

Congress policy is double-faced and shameful because it tries to hoodwink America and Russia. He had taken that portion and used it as the main topic of his speech. I am grateful to him for having done that. He says :

"If this is a shameful policy, I say this country has been carrying on this shameful policy for the last sixteen years. If mighty nations like America and Russia are being hoodwinked by the Congress, then the Congress has been successfully hoodwinking them for the last sixteen years and it requires to be congratulated."

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI B. R. BHAGAT): How is it relevant to the Kerala Bill ?

SHRI S. S. MARISWAMY : Madam. I spoke on the Appropriation Bill and he replied to me on the Finance Bill.

SHRI B. R. BHAGAT : That you can do but this is the Kerala Budget.

SHRI S. S. MARISWAMY : In this connection I will narrate an amusing and interesting story. Some years ago a fellow was found having stolen something from some house. He was taken to the Magistrate. The Magistrate asked him "Is it true that you have stolen it ?" He replied "Yes". Then the Magistrate told him that he was going to be convicted. The culprit turned round and said "Sir, you do not know what risk I took. On the night when I went to steal it was pitch dark. I braved the night and the path which I treaded to that house was a dangerous path. I covered that path. When I reached the house, it had a compound wall 25' high. I climbed it and got into the compound. There I found 20 people with deadly weapons in their hands. I managed with them. Eventually I entered the room where the iron box was there. I found to my great shock the iron box was so big and impregnable and foolproof against anything. Yet I opened it. I came back after having done so many things. Instead of congratulating me you are convicting me." So Mr. Vasani also wants the Congress to be congratulated for its successfully hoodwinking both America and Russia. So you have been hoodwinking both America and Russia. But are they so gullible people, are they capable of being hoodwinked

or are they going to hoodwink you eventually ? That is a matter to be decided by history. Thank you.

THE DEPUTY CHAIRMAN : The House stands adjourned till 2-30 P.M.

The House then adjourned for lunch at twenty-nine minutes past one of the clock.

The House reassembled after lunch at half-past two of the clock, the DEPUTY CHAIRMAN in the Chair.

STATEMENT BY THE MINISTER OF PLANNING REGARDING HIS VISIT TO WASHINGTON AND OTTAWA

THE MINISTER OF PLANNING AND SOCIAL WELFARE (SHRI ASOKA MEHTA): Madam, I rise to report to Parliament on my recent visit to the United States of America and Canada for discussions on economic aid. The principal purpose of my visit was to have discussions with Mr. George D. Woods, President of the World Bank, which is the sponsor of the Aid India Consortium, and with the United States Administration. During my stay in Washington, I had the opportunity to meet President Johnson, high officials of the United States Administration and leading members of the United States Congress. In Ottawa, I had very useful discussion with members of the Canadian Government. All these talks were marked by a spirit of warm cordiality and understanding.

As the House is aware, one of the principal problems we face in regard to giving a proper shape to our Fourth Plan is the uncertainty regarding the extent of assistance which we should hope for and which we could legitimately expect from friendly countries in support of the development programme we have in view. We have, in this connection, had discussions with the Soviet Union and other countries who are not members of the Aid India Consortium sponsored by the World Bank. Following the Prime Minister's visit to the United States of America and other countries in March, we found it essential to discuss further with the World Bank and with the United States Government, as one of the principal members of the Consortium, their ideas about aid commitments to fulfil the objectives of rapid economic development of India in the next