

श्री राजनारायण : श्री श्यामधर मिश्र ने सत्य को सपरेस किया है और हाउस को डिसीव किया है और मैं चाहता हूँ कि यह मामला प्रिविलेज कमेटी में जाना चाहिये ।

**MOTION RE DEVALUATION OF THE RUPEE—Contd.**

MR. CHAIRMAN : Motion regarding devaluation of the rupee. Shri Babubhai Chinai.

SHRI BABUBHAI M. CHINAI (Maharashtra) : Sir, so much has been said on the subject of devaluation of the rupee that what I have to say today may seem to be either repetitive or ail-too familiar. Insofar as devaluation is a major decision not only in the career of the Government but also in the life of a nation, it casts a heavy responsibility on Parliament. It is up to us, the legislators, to objectively assess the manifold implications. I feel that at this stage no useful purpose will be served by merely applauding or decying the measure. Nor is the present the time for anger or self-pity.

As the decision has been taken, it is urged from the Treasury Benches that the need to go into the reasons for devaluation are not important. I do not agree with this view. I believe that it is essential to discuss the 'why' of devaluation—economic and other reasons which have led up to this drastic measure. The 'why' of devaluation is no less important than the *pros* and *cons*.

I will first deal with what is popularly called political arm-twisting. It is alleged that the Government of India have succumbed to the pressure of international financial institutions and the US Government. This allegation, to say the least, is mischievous and misleading. Let us pause for a minute and ask ourselves how these international financial institutions and the Government of the United States of America gain from our devaluing the rupee. They will not get more, say, by way of dollars, or sterling. They will not benefit if devaluation worsens further our economic situation. In fact, as creditors, they must be interested in the viability of our economy. Therefore, I put it to the House that the suggestion that emanated from overseas is a friendly one and that is in our interest. At the same time I will not minimise the problem

that confronted our Government. The choice was devaluation and aid, or no devaluation and economic stalemate. I, for one, fail to understand as to why our Government spokesmen do not frankly and boldly admit their predilection for the obvious choice. Is it derogatory to our national prestige to say that we accepted friendly advice ? Is it a crime for any Government to do what is best by the country ? It is vainglorious and irresponsible for anyone to say that we shall be able to push forward without external assistance.

Let me now come to the economic reasons. According to me, the circumstances in which the decision to devalue was taken comprised mainly of three factors : (1) the rise in prices; (2) the fall in production; and (3) the balance of payments difficulties. All these reasons are, in a way, sub-reasons. The principal reason lies in faulty planning, excessive spending and heavy taxation.

Prices began rising because on the one hand Government were spending too much and, on the other, there was a decline in agricultural production. Agricultural production in 1965-66 was 73 million tonnes only as compared to the normal requirements of about 90 million tonnes. This short-fall was brought about mainly by unfavourable monsoons. It must be admitted that our agricultural policy was not wholly production-oriented and if right measures were taken the short-fall would not have been so much.

Industry was not working at full capacity because of the shortage of industrial raw materials, particularly imported. The rate of growth last year was about five per cent, as compared to the average growth of about 9 per cent.

The balance of payments difficulty arose because (a) exports were stagnant at about Rs. 800 crores; (b) imports were rising and were about Rs. 1,400 crores; and (c) there was a pause in foreign aid following conflict with Pakistan.

Before I pass on to the question as to whether devaluation by itself will prove to be an adequate remedy to our major problems and what supplementary measures are to be taken, I wish to refer to the dramatic manner in which the devaluation decision was announced. It was preceded

[Shri Babubhai M. Chinai.] by statements from Cabinet Ministers that devaluation of the rupee was not contemplated. I do agree that no Government would declare beforehand its intention to devalue currency. It must be kept a guarded secret. But, Sir, I will not give undue credit to our Government. If the devaluation decision was kept a well-guarded secret, it was more because no supplementary measures were simultaneously taken by the Government. Take the United Kingdom. Only a few weeks back, Her Majesty's Government announced a series of measures to support the Pound. Let us hope that the Pound will not go the rupee way. If it does, Her Majesty's Government have at least prepared themselves in advance.

SHRIBHUPESH GUPTA (West Bengal): Sir, may I submit that what hon'ble Members are speaking is not being taken any notice of. There is not a single Cabinet Minister, certainly not even the Finance Minister. Now although I have put the motion myself, it is better for the Government to consider as to what hon'ble Members are speaking. On a previous occasion also they were not present. Then they came, and even after that they do not make sure that the Finance Minister is present in the House and the work is not so arranged that it does not clash with the other House. That is why discussion on devaluation had been postponed earlier to these dates so that he could have time. Now we find that having done this we do not get him. Not that I am very much keen on having him. I think the Government should be properly represented to listen to what the hon'ble Members have to say. Apart from that, this is not treating a particular House with due respect.

MR. CHAIRMAN : Mr. Gupta, you have made your point.

SHRI MULKA GOVINDA REDDY (Mysore) : The point is, Mr. Chairman, the other day when this question was raised the Deputy Chairman was presiding and she advised that the Minister of Finance should be sent forth and that he should remain in the House when the discussion goes on. That was the advice.

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI L. N. MISHRA) : There is no question of not

caring to the advice. We give due respect to this House. We have all respect for the House. That day also the Prime Minister came and later the Planning Minister as also the Finance Minister came. Today in a few minutes' time the Finance Minister would be coming. The law Minister was here. The Finance Minister will be coming soon.

MR. CHAIRMAN : I think it will be in the fitness of things if Ministers take note of the feeling in this House. This House feels that there is an important discussion going on and the Government is not represented. It is not good at all.

SHRI BABUBHAI M. CHINAI : They have taken all the necessary measures which they would anyhow have to take along with or immediately after devaluation.

So far as supplementary measures are concerned, no one seems to know what shape they will take. In a sense these supplementary measures are more basic than devaluation for devaluation is only a step. Towards what end has this step been taken? Government have not come out so far with even broad proposals which will indicate the direction in which we are bound.

Are the Fourth Plan proposals an indication? Let me take up the size of the Fourth Plan in the context of devaluation. Last year I had the privilege to move a resolution on the approach to the Fourth Plan at the 38th Annual Session of the Federation of Indian Chambers of Commerce and Industry. In the course of my speech I expressed concern over the stresses and strains experienced by our people— stresses and strains caused by distortions and imbalances on account of faulty planning and poor implementation. In particular, I urged that it is more practicable to see that immediately we achieved expansion of the capacities of the existing industries rather than we aimed at the establishment of new units in the public sector.

Madam, Shri Asoka Mehta in his capacity as Deputy Chairman of the Planning Commission was good enough to address I that session. He pointed out with great

eloquence that it would be disastrous to accept a smaller Plan. He went on to ask as to where a cut could be made— education, health, housing, industry, agriculture ? He came to the conclusion that since so much has got to be done in all these areas, it is unthinkable to cut down the size of the Plan. Finally, he admonished the Parliament of industrialists for choosing to put a spoke in the wheel of progress.

I would like to put on the raiment of hope. But can I, as a responsible citizen, overlook the realities ? Look where you will, prices are rising. There is talk of reduction in governmental expenditure. I find no follow-up action. The run on the Reserve Bank by both the Central and State Governments has, in no way, diminished. The files in Government departments move as slowly as before. There is hardly any sense of urgency in any limb of Government. Yet we are told that the Fourth Plan outlays will be of the order of Rs. 23,750 crores. This is roughly Rs. 6,000 crores more than the Second and Third Plan put together. Can the nation afford this ? As it is, the Fourth Plan has started off in an inflationary situation. Prudence demands that the inflationary forces are restrained and not accentuated. Let not zeal overtake experience and rational calculation.

The challenges of devaluation must be met more fundamentally with a greater sense of urgency. Let us remember, devaluation by itself will not increase agricultural production, nor will devaluation by itself broad-base industrial development. We have to ensure that we establish a permanent basis for the growth of agricultural and industrial output. Export promotion and import substitution cannot just take place merely because we have devalued the rupee. We have to improve our economic working, and administrative machinery. Besides, we must really do first things first. On this basis, I suggest what has to be done :

- (a) Government's spending, whether Plan or non-Plan should be reduced drastically;
- (b) Government have to concentrate for the next two or three years on increasing agricultural output;

(c) Expenditure on prestige projects or even projects with long gestation period should be avoided. For this reason the Bokaro Project and other similar large projects have to be shelved for the time being. Projects which are already in hand should be completed as expeditiously as possible.

(d) Consumer goods industries must be encouraged to expand and develop.

(e) Industry has to be provided with funds to develop and expand. This can be achieved by :

(i) increasing the resources of financial institutions;

(ii) removing credit controls;

(iii) reducing taxation on corporate and individual incomes.

It might well be asked by my friends : How are we going to solve the price problem immediately ? While there is no ready answer, I am sure in my mind that air-conditioned supermarkets are not the answer, nor the summary arrests here and there of traders who have been subsequently proved to have committed only minor technical offences. I see in these two actions potential dangers. Crores of taxpayers' money will be lost in the running of supermarkets. What is worse, these supermarkets will not cater to the common man. The summary arrests of traders may bring for the time being some popularity to the administration; but let us not forget for a moment that summary arrests constitute a violation of democratic principles. The treatment meted out to the traders may well be extended to other sections of the community. We, as the guardians of the rights of citizens, must keep this danger in mind.

To sum up, let Government boldly and frankly acknowledge that we have accepted foreign friendly advice because it is good for the country. Let the Government take an oath that there will be no deficit financing. Let Government convince the people that big temples will yield to small shrines. Above all, let the Government convince the citizen that the administration moves faster, not in violating his rights, but in helping him to improve his standard of living.

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Our big problems, cannot be solved by Government alone. No doubt Government have assumed a major role in the shaping of the economy. Every section of the community has to pull its weight. Employers' organisation and trade unions must extend their active and constructive collaboration. They must bear their share of the responsibility for restoring health to the economy. There is as much need in trade union and managerial circles, as in Yojana Bhavan, for soul-searching and serious rethinking.

A word about gold control. ShriMishra stated that he was not in favour of repealing Gold Control Order while winding up his speech. He has not advanced any reasons for that but I would like to put before the House as to why gold control should go. In the first instance, gold control has put a premium on dishonesty. Secondly, in order to enforce gold control, a huge sum is being spent on administration. Also one other factor which should be taken into consideration is that about two million goldsmiths have been rendered unemployed because of Gold Control Order. One should realise that just as there is desire for land there is strong longing for gold. The farmers who have to face every third year a bad season want to fall back on their resources of gold. This has been so for centuries. But now they have no other alternative except to hold on to foodgrains which is not good for the country as a whole.

If gold control is removed, hoarding of foodgrains will automatically go. The country is importing goods worth about Rs. 1400 crores. I would like to suggest that at least one per cent, of this should be earmarked for import of gold at international prices. If such imported gold is sold in the country at market prices it would do a lot of good. The price of gold will come down. The farmer will have something to depend upon in bad times. The exchequer will benefit because of sale of gold at higher market prices. This money could be used for productive purposes. In this context, I would suggest that all restrictions on 22 carat gold should be done away with and there should be freedom to make ornaments of any purity. If Government desire to have some control,

that could be done by licensing those who deal in bullion.

Before I sit down I wish to say as one who believes in the competence of our Government, and, more importantly, as one who has a deep and abiding faith in the people, that despite those who forecast disaster, the economy will soon turn the corner.

SHRI BAMKA BEHARY DAS (Orissa) : Mr. Chairman, I fully support the Resolution moved by Mr. Gupta. Two major acts of betrayal and surrender, one in the-external front and the other in the home front, have been committed by the Congress Government for which posterity will blame the Congress Party.

MR. CHAIRMAN : I might as well announce at this stage that we shall sit up to 1-30.

SHRI BANKA BEHARY DAS : Both the acts of betrayal are the consequences of continued blunders, lapse, both wittingly and unwittingly committed. Both the acts, one in the face of the Chinese aggression and the other devaluation, have completely devalued the prestige and honour of this great sub-continent which one day, after Independence, was being thought of developing into a great world force in the course of a few decades. Whatever might be the reasons or excuses of the Government for devaluation, there is no denying the fact that the Indian Government which has tied itself to the apron-strings of foreign capital and foreign countries during the last three plan periods, have taken recourse to devaluation under foreign pressure. For the last two years the World Bank and the International Monetary Fund insisted on the Government of India to resort to devaluation of our currency. We had resisted it and the former Finance Minister, Shri T. T. Krishnamachari, rightly said in his broadcast speech of July 17, 1965 that the devaluation is no answer to our problem. It is like an opiate.

Even when this question was raised in both the Houses of Parliament on the basis of rumours which were floating in the air of New Delhi because of Bell Mission's report which was kept secret from the public eye and because of the conspiracies amongst the bureaucrats of the Finance

Ministry which was leaking out, the Government denied of such a proposal. But the dialogues and pressures went on between New Delhi and Washington which resulted in devaluation. It was a shock more horrible than the earthquake tremors for the Indian masses, a betrayal of the common man and a stab in the back of Parliament, that it was a pressure to which the Government of India bowed down is indirectly admitted by Mrs. Gandhi in her note to the Working Committee held during the first week of July. Here I may quote from 'The Patriot' which has always supported the Prime Minister from which it will be evident how the India Government had to bow down to foreign pressure and devalued our currency. I quote from 'The Patriot' of July 6 :

"The Prime Minister's note to the Working Committee—The I.M.F. had been advising us for some time to devalue formally. When there was a pause in aid, the IMF argued still more strongly in favour of *de jure* devaluation. The World Bank economists were also in favour of a realistic exchange rate.

In the light of such concerted advice we had to reckon with the possibility that aid for the Fourth Plan may not gather momentum unless we are prepared to formalise a situation in regard to the exchange rate which was already developing in practice."

From this note of the Prime Minister to the Congress Working Committee it is evident that there was 'concerted pressure upon the Government of India. What is this concerted advice if it is not concerted pressure, concerted intimidation and concerted coercion which resulted in the capitulation of the Government of India ? Again to prove this contention I may quote from the report of the Commerce Ministry of 1965-66. This [report must have been prepared in the month of April or May just one or one and a half months before the devaluation came into being. I must say that this report does not represent the views of any clerk in the Ministry or of a Minister of the Commerce Department. It must be the views of the India Government. Just one month before the devaluation came, the report said :

"Recently there has been some talk regarding making changes in the valuation of our currency. About 80 to 82 per cent, of our export commodities move at almost the international price. Therefore, only about 18 per cent, to 20 per cent, of our total annual exports require substantial assistance in the form of import entitlement and/or cash subsidy. This position is evident

from Appendix \_\_\_ The commodities mentioned in Appendix XX(b) and (d) are moving almost at international prices and are, therefore, neither given nor require any major compensatory cash assistance or import entitlement for their exports. Excepting the burden of local and central taxes, there are no major drawbacks or cash subsidies required or granted for their exports. The exports of these items in a year amount to about 666-6 crores, (1965) out of the total annual export of Rs. 807 -5 crores (1965). Thus about 82-8 per cent of our annual export are more or less at world parity of prices." 1 P.M.

This is the Report of the Commerce Ministry for the months of April and May of the year. In another connection the Report says :

"The above clearly shows that any change in the value of our currency will only mean heavy losses in foreign exchange earnings in 82 per cent, of our exports as in Appendix XX (b) and (d)."

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Here I want to refer particularly to two speeches the other day from the Treasury Benches which challenged the statement of Mr. Bhupesh Gupta and said that because of devaluation foreign exchange earnings will not go down. So here I only quote the statement of the Commerce Ministry which deals with international trade and categorically says that if we had devaluation, then there will be heavy losses in foreign exchange earnings in 82 per cent. of our exports as in Appendix XX (b) and (d). To continue the quotation I referred to above :

"These items of our foreign trade will require imposition of heavy export duties to be imposed on their exports if we are not to lose foreign exchange in their exports through any such change.

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Such heavy export duties will be a very undesirable practice and will be disliked and disapproved by the countries of the world."

Sir, this is not my report or any report prepared by the Opposition Bench. This is the Report of the Commerce Ministry in which they have stated categorically that if you devalue our money, the foreign exchange earnings will go down but also we will have to impose certain export duties, as we have already done, and the Commerce Minister is coming forward with a regulation for those things after some time. What I say is that his Ministry, up till then, was opposing strongly devaluation. Moreover, I will again quote this Commerce Ministry Report to show how this devaluation will cause serious problems to the economy of this country, and otherwise also. On page 38 the Report of the Commerce Ministry says :

"Our national gross product is about Rs. 15,000 crores per year, of which foreign trade of about Rs. 2260 crores forms only 15 per cent. Of this Rs. 2250 crores, Rs. 1425 crores represent imports and any change in value of currency will put up the internal cost of all the products made out of these imports in such a manner that both the living standards and the wage structure of the working classes will be highly distorted and upset. Besides that, the exports of items manufactured from these imports will require further and substantial subsidies of a heavy character for their exports."

Sir, here I just mention that this is Commerce Ministry's opinion, and whatever arguments the opposition is advancing against this devaluation, they are practically buttressed and supported by the Commerce Ministry's Report which has been prepared only one or two months just before devaluation. Sir, in this connection I have to say that devaluation is a clear evidence of failure of past policies, of utter incompetence in managing a controlled or regulated economy in grave violation of financial discipline on the part of Government. In spite of warnings from various quarters, the Government went on with unbridled deficit financing and with utter dependence on' foreign aid. This resulted internally

in spiralling prices and depreciation in the purchasing power of the rupee, which contributed largely to serious balance of payments difficulties—I am not oblivious to other reasons also—and ultimately it led to *de facto* devaluation. Herein pressure after pressure from external sources was built up due to our dependence on foreign aid, and we had to succumb to others' pressures. In the name of the Plan; instead of building up a self-reliant economy, we have built up a dependent economy, which is another form of colonialism.

After three Five-Year Plans we have a distressing picture of our economy today. The economy is stagnating. The agricultural sector is often moving in the reverse gear. The industrial sector, both under private and public auspices, is showing poor results, and it also showed no signs of growth during the last quarter of last year. The rate of growth in the national income has taken a downward trend and it has fallen in real terms during the last year as a non-official estimate has shown. Prices are spiralling at a rapid rate picking the pocket of the common man and inflating the fortune of the pot-bellied monopolists of the **country**. The society is exhibiting its nudity by widening the disparity between abysmal poverty and exorbitant richness.

In spite of these evils in the economy of the country, that have raised their heads due to bad piloting of the economy by the rulers of today, the planners shut their eyes to the realities of the situation and resorted to reckless deficit financing and reckless spending without creating the commensurate wealth. During the Second and the Third Five-Year Plans, the **total** deficit financing was to the extent of Rs. 2,000 crores, and in the last year of **the** Third Plan it amounted to Rs. 400 crores, which is equivalent to the total deficit financing during the First Five-Year Plan period.

When the economy was brought to the verge of bankruptcy, the Congress Government wanted to lean *jpm* foreign aid for its existence. That is why the Government publication 'Devaluation of the Rupee—Some Questions Answered' suys on page 14—

"Action could not be postponed as all further aid negotiations hinged on

it. It is extremely doubtful whether without, demonstrable evidence of our determination and capacity to push up our exports and improve the external inability of our economy, we shall continue to get external credits, particularly as we are already at a stage when we have to incur fresh debts in order to pay off old ones."

This is not again any opinion of any opposition Member, but the opinion as expressed in an official publication, which had been circulated just before we came to this parliament, session.

Even though the Government of India appeared in sack cloth and ashes before the wide world by having devaluation of their currency virtually at the cost of their honour and prestige, the foreign aid has been only trickling, not pouring, as they thought.

Sir, in this connection I cannot but say that too much emphasis is being given to devaluation of other currencies in the past. The situation that led to devaluation in those countries was more because of external factors beyond their control, than to sheer incompetence and wrong policies. Even the devaluation in England in 1949 was not a success in spite of the observance of fiscal discipline, which we have failed to emulate. In this connection, Sir, I want to quote from a memorable book from which you can well understand what was the fate of this devaluation in England in 1949. Mr. H. E. Evitt, an English authority on foreign exchange, discussing about devaluation in England, says :

"In the end, therefore, the country was little, if any, better off from the trading point of view, while the blow delivered to the prestige of sterling took some years to live down."

Again he further opines :

"Though British exports to non-devalued countries gained immediate advantage, increased cost of imports resulting in general rise in internal price followed by general demand for wage increase inflated the manufacturing cost. . . So devaluation's effect was nullified."

Sir, this is again an expert's opinion on devaluation on which so much praise has been showered by the Finance Minister

in his broadcast just after devaluation Sir. But what is the condition of England now ? They are on the verge of another devaluation though the price has gone up by 18 points only within the last eight years from the base year of 1958 to 1966, while during the period our wholesale price has gone up by more than 55 points according to official estimates. A totalitarian country, or a semi-totalitarian country like Yugoslavia could succeed in devaluation, or a developed country like England with a high level of financial discipline and democratic consciousness can afford to risk such a serious surgical operation on its economy, but now poor India, whose economy has been mishandled and continues to be mishandled, can have devaluation only to move towards a condition of economic collapse. It has been a gamble in economic reform, which may ultimately land India in deeper morass. Even now, the Governments, in the Centre and in the States, have not learned to imbibe the spirit of financial discipline. The State Governments are resisting the advice of the Centre to cut their expenditure. Wastage and corruption in public expenditure are going on. The administrators have failed to realise the gravity of the operation on the weak anaemic economy of India. The price of essential commodities is shooting up since devaluation, which has resulted in serious situations in some of the States.

[THE DEPUTY CHAIRMAN in the Chair]

Even according to the official figures the price index has registered a rise of 7 points by the end of July, that is to say, within 7 weeks of devaluation. Super bazars in cities like Delhi may give pleasure to ministerial eyes, but the entire country has been thrown to the mercy of the consequences of higher prices due to devaluation and placed at the mercy of rapacious profiteers. (*Time bell rings.*)

THE DEPUTY CHAIRMAN : I am sorry, but you must wind up now.

SHRI BANKA BEHARY DAS : In another two or three minutes, I shall finish Madam. The argument that the price of imported articles alone will go up because of devaluation is sheer nonsense. The rise in the price of imported goods and capital goods will result in a rise in the

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prices of a large number of goods which depend upon those items which will again have a sympathetic impact on all materials and the process has already started.

Too much talk has been taking place on import curtailment and the growth of import substitution industries. As long as this country will be depending for raw materials and spare parts on the outside world even for running its existing machineries and industries, import curtailment will be a moonshine. If higher import duties could not solve the problem, devaluation will never do it. Rather we have been forced to pay more than 57 per cent for all imported goods we are purchasing after devaluation. Rather we should now emphasise on those sectors of our economy which will make us less and less dependent on foreign countries for spare parts and raw materials.

The Ministry of International Trade and Commerce has suddenly woke up from their slumber and are serving us a menu of export promotion. This very Ministry in its last year's report has vehemently opposed the idea of devaluation as that will not improve the balance of payment position. Now like a parrot they have also started echoing others.

In India about 80 per cent of the exportable goods are of the traditional variety. There has been a great amount of inelasticity in the matter of export. Moreover, most of them are agricultural products or based on them. When the Government has failed to augment food production during these twenty years since the attainment of Independence, like Rip Van Winkle they are now getting up and talking of the export promotion in these traditional goods. Even the programmes of export subsidy and export incentives have not augmented exports. They have not decreased the balance of payment gap which rose from minus Rs. 49-58 crores in the year 1950-51 on the eve of the First Five Year Plan to as much as minus Rs. 547-60 crores, by 1965-66. Under these circumstances, will devaluation help them in economic revival? It is another fantastic proposition.

I have no time at my disposal, but even ■so I may quote a few figures to show how

Ceylon in spite of our devaluation has been a challenge to us in the tea market. (*Time bell rings.*) Such is the case of many other exportable commodities. Let us not forget the trend of international trade. Is it not a fact that the share of developing countries in world export trade dropped from 27 percent, in 1952 to 20-2 per cent, in 1964 while their exports rose by only 61-3 per cent, as against the figure of 138-6 per cent, in the case of the developed countries? Devaluation may help a little, but not as much as is being talked of.

Even our debt charges have gone up by 57 per cent, in terms of rupees and our exchequer and tax-payers will have to bear a heavy burden to pay for it. The outstanding loans which stood at Rs. 2,733 crores before devaluation are now valued at Rs. 4,102 crores, an increase of Rs. 1,368 crores. The Finance Minister cried hoarse against the subsidy that the Government was paying to buttress the exports. Everybody thought \_\_\_(*Time Bell rings.*)

THE DEPUTY CHAIRMAN : You will have to wind up.

SHRI BANKA BEHARY DAS : Just another minute, Madam.

THE DEPUTY CHAIRMAN : Do you know how many mote want to speak? You must think of that also.

SHRI BANKA BEHARY DAS : Yes, Madam. Everybody thought as if with devaluation the subsidy which is a tax on the people of India, will vanish. Even that has proved wrong and subsidy and other assistance to exportable goods have been proposed and I am sure the list will lengthen as time passes and the pressure of the industrialists is gradually being built up. This is the bleak picture that we are facing. We are facing it on the morrow of devaluation. That is why the Ministers in private feel shy to take the responsibility for such a decision and throw it on the shoulders of others. Even the Congress Working Committee and the Congress Parliamentary Party could not agree and could not give an unstinted support to it. The Congress house is sharply divided on the matter and the common man has to pay for this betrayal. That is why, Madam, I support this Reso-J lution.

SHRI L. N. MISHRA : Madam, at the outset I must say that I had no desire to intervene in this debate. But the speech delivered by the hon. Member, Shri Dahya-bhai Patel, provoked me to say something and so I would seek the indulgence of the House in this regard. The hon. Member of the Swatantra Party told this House frankly, though sneeringly, that they were anti-Nehru and anti-Plan. He also gave reasons for it. Not only that but he wanted the country to go the Swatantra way and not the Congress way and the Nehru way.

SHRI BHLPFESH GUPTA : Madam, we were told when the Chairman was here that the Finance Minister would be coming in a few minutes. How many more minutes should we wait, Madam ?

THE DEPUTY CHAIRMAN : The Finance Minister is otherwise engaged in the other House.

SHRI BHUPESH GUPTA : But they cannot have it that way and . . .

THE DEPUTY CHAIRMAN : We have expressed our feelings to the Treasury Benches. I am sure he must be otherwise engaged. Otherwise he would have been here. Anyway, the Deputy Minister is intervening. Let us hear him.

SHRI S. S. MARISWAMY (Madras) : Madam Deputy Chairman, the hon. Deputy Minister is speaking of Shri Dahya-bhai Patel, and the . . .

SHRI BHUPESH GUPTA : I should like to know . . .

THE DEPUTY CHAIRMAN : Order, order. Please sit down. Two cannot be speaking at the same time. I have asked Mr. Mariswamy to speak. I have listened to you, Mr. Gupta. You know that the Chair had expressed the feeling that the Finance Minister should be here.

SHRI BHUPESH GUPTA : How long do we sit here expecting him ?

THE DEPUTY CHAIRMAN : That is all right. You please sit down. Yes, Mr. Mariswamy.

SHRI S. S. MARISWAMY : The hon. Deputy Minister refers to Mr. Patel's

speech and he is replying to him. But the hon. Member, Mr. Patel is not here just now. If he had been here . . .

THE DEPUTY CHAIRMAN : That is no point. Members should be here when the debate is going on. If the Members are absent it does not matter to the Treasury Benches. You are there now. Mr. Patel should have been here. You should know the parliamentary practice.

SHRI S. S. MARISWAMY : But the point of . . .

SHRI L. N. MISHRA : I only say about the Swatantra policy . . .

SHRI BHUPESH GUPTA : We appreciate the "boy on the burning deck."

THE DEPUTY CHAIRMAN : Order, order. I don't like this raising of points of order when there is hardly any point of order. I have called the Deputy Minister to intervene and he is going to take fifteen minutes. I want to hear him and the House also wants to hear him.

SHRI L. N. MISHRA : Madam, I was referring to the speech of Shri Dahya-bhai Patel and I say that through condemnation he canvassed support for his own Party. As it is appropriate, the House has, naturally, forgotten the sarcasm with which he talked. But I think that we should not forget the main points which the hon. Member made. We should consider them and then dismiss them. I know he and his other colleagues will make them again and again, this being their total contribution to the economic policy of India. But every time they make them they must be told why India rejects the basis of the thinking of their Party and the policies sponsored by them.

The hon. Member wants the Plan to go and he wants what they call, a "Plan holiday". They also want the public sector as an institution to be removed from the Indian scene. This they advocate because they believe at this moment that the Plan is against the interests of India. They want the institution of the public sector enterprises to be abolished because they believe that private enterprise will serve India best.

The Plan has given India inflation and, therefore, the Plan should go. That is

[Shri L. N. Mishra.]

their argument. But where has development been achieved without rise in prices ? In which country has that happened after the Second World War ? A certain amount of inflation may be inevitable and indeed it is. The main question is what has been the rate of inflation and what has been the corresponding gain in other directions.

The conception behind planning and the Directive Principles of our Constitution represent in essence the central ethos of the national revolution for Independence and that is the emancipation from poverty and the building of a nation where inequalities are no more suffered by the people of this ancient and proud land of ours. What the first two Plans under the stewardship of Nehru did was only to translate the spirit of this national ethos into practice so that the socio-economic objectives of the Indian struggle for independence could be achieved. The period 1951 to 1966 is the largest Plan period and it is not necessary for me to recount the countless gains which India has achieved through these three Plans. The House knows what we have achieved and I would not, therefore, take time to detail the major everlasting gains which the Plan has conferred on the people of India.

The achievements of the first two Plans are enshrined in all walks of our life, industry, education, agriculture or everything else. It is really a tragedy indeed and a misfortune that, while the example of Indian planning initiated by Jawaharlal Nehru is being imitated elsewhere in the various under-developed countries of Africa and East Asia and has been praised on all hands and hailed as an exciting example of planning through a system of democracy, in our country a handful of interested critics deriving inspiration from none too desirable sources and stale and long rejected theories have developed the perverse habit of always picking up the wrong ingredients in order to paint even the faintly black into the blackest. Little do they realise that nothing exceeds like excess and nobody who has eyes to see and has his mind correct would believe in what they say. The unfortunate thing, however, is that such statements have a mischief value and sometimes misguide the uninformed people.

It is, therefore, really not the situation of the entire period of the three plans which the hon. Members are drawing upon to condemn the planning system in India. They are worked up by the recent trends but as you know the recent developments have been caused by circumstances other than the execution of the Plan. The hon. Members in their anxiety to project their image, do not take a look at the image of time, matters which should be looked at not through the blind eye.

What would happen if we did not have a Plan and give up the planning system ? That may not worry some of the hon. Members especially of the Swatantra Party but indeed the people of India and their representatives sitting on this side of the House will shudder at such a step. Why ? Because the poverty of centuries, the maladjustments which we have inherited and the backwardness which has been our fate for so long would receive a new lease of life. In a state of inadequate resources what would happen without sensible distribution and apportionment by priorities ? The rich will get richer while the poor grow poorer. That is what would happen.

SHRI S. S. MARISWAMY : That is what is happening.

SHRI L. N. MISHRA : That the hon. Members may find happiness in misery may be their business but that cannot be the ideal of India and the policy of this Government. If it is their faith that India could have developed better in a system of free economy, we on this side, do not agree.

Growth can take place in this way also, but this would be at the cost of the large masses of people who are woefully poor. We are bound by the Constitution of the country and our own commitments to the ideology of socialism to avoid such a source of action and have no intention whatsoever to leave the deliberately chosen road to development through planning.

I would urge upon the Members of the Swatantra Party, Madam, to view that even in America 25 percent, of the national income is spent on public sector activities, not to speak of other countries where it is much more. Even Japan, up to 1900, had 80 to 90 per cent, of its growth under State control. In the U.K. also the public sector expenditure is about 39 per cent, of

the gross national expenditure. One need not quote the examples of Scandinavian and other countries or from the many other developing or already developed nations to prove how State initiative is essential in economic affairs for the development and welfare of nations of today. We, as inheritors of the proud tradition left by Jawaharlalji, are committed to a planned socialist growth and have no reasons to regret what we have done or are doing.

It is time that it should be stated categorically what the Plan has done through systematic pursuit of clear-cut objectives enshrined in our Constitution. The Plan has attempted to achieve social justice through economic development. This may not be the objective of the Swatantra Party but it is the will of the people expressed in the Constitution; it is the mandate to the Congress Party. We shall, therefore, secure its fulfilment through the Plans that have attacked poverty, ignorance, ill-health and squalor in the past and that will continue to do so in the Plans to come.

Hon. Members there would like the future of India to be achieved through exclusive private enterprise as an all embracing and all-pervasive system. Do they sincerely believe that private enterprise would have given India Bhakra Nangal, Hirakud, Nagarjunasagar and the other hydroelectric and flood control projects? Would the private sector have had the resources and the will to put up the three steel Plants of Bhilai, Durgapur, and Rour-kela and also the new one of Bokaro? I would point out that they could not modernise and expand even the existing ones and the TISCO and HSCO had to look to State aid for their development. It is not for steel alone that the private sector has failed to find out resources on their own. Even for textiles and jute which are almost the oldest industries and many others they have leaned on the public exchequer. Would the private sector have given us heavy machine building capacity provided in India instead of dependence on imported machinery all along the line? Would agriculture have secured the attention and the investment if left to private enterprise? I could give you hundreds of instances in which the private enterprise would not have touched new projects and new investments. You all know the difficult areas of industry

and services which have been embarked upon by the public sector and how difficult is the path of growth of such investments.

While saying so it must be stated categorically that the Congress Party and the Four Plans are not against private enterprise. Private enterprise has flourished under the prevailing system and continues to thrive with an eye to the future. This, however, does not satisfy the lion. Members of the Swatantra Party. What they want is the exclusive growth of private enterprise and the complete destruction of the public sector. In this vain and undemocratic ambition they are followed only by themselves and their Party. Let them not hope that others cannot see through the game of self-interest and self-advancement that is being played by such advocacy. Indeed if left to private enterprise of the type advocated by hon. Members of the Swatantra Party, we would have now, instead, more concentration of wealth in few hands and perhaps with the passage of time the hands would have become fewer still. That is what would have happened and that is what the hon. Swatantra Members want us to do. Madam, I may say that they won't have it their way. We are determined to have economic development and we are willing to pay a price for it when we want it so badly and within so short a time.

SHRI S. S. MARISWAMY : What price is the question.

SHRI L. N. MISHRA : Just listen to me; I am finishing.

The price will be paid only to the extent to which social justice is done. Without social justice it would be a tarnished and musty growth which would have within it the dangers of the system that must decay in the future.

Madam, before I conclude, just one last word. The hon. Members of the Swatantra Party have been asking us that we should express regret about the Plan and the leadership of Nehru and the way of the Congress and its conduct of affairs. Hon. Members should not be surprised if I first ask regret at what? Regret at the socialist democracy which the Congress Government is implementing? Regret at the economic development which it has

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undertaken to make India strong, self-reliant and industrially advanced? Regret at the fact that the common man of India is in the forefront of our consideration ? Regret that Nehru has made democracy secure in India ? Regret that we believe in social justice ? Apologise for supporting small industry and labour intensive enterprise in order to create more employment ? Feel sorry for having introduced, social security schemes ?

**श्री राजनारायण (उत्तर प्रदेश) :** यह नोट जो आप पढ़ रहे हैं वह किस ने लिख कर दिया है ?

**श्री ललित नारायण मिश्र :** मैंने खुद लिखा है ।

SHRI A. P. CHATTERJEE (West Bengal) : Are you speaking to the gallery ?

SHRI L. N. MISHRA : I am only speaking to the Members of the Swatantra Party and some of their advisers who are inside the country and outside the country also.

Should we feel sorry because we do not want exploitation of the many by the few ? Regret for having withstood successfully the attack from Pakistan ?

Madam, these are the results of our Plans. These are the objectives for which the people support the Congress. These are the objectives of the Constitution which the people of India have given themselves. The hon. Members of the Swatantra Party want us to express regret for these achievements and apologise for Nehru's leadership. Do they not know that not only the representatives sitting here but the entire nation mourns the loss of Nehru the builder and Nehru, the democrat ? Do they not know that it was Nehru who through the Plans gave us the real economic independence which is now the foundation of our growth and of the future ?

Our answer, therefore, to the hon. Members there is that we are proud of our achievements under the leadership of Nehru. We will continue to follow Nehru's policies and plans. We want democratic socialism. We will have it. If we have

to pay a price for it, through hard work and sacrifice we shall do it. That is our reply to the hon. Members of the Swatantra Party.

We have no regret but only plans for intensive efforts on a gigantic level in order that our people may have, and their children after them, a dynamic developing economic system in India, which through democratic socialism, ensures that social justice would always remain as the main objective of our economic development.

I have nothing more to say.

**श्री राजनारायण :** माननीया, मैं आपके द्वारा यह निवेदन करना चाहता हूँ कि एक बात उन्होंने सही कही है कि सब गरीब-गरीब नहीं हुए और न सब अमीर-अमीर ही हुये । गरीब भी अमीर हुए हैं और उसका सब से बड़ा उदाहरण मंत्री जी खुद हैं ।

THE DEPUTY CHAIRMAN : Kumari Maniben Patel will speak at 2-30 . The House stands adjourned till 2-30 P.M.

The House then adjourned for lunch at thirty minutes past one of the clock.

The House reassembled after lunch at half-past two of the clock, the VICE-CHAIRMAN (SHRI M. P. BHARGAVA) in the Chair.

**कुमारी मनिबेन बल्लभभाई पटेल (गुजरात) :** अवमूल्यन तो हो गया है । अब तो उसका अधिक से अधिक लाभ किस तरह उठा सकें इसी के बारे में सोचना चाहिये । उसकी नुकताचीनी करने से कोई फायदा नहीं । एक सदस्य ने कहा कि सरकार ने अवमूल्यन के बारे में जवाब दिया था कि नहीं करेंगे और इस तरह बलफ किया है । मैं नहीं मानती कि बलफ किया है । कोई भी सरकार एक मिनट पहले भी इसके बारे में इशारा नहीं देगी और न देना चाहिये, नहीं तो मार्केट में उससे बड़ा गड़बड़ होता है ।

अवमूल्यन के बाद ही फोलो अप के कदम लिये गये होते तो आज सब के दिल में जिस प्रकार का एक कंप्यूजन है, अस्पष्टता है,

वह निकल जाती। कुछ दिन पहले कम्प्यूटर के बारे में इस सदन में प्रश्नोत्तर चल रहा था तब विदेशी मुद्रा के बारे में यह जवाब दिया गया था कि इसमें तो कुछ लाख का ही प्रश्न है। काफी चीजों में कुछ लाख विदेशी मुद्रा का ही सवाल रहता है। इसी तरह विदेशी मुद्रा का व्यय होता रहे, यह भी अनेक कारणों में एक अवमूल्यन करने का कारण रहा है। मसलन कितने लाख के ताश खेलने के पत्ते, कार्ड्स विदेश से आयात किये गये? कोई कहते हैं कि पांच लाख के और कोई कहते हैं कि 50 लाख के ताश के पत्ते आये। क्या हमारे यहां ताश के पत्ते नहीं बनते और ऐसी चीजें नहीं आने से कितनी विदेशी मुद्रा हमारी बच सकती थी। ऐसी चीजों के लिये क्यों लाइसेंस दिया जाता है? मगर आजकल जो गलती हो गई सो हो गई। अब तो हम जागृत हो जायें तो अच्छा होगा।

मुझे तो लगता है कि हमें हमारी कार्यवाही का तरीका, रवैया बदलना होगा ताकि काफी काम ठीक तरह से हो सके और बचत भी हो सके। मसलन समाज कल्याण बोर्ड, कम्प्युनिटी डेवलपमेंट, कोआपरेटिव, कुटुंब नियोजन, ऐसे जो भी काम स्टेट के द्वारा ही हो सकते हैं, राज्यों को ही करने हैं, उसके लिये यहां बड़े-बड़े दफ्तर, स्टाफ रखना बन्द किया जाय और जो खर्चा करना हो वह रकम सीधे उस काम के लिये राज्यों को दी जाय तो काफी बचत हो सकती है और काम भी ज्यादा होगा और जल्दी होगा।

टेलीविजन में विदेशी मुद्रा का व्यय न किया जाय। उसके निमित्त खर्चा रोका जाये तो आसमान थोड़ा गिर जाने वाला है। हमारी प्रगति, विकास टेलीविजन का कार्यक्रम कुछ साल रोकने से नहीं रुके।

मुझे तो लगता है कि यह सुपर मार्केट में सरकार को काफी घाटा आयेगा। उससे तो फेयर प्राइस शाप निकालना ठीक नहीं

होगा क्या? अभी तीन दिन पहले मैं सुपर मार्केट में देखने को गई थी तो क्या देखा कि हर एक दुकान पर तीन-तीन आदमी थे। कोई व्यापारी इस तरह से अपना धन्धा नहीं चला सकता और इससे तो सरकार को काफी घाटा आने वाला है। इससे मुझे लगता है कि इसके बारे में सोचना चाहिये और अभी भी और जगह सुपर मार्केट रोकना चाहिये। आखिर बूंद-बूंद से सरोवर भरता है। इसी तरह बूंद-बूंद से सरोवर खाली भी हो जाता है। इसलिये इसके बारे में फिर से सोचने की मैं विनती करती हूं।

हर तरह से हर स्तर में कांट्रॉल करनी होगी। सोचा जाय कि अवमूल्यन के बाद ही कितने मिनिस्टर, कितने डेप्युटेशन विदेश गये और उन पर कितना खर्चा हुआ। क्या यह सब ही अनिवार्य था? ऐसा मुझे तो नहीं लगता है। एक तरफ से स्वदेशी की बात करना और दूसरी ओर बिस्कुट बनाने के लिये विदेशी फर्म के साथ कोलेबोरेशन की बात सुनने में आती है। क्या हमारे यहां अच्छे बिस्कुट नहीं बनते हैं और इस तरह से हमारे उद्योगों की बढ़ती किस तरह से होगी। बिस्कुट के उद्योग में सुधार करने का अवकाश नहीं है, ऐसा मैं नहीं कहती हूं। अवकाश तो जरूर है, मगर यह फारेन कोलेबोरेशन से अवकाश होगा, ऐसा मैं नहीं मानती हूं; फारेन कोलेबोरेशन से हमारा बिस्कुट का उद्योग खत्म हो जायेगा, ऐसा मुझे लगता है। हर एक चीज में फारेन कोलेबोरेशन की आजकल बात चल रही है। इस फारेन कोलेबोरेशन से हमारे यहां से हर साल मुनाफे की तरह से, रायल्टी की तरह से, कितना पैसा बाहर चला जायेगा, कितना हमारा धन चला जायेगा, इसके बारे में क्या कभी सोचा गया है, कभी हिसाब लगाया गया है।

एक तरफ से सहकारी डेरी को प्रोत्साहन देने की सरकार की नीति कही जाती है, दूसरी ओर लीवर ब्रादर्स, नेसले और ग्लेक्सो जैसी विदेशी कम्पनियों को यहां अपना

[कुमारी मनिबेन वल्लभभाई पटेल]

कारखाना लगाने दिया जाता है और उनको आसानी से बाहर से स्ट्रिम्ड मिल्क पाउडर भी मंगाने दिया जाता है। किम तरह से हमारे यहां का सहकारी डेरी उद्योग इन बड़ी बड़ी कम्पनियों के साथ में टिक नकेगा और किम तरह से उसका विकास होगा? कभी यह हिसाब लगाया गया है कि यह बड़ी बड़ी कम्पनियां हर साल मुनाफा के रूप में हमारे यहां से कितना पैसा ले जाती हैं और इस तरह से हमारा धन कितना बाहर चला जाता है?

अगर आस्टेरिटी की हम बात करें और उसकी हवा अगर देश में लानी हो तो उसका आरम्भ यहां से ही होना चाहिये। संसद सदस्य हो तब धोती, कुर्ता, पायजामा चल सकता है। मंत्री बनते ही कोट, पतलून, चूड़ीदार पायजामा, अचकन होना ही क्या जरूरी है और इसके बिना नहीं चले, इसमें खाल बदल न होगा।

राज्यों में मंत्रिमंडल की संख्या कम करना हो तो प्रथम यहां उसकी संख्या कम करनी होगी और कम से कम आधी करनी होगी और तब राज्यों में यह हो सकेगा। सचमुच अगर यह किया जाय तो जरा हिसाब निकालिये कि कितना पैसा बच जायेगा। एक मंत्री या डिप्टी मंत्री या मिनिस्टर आफ स्टेट कुछ न करे, यहां बैठा रहे, तो भी हर महीने कितना पैसा उसके पीछे खर्च होता है? ऐसी सब चीजों में हम को कांटछांट करनी होगी।

स्वदेशी की आबोहवा तो देश में तब बनेगी जब सब बातों में स्वदेशी का अमल हमारे जीवन के हर स्तर में आयेगा। विदेशी चीजों की अभी लाने की कोई जरूरत नहीं है। हमारे यहां भी अब अच्छी चीजें बनने लगी हैं। जब विदेश जाना पड़े तो वहां भी अपने देश का खादी का गरम, सूती कपड़ा पहना जाय और नहीं कि उस निमित्त गरम

कोट, ओवरकोट, बरसाती वहां से मंगवाई जाय या वहां खरीदी जाय। अब तो हमारे देश में जीवन में जरूरी, आवश्यक हर एक चीज बनती है और अच्छी बनने लगी है, तो फिर विदेशों का माल हम क्यों इस्तेमाल करें।

आखिर गांधी जी को लोग क्यों मानते थे, उनके वचन का असर क्यों पड़ता था? कारण कि जिस चीज को वे अपने जीवन में अमल करते थे वही बात करते थे। प्रजा में आस्टेरिटी, स्वदेशी का वायमंडल पैदा करना हो तो हमारे जीवन में सादगी लानी होगी। कोई नई चीज न बसाने का स्वेच्छा से निश्चय करना होगा, अनिवार्य हो तब कुछ खरीदा जाय। वृद्धमानपिता और पुराना कपड़े की शर्म क्यों होनी चाहिये?

पुराना कपड़ा अगर साफ हो, स्वच्छ हो, फटा न हो, सिया हुआ हो तो उसे पहनने में शरम या संकोच नहीं होना चाहिए। इसमें कोई पक्ष का प्रश्न नहीं है, यह तो देश का सवाल है। आज देश मुसीबत में है, उसको उठाने की बात है, उसको आगे बढ़ाने की बात है तब हर एक को 8 घंटे में 10 घंटे का काम स्वेच्छा से करना होगा। जर्मन प्रजा लड़ाई के बाद किस तरह से आबाद हुई। सब ने मेहनत की और जो लोग बाहर गए वे बताते हैं कि 8 घंटे में 10-12 घंटे का काम करते थे और पहले जैसा जर्मन देश था उससे भी अच्छा बना। ऐसे जो लोग बाहर गए वे कहते हैं। सबको छुट्टी की बात भूल जानी होगी, देश का उद्योग बढ़ाना होगा। अबमूल्यन का लाभ उठाना है तो हड़ताल, बन्द—ये सब बातें बन्द करनी होंगी। मजदूरों की यूनियन समाजवादी हो, साम्यवादी हो या पी० एस० पी० की हो, आई० एन० टी० यू० सी० की हो उनके लीडरों को हिम्मत करके मजदूरों को कहना होगा कि अपना देश जब संकट में है तब 10 घंटे के काम को 8 घंटे में करना होगा, अपना उत्पादन बढ़ाना होगा ताकि

दाम गिर सकें, देश को बचाया जा सके । दाम तो तभी गिरेगा जब हर प्रकार का माल जो हमें चाहिए काफी बनेगा ।

समाज कल्याण के बारे में एक सदस्य ने कहा था और कई विरोधी पक्ष के सदस्य मानते हैं कि समाज कल्याण बोर्ड से कांग्रेस को लाभ होता है । मैं तो समाज कल्याण बोर्ड में एक-दो साल के सिवाय शुरू से अभी तक हूँ और मेरा अनुभव तो यह है कि कांग्रेस वालों को तो शिकायत है कि समाज कल्याण बोर्ड में ऐसे लोग भरे हैं जिनका कांग्रेस के साथ कोई सम्बन्ध नहीं है, कुछ लोग तो ऐसे हैं जिनको कांग्रेस वालों के साथ सहानुभूति नहीं है । कई कांग्रेस वाले तो ऐसा भी कहते हैं कि देहातों के साथ इनका कोई सम्बन्ध नहीं; हाँ बड़े बड़े दफ्तर में, एसोसियेशन में, मंडल में रहते हैं । यह कहना कि इसका लाभ कांग्रेस को मिलता है बिलकुल गलत बात है । मैं तो मानती हूँ कि अब तो समाज कल्याण का काम बिलकुल स्टट पर छोड़ देना चाहिये क्योंकि आज समाज कल्याण बोर्ड सेन्टर से जो काम करता है उससे स्टेटों के बोर्डों को और जो छोटे-छोटे इन्स्टीट्यूशन्स हैं उनको मदद मिलने में काफी तकलीफ होती है और संकशन होने के बाद 6-8 महीने तक रकम नहीं मिलती है ।

पब्लिक सेक्टर पर मैं दो दिन पहले सरकार की रिपोर्ट पढ़ रही थी । उसमें मैंने पाया कि काफी बड़ा स्टाफ रहता है । जितनी आवश्यकता है उससे डबल है । मुझे लगता है कि पब्लिक सेक्टर में हमको हिम्मत करके छांट करनी होगी । चाहे बड़ा आदमी हो या मजदूर हो कांटछांट करके उसको जल्दी से ठीक करना चाहिए ताकि उसमें हमको मुनाफा होने लगे और जो हमने लोन्स लिए हैं किया कर्जा किया है वह भर सकें ।

मुझे यह भी लगता है कि अगर हमको सचमुच दाम गिराने हों तो हमें अपने देश M78RS/66—5

के उद्योगपतियों पर—हमारे यहां अलग-अलग धन्धों के व्यापार मंडल बने हुए हैं—इस चीज का बोझ डालना चाहिए और यह जिम्मेदारी डालनी चाहिए कि अपने स्फियर में आपको दामों पर कन्ट्रोल रखना होगा, नहीं तो आपको पकड़ेंगे, हर एक व्यापारी को नहीं । मैं सूरत गई थी । सूरत चेम्बर वालों ने कहा कि हमने निश्चय किया है कि हम जो माल उत्पादन करते हैं उस उद्योग में, उस धन्धे में, व्यापार में दाम नहीं बढ़ने देंगे । इसी तरह मुझे लगता है कि उनको सजा दो, जुर्माना करो, उनको पकड़ो—इससे दाम नहीं गिरेंगे यह हमने देखा है । मुझे लगता है कि वे भी हमारे जैसे आदमी हैं । आज सरकार में आ जाने से हममें या संसद सदस्य बनने से देश के लिए फीलिग होती है, राष्ट्रीयता आती है और उद्योग में जो है वे सब खराब आदमी हैं मैं ऐसा नहीं मानती । सब आदमी ऐसे नहीं होते । हमारे में भी ब्लेक शीप होंगे, उनमें भी होंगे । किसी आदमी को रोज कहना कि तुम चोर हो, लुटेरे हो, डाकू हो उससे वह आदमी बेशर्म हो जाता है । मैंने इतने साल के अनुभव में देखा है कि स्वतन्त्रता की लड़ाई में जब हम सरकार के साथ लड़ते थे तो ये लोग विदेशियों से छुटकारे की लड़ाई में सहायता करते थे और जोखिम भी उठाते थे । इसलिये मुझे ऐसा लगता है—अपोजीशन वाले तो इस बात से सहमत नहीं होंगे—कि यह चीज करने जैसी है, सोचने जैसी है । मैंने तो एक बार उद्योग के लोगों को यह भी कहते सुना कि अच्छा है कन्ट्रोल करो, हमारी कोई जवाबदेही नहीं, सोचने की जरूरत नहीं, हमें मेहनत करने की जरूरत नहीं । कन्ट्रोल से उन्हें उत्साह भी नहीं रहता । मैं मानती हूँ कि यह चीज करने जैसी है कि मुख्य मुख्य आदमी हर शहर में व्यापारियों के चेम्बर के रहते हैं, बाजारों में भी एसोसिएशन होते हैं, उनके प्रमुख रहते हैं, मंत्री रहते हैं, उन लोगों को बुला कर हर शहर में उनके ऊपर इस चीज की जिम्मेदारी डालनी चाहिए कि

[कुमारी मनिबेन बल्लभभाई पटेल]

जब देश आफत में है, दाम न बढ़े, सब को दाम गिराने में सहायता करनी चाहिए। परन्तु वह सहायता तभी करेंगे जब हम लीग और खासकर ट्रेड यूनियन वाले सब मिल कर सहायता करें और हर प्रकार के माल का उत्पादन बढ़ाने में सहकार दें।

आखिर में मुझे ऐसा लगता है कि अगर हम दाम पर कन्ट्रोल कर सकें और गिरा सकें तभी हमारा अवमूल्यन सफल होगा; नहीं तो देश को जो धक्का लगा है उसमें से निकलना उसके लिये मुश्किल होगा।

SHRI DEBABRATA MOOKERJEE (West Bengal) : Mr. Vice-Chairman, devaluation is a Hobson's choice. No nation devalues its own currency with alacrity. It is forced on the country. We have therefore to take into account the circumstances which led to devaluation. I would just, with your leave, Sir, recount some of them. But before I do so I must say that I was a little amused at the performance, the other day, of my friend, Mr. Bhupesh Gupta, who appeared to make political capital out of it. It is a purely economic question; if you go on repeating any number of times that we had devalued our currency at the dictates of foreign powers, particularly of the United States of America, you would be doing injustice to yourself, you would be doing injustice to your own intelligence. We have devalued our currency in the sense that the external value of the rupee has been lowered. The result is that you have to purchase a dollar now at Rs. 7-50 and a pound sterling at Rs. 21. But the central fact to remember is that the rupee's internal value is maintained and it becomes the national duty of everyone to see that it is maintained. By a subtle psychological process if you wish to say that the internal value is also affected, I think you will be committing an act of economic fallacy. It is well known that there was inflation in the country.

It was not a case of creeping inflation, not even galloping inflation, it must be said that it was of a runaway type. But inflation is bound to come when you

have planned development. The Plans of the magnitude which we formulated—the first three Plans, particularly the second and the third—were all production-oriented, heavy industry-oriented, all designed to relieve the distress of millions of Indians. There was bound to be inflation. I say Sir, that there is no country on earth which has believed in planned development and yet not suffered from the effects of inflation. Socialist countries have devalued their currency, they were compelled to do so, and the real reason behind devaluation was that they wanted to bring about a complete change in the condition of then-poor people. Then we have to take account of another very important circumstance, namely, the two wars that came between 1962 and 1965. We had to think of development and defence. It was not an easy thing for any country to keep on developing its resources and at the same time fighting two wars. Sir, we shall be doing injustice to ourselves if we do not take serious note of that fact. Then came the drought. That seriously affected the agricultural output. In foodgrains there was a shortfall to 72-3 million tonnes from 89 million tonnes of the previous year. As a direct consequence of the drought, there was a cut in power. The result was that our industrial units were adversely affected and the price level rose by 36-5 per cent in the three years ending March, 1966.

But I ask in all humility; Could we at this stage give up planning? We could not, unless we are prepared to sacrifice the dumb millions of our countrymen. So, development and defence had to go on *pari passu*. The developmental works continued and yet we had to defend our frontiers. It will be remembered that because of the planning activities, there were large overdrafts on the Reserve Bank of India by the States. As a matter of fact, it was only in the month of June this year that the Central Government cleared the overdraft to the extent of Rs. 95 crores. In consequence of the rise in prices all round, the cost of production went up with the result that we found that we were forced out of the international market. Exports declined from Rs. 816 crores to Rs. 810 crores and the balance of payments position became quite precarious. In order to meet the situation, the Government decided on giving certain export incentives. They formulated

certain export promotion schemes. In the first place, rigorous restrictions were placed on imports, regulatory duties were imposed. There was a across-the-board rise in duties. At the same time steps were taken to devise import substitutes. But we must admit that despite all efforts in that direction, we did not quite succeed. Imports continued to be the favourites of the industrialists and imported goods, even licences, commanded heavy premiums ranging from 50 to 300 per cent. Then we tried another way of meeting the situation. We devised the import entitlement scheme. That was obviously based on the import content of the export products and the licences that were given were for a greater quantity of imported goods than had actually been used in the exported products. That was not all. There was a refund of excise duty on exports, drawbacks on customs were allowed, there was concession in the rate of tax on income derived from exports, special subsidies were allowed on the export of steel and sugar, and institutional arrangements were made for improving their quality and developing market research. And lastly, tax credit certificates were given in 1965 in respect of the traditional items of export, tea and jute. These are the several steps taken one after the other for the purpose of boosting the exports. I have heard it said, Sir, on the floor of the House that the Government did not take adequate steps to prevent devaluation, and the steps that are currently being taken in the United Kingdom are said to be the right steps to correct imbalances in the economy which, it is said, the Government neglected to take. I say, Sir, that is entirely a wrong impression. I say that the fiscal reliefs that were given proved too heavy a burden on the exchequer and the result was that in spite of what had been done to boost our exports, our exports fell in the international markets. There was a great dearth of raw materials, components and spares. Our industries could not be worked even at restricted capacity utilisation. The consequence of restricted imports was an inevitable fall in the rate of growth. Sir, when you try to check the malaise in one direction, it has a tendency to burst out in ten different directions. Were you to stop imports, you stop the incentive and deny the means because import substitutes were not always

available, neither were they, qualitatively good nor quantitatively sufficient. Now, these are the selective solutions that we tried. When these failed, there remained one general remedy and that remedy was devaluation.

I say, therefore, Sir, that devaluation was an inescapable step which the Government had to take. There was really no getting away from it.

3 P.M.

I am asking, Sir, one plain question, and that is this. Did not these bounty-fed exports really smack of devaluation? When you allow refund of excise duties, when you allow drawbacks on customs, when you allow concession in the rate of taxes on incomes derived from exports are you not really confessing to yourselves that all is not well with your economy? These anomalies must go and this is in substance what devaluation is intended to achieve.

There were other compelling reasons for the step taken by the Government : (1) there was decline in invisibles from an average of Rs. 78 crores to Rs. 12 crores during the first four years of the Third Plan; (2) on account of high rate there was leakage of foreign exchange ; (3) there was diversion of remittances from abroad from tourists to unauthorised channels. The National Defence remittance Scheme illustrates the point. In the course of eight months Rs. 65 crores came in as people took unfair advantage of the scheme. The scheme could not work for all time to come and the people were allowed to take undue advantage of it. For all practical purposes the administration of foreign exchange became an utter impossibility. You never knew exactly where you stood with regard to your foreign exchange. Our foreign exchange reserves dwindled by Rs. 600 crores. It was bound to do so. In addition to that, we were compelled to pay for imports of rice from our own resources, and recently, as we all know, we have to pay for P.L. 480 shipments in dollars now. We have to have food. We cannot go without it. Therefore, we were compelled to think of devaluation. Our obligation to the International Monetary Fund now stands

[Shri Dcbabrata Mookcrjec.]

roughly at about 475 million dollars and the burden of servicing external debts has increased to Rs. 147 crores. Therefore, I say, Sir, when selective solutions failed there remained only one way open to us, and that was to adopt a general remedy. And that remedy was devaluation; there was none other. There is no use making political capital out of it.

Sir, could we think of alternative remedies ? Possibly you will be thinking of deflation. But that is a remedy wholly unsuited to us. Deflation is being tried by the United Kingdom at the present moment. The sick pound is now being attempted to be nursed back to health, and in spite of the mighty dollar support behind it, you have to remember that at the close of the first quarter of 1966 there was a trade deficit in England of the order of 99 million pounds. And what have they done ? They are thinking of price and wage freeze. Sir, can you think of wage freeze at the present moment ? Can you do that ? You cannot. All that you can do is to try your level best to hold the price line and for that governmental effort alone is not sufficient. We have to put our heads together and try to hold the price line if we can. Under the Bank of England's directive the clearing banks have to deposit 1 per cent, and the result is that one million sterling pounds has been frozen. They have been withdrawing from their responsibilities east of Suez; they are calling back 40,000 or 50,000 people home. Can you think of doing that ? Can you ask your nationals to come back ? Are you prepared to take that step ? You cannot. And on present calculations England will have to be faced with unemployment in which about 5 lakhs of people will be involved. That is what deflation means.

I was listening, a little while ago, to an observation made by one of my hon. friends that we might have thought of deflation. I submit, Sir, that it is a total misconception. Circumstanced as we are, we can never think of deflation, and there was no other remedy after the selective remedies had failed to think of any step except devaluation.

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

SHRI DEBABRATA MOOKERJEE : We have to follow up devaluation by certain measures and we have to see that we rearrange our priorities. We have to follow a liberal import policy with the free aid that is now coming. We have to supply raw materials, components and spares to the starving industries. As a matter of fact, 59 industries are going immediately to benefit by the liberalisation of imports.

Recently, the Government has announced its policy. It is not enough to have one or two super markets. I entirely agree with this criticism. We must have super markets on a country-wide basis and the first steps that have to be taken are steps which must be taken at governmental level. We have to practise austerity. That we have to do because there must be a genuine realisation that we are in for difficult times. We have by every means to hold the price line, and if we do not succeed there, the good that devaluation is expected to yield will escape us. There have to be quick-yielding projects in all industries. Most of our industries must be export-oriented.

I wish, Sir, to remove one great misconception and that is this. It is said that now we have to export more goods to earn the same amount of foreign exchange. I say, Sir, that is wholly wrong. The same goods will bring the same amount of foreign exchange, provided the international prices are held. In the international market we have a small place.

PANDIT S. S. N. TANKHA (Uttar Pradesh) : How?

SHRI BHUPESH GUPTA : We do not have even that place.

SHRI AKBAR ALI KHAN : (Andhra Pradesh) : The rupee profit will be more while the goods will remain the same.

SHRI DEBABRATA MOOKERJEE : We do not have that place in the international market to cause jealousy and bring about rise in prices. While it is true, Sir, that in rupee terms our international debts will increase, our foreign aid will also mean more in rupee terms. It is wrong to

suggest that you have to export more to earn the same amount of foreign exchange. The price in terms of foreign exchange is fixed; the goods are fixed. It is all wrong to transmute goods into rupees and then convert them into pounds or dollars.

That is not the position. The same amount of goods will earn for us the same amount of foreign exchange as heretofore. I submit, therefore, that we have in any event to hold the price line firmly and if we do that, we shall be in a position to turn the corner.

SHRI NIREN GHOSH (West Bengal) : Mr. Vice-Chairman, the whole country is talking about devaluation as the grossest betrayal of the nation since 1947. The official spokesmen claim that there was no alternative to devaluation or this betrayal. I do say that it is utterly an untruth to maintain this point of view. Actually the process started since the very birth of Independence with the refusal of the Congress Government to follow the path of independent economic development. It is precisely this that has landed the whole country in such a difficult pass.

SHRI LOKANATH MISRA (Orissa) : I am happy that you agree with us.

SHRI NIREN GHOSH : On the morrow of 15th August 1947 what we could have done was to confiscate and to nationalise the entire foreign capital and we could have nationalised the foreign trade.

SHRI AKBAR ALI KHAN : Mr. Misra may not agree with it.

SHRI NIREN GHOSH : With the primary commodities in the export of which we had monopoly and with the Rs. 1400 crores of sterling balances that had accumulated in England, we could have easily struck out a path for independent economic development. It was a deliberate misfortune that the Government did not choose to follow that path of development. It was just like a spending spree and these Rs. 1,400 crores of sterling balances were frittered away by the Government itself, through O.G.L. Mr. Krishna-machari issued the O.G.L. and frittered away though to-day he is against devaluation. He was the man. The Congress Government as a whole took to that path when

it frittered away the entire amount of Rs. 1400 crores. With these three measures which I have outlined, we could have imported machinery for the construction of a machine building industry in our country with the help of which we could ourselves construct factories and not go in for import of unlimited quantities of machinery. How was it frittered away ? No emphasis was put on the import of machinery. The British dumped all the surplus goods on India and the Government of India was a willing party to it. The second hand surplus goods they dumped on India. When the sterling balances were liquidated, the Government began to depend on foreign loans and doles to adjust the balance of payments. That is the way in which they moved. The gap in the balance of payments went on widening. Here are some figures regarding the way in which balance of payment was done :

	Crores
In 1961-62 it was Rs.	400-8
1962-63 it was ..	463-2
1963-64 it was ..	525-5
1964-65 it was ..	763-4
In the first half of 65/66	437-5

That is, the gap in the balance of payment has doubled since 1961-62. That happened in spite of the so-called plans. It was not a plan for independent development. It was a capitalist, bourgeois plan to develop a capitalist economy in collaboration with foreign imperialism and that has led us to this pass. The foreign exchange reserves went on declining fast. In 1950-51 India's reserves amounted to Rs. 951 -4 crores. In 1965-66 they came down to Rs. 205 -4 crores. In this way the burden of external assistance went on increasing year by year. Here are the figures about the utilisation of the so-called foreign aid—it is not aid but it is rather loan. It was Rs. 201 -70 crores in the First plan. In the Second plan it was Rs. 1,435-32 crores, in the Third it was Rs. 2,519 -49 crores. If you add up these figures, it would come to roughly Rs. 4,000 crores or more. There is some aid in rupee currency. After devaluation the total liability stands at more than Rs. 5,000 crores as a minimum. That is as regards our external liabilities. Added to this, more than 2,300 collaboration agreements have

[Shri Niren Ghosh.]

been signed between Indian big business and the foreign monopolists which have increased the grip of foreign capital over the Indian economy. Taking the position that the private foreign investment was more than Rs. 700 crores in 1961-62, in 1965-66 it has almost exceeded the Rs. 1,000 crore mark. Taking the total private investment in the private sector at something like Rs. 3,000 crores, one-third is held by foreign private capitalists and that capital is placed in strategic centres. At all the important strategic levels they are placed and now the entire Indian economy is in the octopus-like grip of the foreign capital which is sucking the life-blood of India and bleeding India white.

SHRI LOKANATH MISRA : You would not have objected to this if any other Government had lent this amount to our public sector ?

SHRI NIREN GHOSH : If there was disinterested aid to build a machine-building industry, then it would not be like this and would have been completely different. No country can build an independent economy without a machine-building industry as its base.

श्री शीलभद्र याजी (बिहार) कामरेड ।  
ऋणं कृत्वा घृतं पिबेत् ।

SHRI NIREN GHOSH : You listen first and ask questions later. There is pressure for additional concessions from the foreign monopolists. What are the concessions wanted ? They are : Deduction in corporate taxes, facilities for export of profits, re-investment in the country, guarantee against nationalisation royalty payments, payments for the technical know-how, patent rights, majority participation in the equity capital, etc. Despite the earlier decision never to do it, this has been deliberately allowed and the imperialists have been granted this concession. It is there as the grossest example—the I.C.I. in regard to the factory which is going to be started at Kanpur. It has been handed over to the British, the biggest monopolists. They have the control over market in the fertiliser deal and they have been allowed the right to dictate even the prices, and net whatever profits they

want to take. Then there are also the removal of controls and relaxation in certain regards, and finally they have dictated that there should be a pause in planning, the so-called planning, not only the light industries, but also some heavy industries. They want that a stop should be put to this sort of planning and that the entire emphasis should be put on agriculture. And the Government of India has succumbed to the pressure and acceded to this.

SHRI LOKANATH MISRA : You want this bourgeois planning to stop.

SHRI NIREN GHOSH : Yes, bourgeois planning should stop and bourgeoisies will always land us in difficulties in times of crisis.

SHRI LOKANATH MISRA : Why not stop it today ?

SHRI NIREN GHOSH : We want the plan of independent development, and that I have outlined in the beginning.

The World Bank preferred investments in the private sector; hence more concessions for the private sector. This is according to the Bell Mission's recommendations, and one by one they have given all the concessions.

Now all these so-called foreign aids, or foreign loans, mainly the aids from the imperialist countries are so many sources of exploitation to exploit India. India has become the veritable milch cow in order to corner profits for the imperialists. Then in respect of these loans, for every dollar they are taking back three dollars. I will explain the process, how it happens. Suppose there is a project costing Rs. 30 crores. They do not give the entire technical equipment and machinery in one single consignment. It is on a turnover basis. The process starts. When the process is completed, it takes five to six years from the very start of the process. In order to help a factory to produce anything, you begin with importing machinery first, and then components, spares and intermediates. So in selling that machinery, they net some crores of rupees. In selling continually their intermediate goods and spares, they charge heavily, and they net

some more crores of rupees. The principle and interest stand. And ultimately, after five or six years, when this project is completed, it then becomes obsolete, and in order to run that obsolete project, you need every year some two to three crores rupees worth of components and spare parts, and that you have got to import from these imperialist countries at higher prices. You ought to remember that the trade is operating against India; [ it is on unequal terms; the prices very very much to the detriment of India's exports. In the matter of the machinery and the other things we import from the western countries, their prices are continually rising in the world market, and in respect of the primary commodities we export, their prices are continually falling. So, apart from the principal and the interest now, and the interest on past loans, the entire process becomes a huge source of exploitation to the detriment of India. And now it has come to this that at the pre-devaluation figures, we require about Rs. 800 crores worth of intermediate goods and raw materials. At the present figures it would come to at least Rs. 1,200 crores. And add to this the liability that you have got to clear, the repayment of liabilities. That would come to another 400 or 500 crores of rupees. Over and above that we require so many other imports also. Altogether we have to meet obligations of more than Rs. 2,000 crores annually. And we export only Rs. 800 crores worth of goods, and after devaluation I am not certain whether you will be able to maintain exports at least to earn the same amount of foreign exchange earned prior to devaluation. So in this also it won't lead you any where, but devaluation is certainly bound to accentuate all the troubles that India has been suffering from. The above measures that I have outlined, all those measures were suggested by the Bell Mission and one by one all had been accepted. Only devaluation was not accepted then. Finally, after two years, the Government have accepted devaluation also. All the imperialist recommendations, they have accepted. Now they say it is not a pressure, that it is an advice. Now in the new age, when the imperialists dominate the underdeveloped countries, they never fleece a country directly: they do it in an indirect form. There

are certain Governments, either puppet, or Governments like India, which mainly and principally collaborate with the imperialists and so the latter's suggestions to them are tantamount to command . . .

SHRI SHEEL BHADRA YAJEE :  
No . . . . .

SHRI NIREN GHOSH : . . . and it is at their cost that they can go against that command.

[THE DEPUTY CHAIRMAN in the Chair]

For two years they wriggled. Ultimately they succumbed and they went in for devaluation.

SHRI SHEEL BHADRA YAJEE :  
Question.

SHRI NIREN GHOSH : They said, "Our economy will be totally ruined. This is an election year and we cannot afford it and it would be a jump to death." They replied, "Well, jump to death ? So we will support you with a rope. And so Rs. 900 crores of non-project aid, they have given. That is the rope. The imperialists said, "We will support you with a rope. Jump into the fray. We will support you with a rope." And this rope is the Rs. 900 crores of non-project aid.

SHRI A. D. MANI (Madhya Pradesh) :  
A very costly rope.

THE DEPUTY CHAIRMAN : You have taken fifteen minutes, Mr. Ghosh.

SHRI NIREN GHOSH : Yes, I am the only speaker from our group.

THE DEPUTY CHAIRMAN : I think there is one more. There is one more Member who will speak from your group, Mr. Chatterjee.

SHRI NIREN GHOSH : All right. I will try to finish within a few minutes.

Exports of profits have trebled during these years, and the value of the rupee went down also in the internal market through this process. Now it is only 15 Paise, the internal value of the rupee. So the failure of the Government to check the rise in prices accounted for this fall in the internal value of the rupee, and this rise in prices is the weapon of the employers

[Shri Niren Ghosh.]

to exploit the people, and since the Govern-ment denied more dearness allowance to the workers, at present their living standards are adding to the profitability of the employers who are charging higher prices. Also an additional burden of taxation led to the price rise. Deficit financing, inflation and growing administrative expenditure and money supply increased at a faster rate. The money supply during 1960-61 was Rs. 2,868-61 crores, and in May, 1966, it was Rs. 4,615-17 crores. Also now a sum of Rs. 4,000 crores of black money is circulating. According to Professor Kaldor's calculation tax evasion was Rs. 200 crores. It has since increased, not decreased, and throughout these fifteen years, if you calculate, Rs. 4,000 crores of black money is circulating.

SHRI LOKANATH MISRA : Minus the money donated to the Congress.

SHRI NIREN GHOSH : Minus the money donated to the Congress, I agree with you.

So money supply went up with no corresponding rise in production.

SHRI N. SRI RAMA REDDY (Mysore): At least there is some common feature between your group and the Swatantra Party.

SHRI NIREN GHOSH : Now I will give you the unutilised capacity in certain industries. In the sugar mill machinery industry the installed capacity was 1,200 but the utilised capacity was 883. In the cement mill machinery industry, the installed capacity was 1,900 but the utilised capacity was 323 only. In the case of the Machine Tools industry the installed capacity was 3,606, but the utilised capacity was 2,203. In the case of the Construction Machinery industry the installed capacity was 458 but the utilised capacity was 330. In the case of the Drilling Equipment industry the installed capacity was 257 but the utilised capacity was 167. In the case of the Paper Mill Machinery industry the installed capacity was 605, but the utilised capacity was 149. Now in support of my statement I will also read out what Mr. S. G. Barve a Member of the Planning Commission, has said :

"Our current problems have arisen out of the fact that the new industries set up with imported equipment and know-how and dependent upon imports of components and raw materials have not been able collectively to develop an export potential adequate to take care of the import requirements and service obligations of foreign loans and royalties."

He further admits.

THE DEPUTY CHAIRMAN : I think now you must wind up.

SHRI NIREN GHOSH : Three minutes and I finish.

"Foreign collaboration, apart from royalties and the stultification of indigenous capability, invariably brings in its train a bias for the import of foreign machinery. The foreign collaboration is interested even more in exporting this machinery than in exporting the know-how."

This is what he has observed.

The position with regard to the textile industry is really scandalous. According to the Reserve Bank survey, during the period from 1960 to 1964, the total foreign exchange spent by the industry amounted to Rs. 538 crores while the foreign exchange earned was Rs. 344 crores, which shows a net loss of Rs. 194 crores on this industry. So, that is the position to which we have come now.

I also note that even the big business is divided over this question of devaluation and so we find Shri Kamaraj and Shri T. T. Krishnamachari differing but under various pressures they have had ultimately to surrender because whatever industry had been built up even that came to a standstill and so they had to. (*Time bell rings*).

THE DEPUTY CHAIRMAN : Now, you must wind up.

SHRI NIREN GHOSH : Now I will read out only the points.

THE DEPUTY CHAIRMAN : You are monopolising the time of the other Members of your Party.

SHRI AKBAR ALI KHAN : The other Members of his Party may withdraw in his favour.

SHRI MULKA GOVINDA REDDY : The hon. Member had been deprived of coming and speaking in this House for a very long time now, for two years.

SHRI NIREN GHOSH : I say, these remedies should be applied. First of all, you should scrap devaluation and restore the rupee to its former exchange value. Nationalise all foreign capital under any signboard—Indian or foreign. And then nationalise foreign trade. And fourthly, nationalise all monopoly concerns but protect the medium and small industries. And the next remedy is this. All existing foreign loans to the Government of India should be drastically reduced, pending which repayment of the principal and debt servicing should be stopped. The utmost emphasis should be placed on the construction of a machine-building industry to take care of components intermediate goods and spares and capable of producing capital goods for light industries. My seventh suggestion is that a moratorium should be declared on peasant indebtedness and you should abolish all feudal remnants and distribute the land gratis to the peasantry. These if you do, you can rectify the position. But if you do not, then this Government will never be able to get the country out of the rut into which it has been brought. You have taken a plunge into the dark and you have plunged the country also into an abyss and may God save you from the wrath of the people.

SHRI AKBAR ALI KHAN : At least you believe in God.

THE DEPUTY CHAIRMAN : Have you finished, Mr. Ghosh ? Or are you looking for some papers ?

SHRI NIREN GHOSH : No, Madam. I have finished.

SHRIMATI TARA RAMCHANDRA SATHE (Maharashtra) : Madam Deputy Chairman, I rise to oppose the motion placed before the House by Shri Bhupesh Gupta. By comparing our decision to devalue the rupee with the decision taken by the United Kingdom in 1947 to devalue the pound sterling he did not mention one important point. Perhaps he did it because it might have gone against his argument. He asked why the Parliament was not informed before taking this decision. Madam, I can take the same exam-

ple of the United Kingdom and say that on the 18th September, 1949, Sir Stafford Cripps, the Chancellor of the Exchequer announced on a broadcast the devaluation of the sterling in relation to the dollar. This announcement came as a dramatic surprise to the nation, because Sir Stafford Cripps had on many occasions emphatically and categorically stated that there would be no devaluation of the Sterling. Hence it had puzzled and even led to discontent of many people. Now, everybody will agree that it was of vital importance to keep the matter a profound secret in order to prevent speculators from profiting by the devaluation. A critic said—and I quote—

"From this point of view the devaluation announcement was one of the most carefully guarded secrets in British history." The critic further says :

"The slightest leakage might have given rise to disastrous results, any deception was not only justifiable, but of vital service to the country. If any blame is to fall on Sir Stafford Cripps, it is certainly not for misleading the speculators". So also, Madam, it was kept a secret in India also. We had to take the decision to devalue the rupee and instead of blaming the Government I shall take this opportunity for congratulating the Government for keeping it a secret.

The question is this. Was devaluation inevitable and unavoidable ? What does this devaluation mean to the nation and to the individual ? How many of our population fully understand the significance of this grave step ? How will it affect their lives in the years to come ? What are the causes that compelled the Government to devalue the rupee ? How shall we be able to avoid further devaluation ? What precautions should be taken now ?

Though this step was announced now, the chain of events that led to this step dates back to many years. Its causes were many and they were obstacles in the fulfilment of our Plans. They were natural and also man made. Causes like famines, floods, earthquakes, cyclones and so on were beyond our control. Then there were riots, communal, linguistic, political,

[Shrimati Tara Ramchandia Sathc.]

provincial all of which show our mean-mindedness. And then there were the aggressions from China and Pakistan. Devaluation is obviously an operation undertaken by a nation only under compulsion of economic necessity and in the hope of improving its economic condition. Madam, from this point of view, we want a favourable trade balance. We hope and want to stimulate export and to reduce our imports. Madam, as long as our exports needed subsidies only marginally it was justifiable to resort to *ad hoc* measures. But when the range and scale of subsidies began to get enlarged it was clearly more desirable to recognise realities and to change the exchange rate formally.

In the nature of things all developing countries need more imports and in the ultimate analysis more imports can only be financed by more exports. Now this step of devaluation should be followed by other measures to increase the production of the exportable items. Before devaluation even exports of cotton textiles had to be given assistance to the extent of 30 to 50 per cent and even more in some cases, of the actual value realised. The effective rate of subsidy on the exports of new manufacturers was even higher. Even our traditional exports like jute, tea and iron ore had to be subsidised marginally and there were pressures for increasing the subsidies. We must try our best to decrease the cost of production in order to compete in the world market which is a buyer's market.

Madam, I do not attach undue importance to devaluation. In the totality of the Indian economic situation the external value of the rupee occupies a secondary position. Our foreign trade forms a small part of the total trade of India. We did wisely in lowering the external value of the rupee. It was inevitable in the face of the enormous erosion of the internal purchasing power of the rupee and the fall in the internal value of the rupee was the direct consequence of planning beyond real resources and also to deficit financing and other reasons, about which many hon. Members have said here. Our Prime Minister, Indiraji, is right when she says that the resources are not a fixed quantity or static, but that they can be increased

by better management and administration. And if we are not able to manage it according to the Plans, we must first be ready with a carefully built-up apparatus of controls and we should have the courage to put that apparatus into operation without fear or favour. Cement, steel, gold, on all these the controls must be continued and though this is a bitter pill we will have to digest it.

Devaluation ought not to have led to wholesale increase in the prices, but to some extent the internal prices are rising. This must be admitted. It is useless to compare the rise in price with the percentage change in the price of the same article in the corresponding period last year. We should not ourselves be satisfied or deceived by fallacious arguments. The note which was circulated by the Ministry of Commerce has given an argument in this manner, if I have interpreted it correctly, and it does not satisfy me. Two years back the price of a certain commodity was— say—X. Then last year it was X plus 5. Now this year it did not rise by plus 5, but only by plus 3. That is to say, now the price is X plus 8. That is the use of saying that it had not risen as much as it had risen in the previous corresponding year? There is no harm in confessing that prices have risen after devaluation. Let us think of the remedies. Devaluation should not be followed by further devaluation and we should be very careful to see that production is increased, mainly of agricultural products. Our traditional export forms the greatest part or share of the total exports. We are trying to boost up our agricultural production since the First Five Year Plan and to a certain extent we were successful but then we lagged behind and the most important factor which hindered our development is the growth in the population.

Now we have also to think about industries of different types, their cost of production and prices. What shall we do to decrease the prices in the country which ultimately affects the export? The Government is trying hard to see that the distribution takes place on a fair basis. Consumer stores are started; super markets are opened; deterrent action against black-marketeers and hoarders is taken. Good, but is it sufficient? No, not at all.

This is only applying ointment to the wound; it will not help to heal the wound. *{Time bell rings}*. Madam, I have fifteen minutes; is it not ?

THE DEPUTY CHAIRMAN : Yes. carry on.

SHRIMATI TARA RAMCHANDRA SATHE : How much time have I got ?

THE DEPUTY CHAIRMAN : You have three to four minutes.

SHRIMATI TARA RAMCHANDRA SATHE : Have I taken ten minutes ?

THE DEPUTY CHAIRMAN : Yes, you have.

SHRIMATI TARA RAMCHANDRA SATHE : So, let us go into the basis of production. The Government is thinking of checking the price rise at the retailers' level but I would suggest to the Government that they should go into the basis of the cost of production and find out whether the cost of production which they give is correct or not. I would like to remind the Finance Minister that while replying to the debate on the Companies (Amendment) Bill the Government has promised that at least in the case of two or three industries they will go into the cost of production. I would like to remind the Government that they should take urgent steps in this matter and if possible they should take up cost accounting of some of these companies to find out whether the cost of production given out by them is correct or not.

Now, Madam, I would like to give some suggestions. Firstly I feel that the whole tax structure will have to be revolutionised. Secondly, the profits should be freeze-ed. Thirdly, no advertisements should be allowed. I do not understand the logic and purpose in giving big advertisements in the papers of commodities which according to the Government and the industries are short in supply. If the supply is less than the demand why should advertisement be necessary ? It will only unnecessarily increase the cost which will have to be ultimately paid by the consumer ?

SHRI K. SUNDARAM : (Madras) : It is because the ruling party wants funds.

SHRIMATI TARA RAMCHANDRA SATHE : By advertisements ? If the ruling party gets funds, well, all the other parties also get.

Fourthly the question of managing agencies should be tackled. It should also be examined whether the production or supply is purposely made less in order to boost up the price or whether the industry has reached the target. Then we should see whether the difficulties are genuine or not and who is responsible for those difficulties. Then the quantum of work should be taken into consideration in relation to overtime. Bonus should not be allowed at the cost of the consumer. The profits should be freeze-ed and the wages should also be freeze-ed but the employees should be provided certain fixed necessities of life. Instead of giving D. A. in cash. Madam, one of the writers, Mr. Kapasi, has rightly said that a nation comes up only when the people are made duty-conscious. We should make our people duty-conscious. Instead of giving them incentives—it has now become a fashion to always talk of incentives—we should make them duty-conscious. When Japan and Germany were able to rebuild themselves in a few years, I feel we should also be able to do that. If we make the people duty-conscious, people will do their duty and we will be able to rebuild our country within no time. So we do not require incentives in terms of money.

AN HON. MEMBER : Patriotism alio.

SHRIMATI TARA RAMCHANDRA SATHE : That is what I say. Then unproductive expenses should be curtailed. Whenever we think of having new buildings we should not take up such building programmes which will cost Rs. 24 per sq. ft. for construction. We should go in for only temporary constructions which will cost only Rs. 8/- per sq. ft.

THE DEPUTY CHAIRMAN : Now, you must wind up. You have taken more than fifteen minutes.

SHRIMATI TARA RAMCHANDRA SATHE : Can I take two or three minute\* more ? I have only two or three more things to suggest.

THE DEPUTY CHAIRMAN : The time limit is there; 15 minutes each and

[The Deputy Chairman.] I think Members can restrict themselves to state the main points.

SHRIMATI TARA RAMCHANDRA SATHE : Whenever any import licence is given, there should be a check to see whether the project for which the licence was given comes into being and whether the promise on which the licence is given is fulfilled or not. The Government should go into this very carefully and keep a constant watch. Madam, even today kerosene is imported but coal is lying in heaps. I would request the Government not to import kerosene. If we can get coal at a cheaper rate I think all the housewives will use coal and we can stop the import of kerosene. About television Kumari Maniben Patel has already mentioned and I do not want to go into it again. As far as air services are concerned, let us curtail the internal service because we have to import planes and if the country cannot afford to import them, we shall have only international services. Then I feel that there is a foreign market for our bananas. These bananas can be dehydrated and it can be made into a good dry fruit. I feel within a year or two this can be done. This requires only one year and the Government can try and export this as dry fruit. As the foreigners like our bananas I think they will like this.

SHRI BHUPESH GUFIA : In Midnapore I saw people giving raw bananas to Mr. Profulla Sen.

SHRIMATI TARA RAMCHANDRA SATHE : We can have quite a large amount for export, several tons. With these words, I thank you, Madam.

SHRI T. CHENGALVAROYAN (Madras) : Madam Deputy Chairman, never have I felt such nervousness as now to speak on this controversial, and if I may say so, complicated subject of devaluation of the rupee. But I get some confidence and courage in that your good nature will extend some degree of indulgence towards the frailty of my submissions or the weakness of my arguments, and the traditional tolerance of this great House to the views expressed other than those held by other hon- Members gives me added strength. I am indeed glad and I feel grateful for the avoidance of a

political turn to the debate on this very important question. I beg of this House to consider this question purely from the national and the economic point of view. I beg of this House to note the circumstances that have led to this venture some step which was really a matter of sequence of the things that had happened for some time. Madam, the inadequate performance of the Third Plan has completely distorted our economy and our efforts in many directions. The industrial output lagged behind and the agricultural yield was very much less than normal. Public undertakings became anaemic. The Chinese aggression caused a terrible strain and drain upon our economy. The Pakistan invasion has completely changed the gear of our economic development. Madam, the confrontation of the economy has been that our export trade was dwindling while our import commitments were multiplying. Madam, all these have considerably distorted our economic efforts. I am aware of the different views that are held on this question of devaluation. There are political, social and economic objections to this step. For example, labour in our country rightly feels that on account of devaluation there would be strain on prices, which would undoubtedly lower their real income. They also feel that there will be a wage-price spiral, which will completely offset the possible gains of devaluation. Nevertheless, I am sure that we shall always consider this question from its growing effect on the future course of our economy. An eminent economist of the British Labour Party, Dr. Bologh, has very strongly criticised this step of devaluation, as a means of capitalist manipulation, the successful operation of which would result in deflation, large-scale unemployment and lowering of economic wages. Some businessmen of a very conservative and cautious type do not feel enthusiastic about this devaluation, because they feel that there would be no appreciable increase in the export trade. On the other hand, they feel that it will have a deleterious effect upon the stability of the national economy. Some others, there are who felt that this step will eventually lead to the restoration of the rupee to its normal and proper value, with the result that we may catch up the economic equilibrium once more and go

ahead. Whatever the objections and the views as regards the wisdom of devaluation, the question that one has to ask is : When does a country seek devaluation ? Whenever the export trade falls, devaluation is resorted to, whenever there is sluggishness in the national economy, devaluation is resorted to. In the ultimate analysis devaluation is an adaptation to set right the inflationary conditions which have already set in. Failure to devalue, under such circumstances, would be wrought with serious consequences, not only on the balance of payments position but also would create difficulties in earning foreign exchange. We have taken this step very carefully and I may assure this House—if assurance is at all necessary—that we had not dramatically decided on devaluation. All necessary steps we took in order to find suitable remedy to recover and revitalise our falling economy. Have we not tried very many fiscal measures? Have we not adopted several monetary measures in order to revitalise and vibrate our economy to its full pitch ? All that had very little relief or effect. If I may recall to this House, we have tried import restrictions like regulation of import licences, increase of import duty, but they did not have an appreciable effect upon the toning up of the economy. There is a school of economic thought headed by Sydney Alexander of Oxford fame who used to feel that import restriction is a possible antidote to devaluation, in order to increase the balance of payments position. May I assure this House that we have also taken that step and what was the result we found on account of such measures ? It had a deleterious effect upon our productive apparatus. We found that several industrial units for want of maintenance imports had to close down, which completely delayed and disappointed the Plan performance in regard to several key industries, not to speak of the large-scale unemployment threatened on account of the closure of these units. Therefore, in my respectful submission we have taken this devaluation step not in despair, not out of mere fantasy. We have taken this step—if I may use the words of Raymond Mikkell, an economist—as an economic realism, which we have to appreciate in the context of our developing economy.

Having said so much generally on the question of devaluation, may I have your permission to present the case for devaluation in our country? Profitability of the export trade and the eventual attractiveness of that trade would result in the inflow of greater resources for investment in that particular type of industrial sector. That means it will generate an industrial cycle which will keep its own momentum and supply position with the result that the whole industrial activity and our planned economy will be maintained at a stable equilibrium. Secondly, the case for devaluation is that whenever we have to have restriction with regard to imports, it will excite and enthuse our people towards finding out suitable import substitutes, substitutes which will, in turn, increase and enlarge our industrial apparatus, giving a wider base for our industrial activity. Thirdly, the devaluation will give us the spirit of trying to earn foreign exchange in a greater measure. All these should strengthen our case for devaluation. I know there are certain misgivings, if not misapprehensions on account of devaluation. For example, it is stated that devaluation would result in certain setbacks. I know with regard to the conditions in our country of what we call a controlled economy and imperfect markets, devaluation is not likely to lead to spectacular results either way in a short period. Nevertheless, I am completely convinced and I would beg of this house to be convinced that there are positive effects as a result of devaluation. In the first place, there will be a betterment of the payments position in respect of our foreign earnings. Secondly, it will give a competitive capacity to our export trade. Thirdly, it will give such an enthusiasm for the export of non-traditional goods, which, in turn, will widen the industrial apparatus engaged in that sector. It will give us greater rupee earnings for the same quantitative export. It will add to the money supply in our country, with which we could buy necessary imports. All these are very positive and very advantageous effects on account of devaluation. Nevertheless, I am painfully aware of certain adverse effects on account of devaluation, and I would like to have your permission a little later to deal with it in the form of a reply to the criticism, but generally on certain

[Shri T. Chengal varoyan.] other questions like the position of our Budget, like the question of future investment of foreign capital, the question of the buying power of the rupee internally and on the question of Defence outlay, an analysis has revealed to a very great degree that devaluation will not have any adverse effect one way or the other.

I may deal very shortly, briefly and quickly with the criticisms that have been levelled against the step which the Government of India has taken. My esteemed friend, Shri Bhupesh Gupta, for whom I have not only reverence, but also great affection, has said this as the gravamen of his charge, in his speech on this motion. I have very closely followed his speech. All that I could find in the wide range of his speech are accusations, insinuations and allegations and, therefore, it is a question of how to meet those criticisms. With regard to his speech, one criticism of an outstanding character, which is characteristic of Shri Bhupesh Gupta, is that we have succumbed to the American pressures and American domination. That has been stoutly and strongly denied by the Government and I can only add my feeble voice to that denial. Nevertheless, may I tell my esteemed friend, Mr. Gupta that in the long history of our Government in this country we have never succumbed to anybody on any question, at any time, on any subject and as long as we are playing this historic role in this Government we will not succumb to anybody on any subject at any time on any question and I am sure we will not be pushed this side or that side by anybody, not even by my comrade Mr. Gupta. That is our role. There are other questions with regard to this, namely that this devaluation has been brought on our head by our foolishness and by our policy of pursuing the Plans. It is a very feeble argument and I do not think that that argument merits any serious refutation on my part. The Plan has nothing to do with the step of devaluation.

We have taken this step of devaluation in order to revitalise our economy, and in the context of such a scheme of revitalising the economy if this devaluation has been undertaken I submit with very great respect that planning has nothing |

to do with the step of devaluation. May I ask my esteemed friends who feel in that way. Did England have a Plan when it devalued its pound ? Did any other country which undertook devaluation pursue a planned economy ? It is wrong economics, elementary fallacy, if I may say so with the greatest respect, to say that because of planning we are now in this difficulty. 4 P.M.

Madam I will not take much of your time excepting to reply to one or two criticisms. For example, they have said that our liability abroad will increase, that our payment of debts position will increase. I most respectfully differ. If we examine the effects of devaluation as a possible earning of the rupee in real terms, I am sure an equilibrium will be reached when there will not be this difficulty. A very important criticism for which one must certainly pay the greatest attention is the effect of devaluation upon the rise in prices. I am sure when we make this appeal, every section of this house will join together and cany on a combat and crusade against rise in prices. We shall take any suggestion, any criticism, any advice, from my esteemed friends opposite. We shall see that the prices do not rise, but at the same time, Madam, to say that this devaluation would result in such abnormal rise in prices is again a misreading of elementary economics.

I must say in conclusion, Madam, that all steps we have taken so far are not in a preconceived notion in order to achieve an equilibrium between the volume of goods and the volume of circulation of money. It is only to catch the economy at a point when the equilibrium will itself generate its own dynamics of movement and momentum. Madam, it is indeed very dark, very depressing, but may I conclude in the language of a poet : 'lead kindly light amidst the encircling gloom; one step is enough for me'; and that step is devaluation.

SHRI D. L. SEN GUPTA (West Bengal) : Madam Deputy Chairman, the issue before us is both political and economic I say political for the reason that Parliament was not taken into consultation before such a vital decision was taken by

the Government. Parliament was in session till the 19th of May, 1966. Till that date consistently the Government was saying that there was no talk of devaluation either far less of any decision being on the anvil. Nothing happened in the course of sixteen days that about the 5th or 6th of June, 1966, they had to decide on devaluation. These currency difficulties, foreign exchange difficulties, we were facing in this country; everything was there; they had not taken place during fifteen or sixteen days. So, politically looking at the issue, there has been a shady something somewhere, call it American pressure, call it the action of the 'Trinity', call it whatever you like, but there was not a democratic sense behind the decision. You talk of democratic institutions, of Parliament being the supreme body of its kind. Why such a vital decision was kept secret from Parliament is a point which the hon. Minister in charge of Finance or in charge of Planning, whoever he might be, has got to answer. What happened in the course of fifteen or sixteen days since the 19th of May that they had to take this decision and they could not wait for 1} months when on the 25th of July, 1966, this House met ?

The other issue is more important than that, that is economic. I find that everybody is arguing the matter from his own angle. It is true indeed that that liberty everybody has. But I feel amazed and amused, both, when I see that the Members opposite in their eloquence went the whole hog and argued that it was an inevitable something. If it was an inevitable something, then what happened that the Ministers did not know about its inevitability till the 19th of May, 1966 ? We hear now that because of national planning inflation is bound to be there, and when inflation is there, devaluation is bound to follow. That has been the argument of our learned friend, Mr. Debabrata Mookerjee and many others there. So we all knew about it. Then why was the country not taken into confidence that it was coming, that it was something natural and inevitable? Why was the country not kept prepared for it ?

Madam, if we take note of some figures—I believe I began at 405.

THE DEPUTY CHAIRMAN : You began at 4 02.

SHRI D. L. SEN GUPTA : Anyway, let us take 1939 as the base year. In undivided India our currency notes were of the order of Rs. 210 crores. I might be excused if I am a little wrong here or there, but it might not be wide of the range. In 1951 in truncated India before the planning started,\*<sup>1</sup> we had Rs. 1200 crores in circulation. By that time we had increased it by six times—thanks to our Congress Government: so many Embassies so many Departments, so many Secretaries, so many Ministers. In 1952 planning started and currency notes came into the market more and more. In 1965 it was more than Rs. 3,000 crores currency notes by way of deficit financing. The Fourth Plan is necessary and we do what we find to be urgent without any planning about it. When we see that we require money, we have currency notes thrown in in the market. When the other countries do not take us into confidence, when we cannot get loans, when we cannot save our export commodities, when we cannot have import through our own currency, then we start thinking about devaluation. That is the way of our thinking. That is the way of our intellectual approach. I should say that it indicates not only financial bankruptcy but intellectual bankruptcy too. If devaluation has to be accounted for, it was because of the excessive planning. Planning is all right. I do not mind that. Planning is necessary for social reconstruction, for economic reconstruction. But excessive planning is bad. The Planning Commission must know how to plan; if it cannot plan properly, it goes out of gear. You cannot expect any institution, much less any Government, to have unbalanced plans. Inflation has not come of its own, inflation has come because of excessive planning. And when there is inflation, there is talk of devaluation. When there is devaluation, what is there ? I am going to give you some figures. The present foreign loan amounts to Rs. 3,299-44 crores approximately at the old valuation of the rupee. After devaluation, it has gone up to Rs. 5,000 crores, more than that. The interest was Rs. 120-59 crores in 1966-67. From Rs. 120-59 crores then the interest now will be Rs. 161-18

[Shri D.L. Sen Gupta.] crores, and if interest is now charged on the increased loan of more than Rs. 5,000 crores it will be Rs. 80 crores more. Now there is only one way out. Before devaluation and after devaluation also, our Ministers had undertook pilgrimages to the different creditor countries. I do not know, nor do I claim to know, what talks the Ministers had in those countries. If they decided upon this devaluation on any understanding of a moratorium or on any understanding that these loans will be written off, there might be some sense. Otherwise, time is fast approaching when we shall not be in a position even to repay the interest, much less the principal. And I am afraid—I am not a prophet—there may be a second or third devaluation. Unless there is a moratorium or writting off of these loans, you cannot manage the things in the manner in which you are doing. What the Ministers too often rely upon, or too often suggest, is this that devaluation will pay because of the export of industrial goods and agricultural produce. Both are a mirage. Sufficient industrial capacity you had not reached even before devaluation, after devaluation you cannot reach it. I am not talking about labour. Labour has always co-operated. But you have not been able to fulfil your planned targets for reasons of financial difficulties, foreign exchange difficulties, bad management and other things. Now you cannot have more exports after this devaluation when the problems have become all the more serious. And looking at the export items also, jute and tea come foremost. I come from Calcutta where there is production of jute goods. The jute workers do not get even six days' work in a week. The people in management say, "We have no raw jute. How can we manufacture?" Raw jute is imported from Pakistan. You have not got sufficient quantity of jute in India to keep your mills running. And you talk of export of jute products. About tea, who controls the tea prices ? It is not India, but the London market. It is the London auction market which controls the prises of tea. So, both in respect of jute and tea, you have no possibility of exports.

So far as agricultural produce is concerned, we cannot have our own food

from our agriculture itself. What produce can you expect to export ? For rice and wheat we have mortgaged ourselves to America under PL 480, and we have not advanced a single step further from where we started under PL. 480, since then. Rather our indebtedness to, our dependence on, America has been augmented more and more. This is our position about agricultural produce. Then, where is the possibility of advancing our economic cause by this devaluation ?

We have not really done this devaluation in a planned manner. I have heard many responsible persons say in the Central Hall, very responsible people, that we could not have paid our officers in the Secretariat their monthly salaries but for the foreign loans. Our whole planning had to be scrapped. We could not have talked of planning but for devaluation. Without this devaluation, the World Bank could not have financed us. Because they have financed us, we are running and we can run for some time. But after this what ? India has got to carry on. We cannot leave a legacy of serious indebtedness to posterity. This is not something which has cropped up suddenly. This devaluation is a sign of the accumulated crime of your economic forum. Economically you did something fraudulent, and we have got to atone for it. Now, Madam, you have seen—by way of setting the country's economy on a stable footing, they have embarked on devaluation. Neither has the position of our creditors improved nor have we been in a position to improve our position. We have damaged our position, we have landed in a very critical situation. And in regard to the internal market, it is further affected by this devaluation. Only on Saturday I met Dr. Ram Subhag Singh, the Minister of State in the Ministry of Railways. He told me that nothing is possible because of devaluation. Nothing is possible. Do not talk of anything. Nothing is possible. Today, this morning, we were talking of fertiliser which is an essential commodity for more production to wipe out the deficit in food. The fertiliser price is being increased because of devaluation. Lock at every important item. You will find that there is a dearth of finance and that dearth has become more acute because of

devaluation. So, on the internal economic horizon, our position has become much worse. Outside India, in the outside world, we have worse danger than we had before.

SHRI AKBAR ALI KHAN : Madam Deputy Chairman, I had the privilege of hearing the spokesmen of the Communist\* Party, left and right, the S.S.P. and of the Swatantra Party, and now an independent ally of the Communist Party . . . .

SHRI A. D. MANI : Left party.

SHRI AKBAR ALI KHAN : Or independent.

SHRI D. L. SEN GUPTA : You impute motive, I know. I can impute greater motive to you. You are a Congressman aligned with the Musliw League. Can you deny that ?

SHRI K. K. SHAH (Maharashtra) : No threats.

SHRI D. L. SEN GUPTA : Can he deny that he was.....

SHRI AKBAR ALI KHAN : So far as this thing is concerned, they were all united on one thing—to decry the Congress and to say that that party has ruined the country. That is the common factor I was just referring to, Madam. If they had confined themselves only to the Third i Plan and the last two years which necessitated devaluation, I would not have ventured to go into the question of what we have done in 19 years.

Madam, after the independence, the earliest step that this Government took was the 6th April 1948 resolution which elaborately stated the economic and industrial policy of this country. The Father of the Nation and the Congress had appointed in 1936 a National Planning Committee under the chairmanship of Shri Jawaharlal Nehru. Now we have elaborated that everything will be done with planning and with a touch of socialism so that we may bring some relief to the millions of our people and in order to fight out poverty and starvation of a people who have been under colonial domination and stagnant economy.

Madam, I do not accept the charge when they say that we have been over-ambitious and we spent too much and that we have M78RS/66—6

taken on more than what we could digest. In the condition of India when poverty was so intense, when there was illiteracy, when the people were deprived of the minimum amenities of life and after all the commitments that the Congress had made, I think the Congress would have failed in its duty if they had not taken this big step and in a big way so that poverty and backwardness could be removed as early as possible.

AN HON. MEMBER : To keep the entire economy in the hands of a few.

SHRI AKBAR ALI KHAN : Now my submission is that this policy resolution was incorporated in the Constitution under the directions regarding the economic policy. This was further elaborated in April 1956 when they accepted the pattern of socialism. Elaborate steps and stages were enumerated. For want of time I am not reading out the passages where the Congress made its policy abundantly clear. Now they say that the Congress policy for 19 years has brought this. In other words, they say that it may be very good, it may be ideal, but there was no performance. Well, that also I challenge. It is not possible for me to go into details. But take the foodgrains. In 1950 the production was 54 million tonnes which was 80 million tonnes in 1965. Take cotton. I am taking only a few things. It was 2-60 million bales in 1950 which was 5-7 million bales in 1965. Jute was 3-11 million bales which became 6 million bales. It is not possible for me to go into the details of industry although I have got figures for different consumer industries, for manufacturing industries, for machinery manufacturing industry, but I would give you these three *in toto*. Consumer industries Rs. 487 crores as compared to Rs. 260 crores. Manufacturing industry Rs. 89 crores in 1950 which became Rs. 620 crores in 1965. Machinery manufacture industry became Rs. 327 crores from Rs. 34 crores. Besides that, in education, in health, in irrigation and power the investment has been huge and considerable.

SHRI V. M. CHORDIA (Madhya Pradesh) : In wastage also.

SHRI AKBAR ALI KHAN : I do not say, Mr. Chordia, that in these great ad-

[Shri Akbar Ali Khan] ventures we have not committed mistakes in determining the priorities. But I do say that our performance and our policy led by our great respected leader, Jawahar-Jal Nehru, has been successful and has brought great relief and economic development to this country for which any country could be proud of.

Madam, leaving it at that I will now come to devaluation. I would not repeat what has been said. But before I go into that factor, there are two charges that have been made. One was just now repeated by Mr. Sen Gupta what the senior Gupta had said. We were not taken into confidence, it was a fraud on Parliament. Well, I am not used to ^strong language because I do believe that strong language or angry expressions are not substitutes for good reasoning and sound judgment. But I would say that the Government would have failed in its duty if in the process of thinking and in such a crucial and critical matter they said anything just before the minute they had decided to devalue, and instead of accusing I pay my compliment to Mr. Asoka Mehta and others who kept this secret very well guarded and till the final decision was taken, this thing never leaked out. I think they have done a great service to the country. (*Interruption by Shri Bhupesh Gupta.*)

The second factor is about pressure. The usual phrase of Mr. Bhupesh Gupta is "under pressure", "under the dictates of the United States". Mr. friend, Mr. Dahyabhai Patel, accuses of "dictation from Communist countries under the direction of Soviet Russia". I do not know whom to believe. But the fact remains that both are hopelessly wrong. Whatever we have done we have taken a just decision on our own.

SHRI BHUPESH GUPTA : We can think that we have not devalued the rupee after this speech.

SHRI K. K. SHAH : Let us not disturb him.

SHRI AKBAR ALI KHAN : Two years back Mr. Bell submitted his report. Discussions were going on. If it was a case of accepting anybody's dictates we would have done it then.

SHRI BHUPESH GUPTA : Half of the gusto has been shown now.

SHRI AKBAR ALI KHAN : The position is, Mr. Gupta, that you realise that in connection with this big planning, in addition to our resources, we wanted foreign credit, foreign aid on a huge scale, and there is no country, including Soviet Russia. ...

SHRI C. D. PANDE (Uttar Pradesh) : You mean his country—Russia I

SHRI AKBAR ALI KHAN : ..... which in accordance with developments did not take loans or aid from any other country. The United States of America, in the course of its development, took help from the United Kingdom and other countries.

Today my friends, one from the Swatantra and the other from the Communists—right and left—joined together to say that our planning was being dictated from outside. Nothing of the kind.

SHRI M. RUTHNASWAMY (Madras) : May I ask my friend to quote Mr. Patel that devaluation was under pressure from Soviet Russia.

SHRI AKBAR ALI KHAN : He said that our policies are under the pressure of the Communists.

SHRI M. RUTHNASWAMY : Devaluation ?

SHRI AKBAR ALI KHAN : I am not quoting the exact wording. If necessary, I can get it. But the sum and substance of the speech of Mr. Dahyabhai Patel was that we are working under the pressure of communists. That was the sum and substance and my friend can verify it, if necessary.

SHRI M. RUTHNASWAMY : Did he say that devaluation was done under Communist influence ?

SHRI AKBAR ALI KHAN : He said about economic policies. Devaluation is only a measure of economic structure. I know that it is a structural measure but an important measure. If the Swatantra Party confined itself only to devaluation and only to the last two years of the Third Plan policy, I would not have said anything, but you dragged the whole planning

period of fifteen years and then you charged us and you condemned us. That is why I have to go into it.

Coming to the fact of devaluation, I would not repeat what has been said. The fact was, on account of this big investment, on account of the planning in a big way in the best interests of the country and added to it by the Chinese and Pakistani aggressions, coupled with the severe drought that the country had ever faced, all these factors combined, the foreign exchange position became critical. Before devaluation, even in the case of textiles we were subsidising to the extent of 30 to 40 per cent. Even the traditional things like tea, jute we were subsidising and we were thinking of concessions or remissions and all possible things to prop up our exports. In that context this was the only alternative. I do not see if it could have been a different decision also but I think in those circumstances, the decision that the Government of India took was a just decision. That is the only thing but that is not enough. Now my complaint with the Government of India is that when they took this decision in these circumstances, I feel that they were not fully prepared. They did not make all the necessary preparations. They ought to have thought of the follow-up measures before so that immediate action could have been taken. See what had happened on the 20th July in England when a serious situation came. Here is 'The London Times'. When there was devaluation in 1949-50— you must have read about it at least— the same charge as it is levelled here was there that the Minister in U. K. stated that there was no question of devaluation and later they devalued sterling. So they had to face the same charge as my Ministers are being put to-day.

SHRI BHUPESH GUPTA : I charge that there was treachery.

SHRI AKBAR ALI KHAN : You think that abusive language can give you status. The country will decide, Parliament will decide. I know that it is an electioneering year and that you want to create our image in such a way that you may disfigure us and you may gain some point. Although you promised that you would I

not make it a political matter, but you did make it. Anyhow so far as these measures are concerned, I will say this. On the 20th July, Mr. Wilson made a detailed statement in which there was an announcement about standstill and my friend will be happy to hear that the wages were also frozen. Although there was a lot of row about it, ultimately the Labour leaders also agreed and said : 'Let there be a standstill for six months' and the labour co-operated fully. But what is happening in my country ?

SHRI MULKA GOVINDA REDDV : There is no comparison with what is happening there and what is happening here.

SHRI AKBAR ALI KHAN : When there is such a difficult situation, when we are fighting this economic battle, my friends want to have strike, they want to have 'bandh', they want to have 'gherao'. What sort of thing is this ? This is not patriotism. If at this juncture, if at this economic crisis they want to do this—I am quite sure my friends Mr. Bhupesh Gupta and others are as patriotic as myself and I do not doubt their integrity but suddenly I question their strategy and methods in this matter and much more so, when there is scarcity, and economic difficulty they want to create confusion so that the people may be misled.

SHRI BHUPESH GUPTA : You are borrowing wisdom under P. L. 480.

SHRI AKBAR ALI KHAN : I am sure that I am one of those who want to say that the sooner they get rid of this aid from U.S.A. the better it is for us and I would be happy. I want to have aid only as a prop, I do not want it to be crutches. I do not want to rely on that. Give us strength and I am sure the Government will terminate the aid as early as possible.

श्री विमलकुमार मन्नालालजी चौरड़िया :  
हमारे में होटल चलाने की भी अक्ल नहीं है, रोटी बनाने की भी अक्ल नहीं है, क्या है ?

SHRI AKBAR ALI KHAN : That is what I am saying. I would like my friends, Mr. Chordia and Mr. Gupta to be careful when they give a picture of the Gov-

[Shri Akbar Ali Khan] ernment, which is the representative Government of 500 million people to the outside world. It is insulting that our Government could be influenced by a foreign Government, the U.S.A. or any other Government. You can say that you do not agree with our policy but you must not show that your Government is weak. After all you must have some respect—I am sure you have got. You have to say that your Government is an honest Government, and is a strong Government, is a capable Government so that the respect of the country in all international matters be high.

SHRI BHUPESH GUPTA : Even in a state of adolescent love, people do not say such things.

SHRI AKBAR ALI KHAN : I know Mr. Gupta, you are feeling uncomfortable because facts are unpleasant but please have some patience. What I would like the Government to do is that before the Parliament disperses, I would ask them to come with a White Paper, which will contain all the steps necessary in order to encourage export, in order to have greater production, specially on the agricultural side and in order to keep the prices in control, which is very crucial and very necessary and at the same time cutting down the expenditure as they have said by 3 per cent, in the revenue and 5 per cent, in the capital but keeping it in mind that all those schemes which will give us immediate results shall not be cut down, all those industries which give support to our exports should be encouraged. For import substitution all our scientists, research laboratories and the Universities and other agencies should be alerted that they should devote their whole mind to see that we have import substitutes so that we import less and less. We want the Government and everybody to cut down the expenditure. Let us also show a gesture, Mr. Gupta. Let us also agree that at least for one year from their salaries the Members of Parliament, Legislatures and the Ministers voluntarily give 5 per cent, in order to meet the necessities of the situation. I am sure at least I will have the support of the Opposition and my people and I very humbly and respectfully ask the Finance Minister to cut 5 per cent, from my salary for one year from the 1st

September. It is a humble gesture to establish my sincerity in the economic difficulties that we are facing. That might encourage rich people like Mr. Babubhai Chinai and Mr. Oberoi also to give something in this grave hour of need of the country.

**श्री विमलकुमार मन्नालालजी चौरङ्गिया :**

उपसभापति महोदया, जिस देश की आर्थिक स्थिति खराब हो जाती है और सिक्के के फैलाव के साथ-साथ उत्पादन नहीं हो पाता और सिक्के की खरीदने की ताकत कम हो जाती है उस देश में सिक्के का मूल्य अन्य देशों के सिक्कों की तुलना में कम हो जाता है। चूंकि कुछ देशों ने अपने यहां के सिक्के का मूल्य कम किया इसलिये हमारे लिये भी मूल्य कम करना उचित है इसे मैं कोई तर्क नहीं मानता। अगर यह तर्क हम मानते हैं कि कोई गलती करता है तो हम भी गलती करें और उसको न्यायसंगत करने का प्रयत्न करें तो यह कुतर्क होगा।

उपसभापति महोदया, जब हम पहले केवल 4.76 रुपये में डालर खरीद सकते थे तो अब हमको 7.50 रुपया लगेगा, उसी तरह से 13.3 रुपये में पाउन्ड खरीद सकते थे तो अब हमको 21 रुपया लगेगा, अर्थात् जिस काम के लिये पहले हमको 100 रुपये देने होते थे उसके लिये अब 157 रुपये 50 पैसे देना पड़ेगा और इस तरह से हमने जानबूझ कर अपने सिर के ऊपर एक वजन ले लिया है। महोदया, आजादी मिलने के पश्चात् हमने, हमारी अर्थव्यवस्था ठीक हो इस दृष्टि से अंग्रेजों के प्रभाव में आकर सन् 1949 में अपने सिक्के का मूल्य घटाया और उस सिक्के का मूल्य वैसे तो हमें कम नहीं करना चाहिये था क्योंकि हम आजाद देश हो गये थे और हमें अपने देशवासियों में प्रेरणा भर कर इस बात का प्रयत्न करना चाहिये था कि जितना सिक्के का फैलाव हो गया था उसके मुकाबले में अपना उत्पादन बढ़ायें—हम अपने रुपये

की कीमत ठीक करते—मगर नयी-नयी आजादी थी, नया-नया अनुभव था, तो ब्रिटिशर्स के प्रभाव में आकर हमने अवमूल्यन किया। परन्तु वैसे करना न्यायसंगत था ऐसा मैं नहीं मानता। महोदया, इसके विपरीत एक उदाहरण हमें मिलता है जर्मनी का। उन्होंने 1961 में अपने मार्क की कीमत बढ़ाई। 1961 के पूर्व उसका एक मार्क 23.8 सेंट अमेरिका के खरीदता था, वह 1961 के बाद एक मार्क 25 सेंट खरीदने लगा। उसने अपने सिक्के का...

**श्री अकबर अली खान :** जनाबआली, सिक्के की कोई कीमत ही नहीं रही थी, इतना डिवेल्यूएशन हो गया था।

**श्री विमलकुमार मन्नालालजी चौरड़िया :** यही तो आश्चर्य है कि जो देश बर्बाद हो चुका, जिसके सिक्के की हालत बहुत खराब हो गई थी उस देश ने अपनी आर्थिक स्थिति के आधार पर देशवासियों में प्रेरणा भरी, उत्पादन बढ़ाया। लेकिन आप जो अपने सिक्के की कीमत डालर के मुकाबले में कम करके अपने आपको गिराते जा रहे हैं, यह हमारे लिये शर्म की बात है।

उपसभापति महोदया, 1949 में ब्रिटिशर्स के प्रभाव में आकर; अपनी शक्ति को नहीं परख कर, हमने अवमूल्यन किया अपने सिक्के का। उसके बारे में असेम्बली के सदस्य विद्वान अर्थ शास्त्री श्री के० टी० शाह ने जो वक्तव्य दिया उससे ज्यादा सख्त बयान और कोई नहीं दिया जा सकता। उन्होंने जो बताया उसको मैं कोट कर रहा हूँ :

"I think it cannot be described as anything else but a breach of faith and an act of bankruptcy."

आगे उन्होंने बताया—

"This crime is not merely a crime without any notice or intimation or preliminary circumstances leading one to apprehend it, but it is a policy of

gross betrayal of the trust we had reposed along with some other unfortunates in the British honesty, and left our resources accumulated with them so that today, if we have to make purchases away from Britain in hard currency areas, we are not in a position to do so without very considerable loss to ourselves."

SHRI K. K. SHAH : That supports our case completely.

**श्री विमलकुमार मन्नालालजी चौरड़िया :** महोदया, यह श्री के० टी० शाह का बयान है, श्री के० टी० शाह अपनी बात कहेंगे। तो इस तरह से हमने अपने देश के साथ जिस तरह से 'बिट्रेयल' उस समय किया था वह ब्रिटिशर्स के प्रभाव में आने के कारण था क्योंकि हमारा उनके ऊपर विश्वास था, लेकिन उन्होंने उस विश्वास का दुरुपयोग लिया। उसी तरह से आज भी हमें अमेरिकन्स ने अपने विश्वास में रखा, उसी तरह से जो इन्टरनेशनल मोनेटरी फण्ड और विदेशी संस्थानों में हमने विश्वास रखा। उन्होंने हमें सजेशन दे कर इस बात का आग्रह करके कि यदि आप अवमूल्यन नहीं करेंगे तो हम आपको कर्जा नहीं देंगे, यदि आप सिक्के की कीमत नहीं घटायेगे तो हम आपको डेवलपमेन्ट के लिये सहायता देने वाले नहीं हैं, इस तरह के अप्रत्यक्ष दबाव में आकर हमें रुपये की कीमत घटानी पड़ी।

उपसभाध्यक्ष महोदया, यह रुपये की कीमत अपने आप नहीं घट गई। हमारी सरकार की गलत नीतियों के परिणामस्वरूप आज हमको अपने रुपये की कीमत कम करनी पड़ी। इसका प्रमुख कारण यह है महोदया कि हमारे यहां नोटों का फौलाव इतना अधिक हो गया कि 1948-49 में 15,32,50,00,000 रुपये के नोटों का फौलाव हमारे देश में था उसके मुकाबले में 1964-65 में वह 26,06,90,00,000 रुपये हो गया। इस प्रकार 10 अरब 74 करोड़ 50 के नये नोटों का फौलाव अधिक बढ़ गया है। उसी तरह

**[श्री बिललकुमार मन्नालालजी चौरड़िया]**

से अगर 'मनी सप्लाई' के हिसाब से देखा जाय तो 1950-51 में 20,22,20,00,000 रु० से लेकर 1964-65 में 40,75,60,00,000 रुपये इस प्रकार हमने 20 अरब 53 करोड़ 40 लाख रु० की 'मनी सप्लाई' अधिक कर दी। किन्तु उतना उत्पादन नहीं किया।

महोदया, जब इतना रुपया बाजार में फैल जायेगा और फिर हम कहें कि उसके खरीदने की ताकत बढ़ जाय यह तो एक स्वप्न लोक में विचरण करने वाली बात है या जिसने अपना सारा विवेक, सारी बुद्धि, खो दी है वही ऐसा कह सकता है कि इतना रुपया फैलाने के बाद हम रुपये की कीमत बढ़ा सकेंगे। मेरे जैसे साधारण बुद्धि वाले आदमी के दिमाग में तो यही आता है कि अगर हम रुपये का फैलाव बढ़ाते जायें और उसके मुकाबले में उत्पादन में वृद्धि नहीं कर सकें तो हमारे रुपये की कीमत जरूर कम होगी।

हमारे यहां मुद्रा स्फीति की गति अधिक तेज रही है और गत दो सालों में वह पन्द्रह प्रतिशत वार्षिक बढ़ी है। इस समय हमारे देश में जो उन्नति या अवनति हुई है उसके बारे में 'इकानामिक एण्ड साइन्टिफिक रिसर्च फाउन्डेशन' ने यह प्रगट किया है कि "एशिया में इन्डोनेशिया को छोड़कर आर्थिक विकास में भारत सबसे नीचे है" चूंकि हम अगर अपना प्रशस्ति पत्र आपको देंगे तो आप उसको स्वीकार नहीं करेंगे इसलिये विदेश बाजारों ने जो यह आपकी प्रशंसा की है इसको आशा है हमारा शासन सहर्ष स्वीकार करेगा। हमारे वित्त मंत्री अपने भाषण में बिलकुल बेशर्मी के साथ स्वीकार करते हैं कि हमारी महंगाई 80 प्रतिशत बढ़ गई, जैसे कि मानों आसमान से कोई व्यवस्था आई जिसकी वजह से मजबूर होकर उनको यह करना पड़ा। यह सारा दोष हमारी सरकार की गलत नीतियों का है और उपसभाध्यक्ष महोदया, इसके परिणाम-स्वरूप हमको अरबों रुपयों का नुकसान होने

वाला है चाहे आज मीठी मीठी बातें करके हमारी सरकार कह रही है कि हम एक्सपोर्ट बढ़ा देंगे, इम्पोर्ट कम कर देंगे और सारी की सारी व्यवस्था कर देंगे। यह स्वयं को धोखा देना है, अपने दिल को धोखा देना है। इस तरह से सारे देश को आप धोखा दे रहे हैं। मैं मोटे मोटे आंकड़े बताना चाहता हूँ कि रुपये के अवमूल्यन का क्या हानिकारक प्रभाव पड़ा है। 5 जून 1966 के पूर्व भारत को भिन्न भिन्न देशों का जो कर्जा देना था वह था 27 अरब 33 करोड़ 86 लाख 53 हजार रु० जो कि अवमूल्यन के परिणामस्वरूप 41 अरब 2 करोड़ 57 लाख 49 हजार रु० हो जायेगा। इस तरह से 13 अरब 68 करोड़ से ऊपर की वृद्धि उसमें हो रही है। इसके साथ-साथ सभापति महोदया, हमें 3 फण्डों में, (1) इन्टरनेशनल डेवेलपमेन्ट एसोसियेशन (2) इन्टरनेशनल मोनेटरी फण्ड और (3) इन्टरनेशनल बैंक फार रिकन्स्ट्रक्शन एण्ड डेवेलपमेन्ट में जो रुपया देना पड़ेगा वह 2 अरब 3 करोड़ 60 लाख 79 हजार रु० है जिसके लिये अनुपूरक मांग आई। उसका जो व्याज हमको देना पड़ता है वह वर्ष का 4,09,83,00,000 रुपये के करीब है। उसमें विदेशों को जो व्याज देना है 94 करोड़ 40 लाख रु० उसमें 40 करोड़ 19 लाख रु० की और वृद्धि होगी। इस तरह से हमको प्रति वर्ष एक अरब 34 करोड़ 59 लाख रु० से ऊपर व्याज विदेशों को देना पड़ेगा जिसका भार हमारे ऊपर पड़ रहा है। विदेशों में जो हमारे ढूतावास हैं उनके ऊपर भी हमको 3 करोड़ 73 लाख 49 हजार रु० बचे हुए आठ, नौ महीनों का देना पड़ेगा, इस प्रकार लगभग 4 करोड़ रुपये प्रति वर्ष की वृद्धि यह पड़ेगी।

अवमूल्यन के पूर्व हमको जो विदेशी गेहूँ मंगाना पड़ता था वह जहां 36.04 रु० प्रति क्विन्टल मिलता था वह आज हमको मिलेगा 56.76 रु० प्रति क्विन्टल। इस

प्रकार हमको प्रति क्विन्टल 20.72 रु० अधिक देना पड़ेगा। गये साल जो खाद्यान्न का इम्पोर्ट हुआ उसमें अगर हम 152.4 हजार टन आस्ट्रेलियन गेहूं का हिसाब न जोड़ें तो भी हमको उसमें पहले लगता था 2 अरब 90 करोड़ 32 लाख रु०, और अब बढ़े हुए भाव से लगोगा 4 अरब 58 करोड़ 52 लाख रु०। इस प्रकार अब उसमें 1 अरब 68 करोड़ 20 लाख रु० की अधिक वृद्धि होगी और अगर सारा जितना गेहूं इम्पोर्ट हुआ उतना ही और इम्पोर्ट किया तो लगभग ढाई अरब रु० प्रति वर्ष का यह भार बढ़ने वाला है। उसी तरह से माल के आने जाने में जहाज के किरायों में 80 करोड़ रु० हमको ज्यादा देना पड़ेगा तो यह किस कारण से हमारे मंत्री महोदय और कांग्रेस के सब सदस्य कहते हैं कि हमने जो यह डिबेल्यूएशन किया इससे एक्सपोर्ट बढ़ जायेगा इम्पोर्ट कम हो जायेगा, हमारा बैलेन्स आफ पेमेन्ट ठीक हो जायेगा। मैं उनकी वृद्धि पर तरस खाता हूँ। महोदया, ये शब्द उस समय भी, जब 1949 में डिबेल्यूएशन हुआ था, दोहराये गये थे और वही पुराने शब्द दोहरा कर आज हमारे कांग्रेसी सदस्य पुराने रिकार्ड बजा बजा कर कह रहे हैं और लोगों को भुलावे में डालना चाहते हैं। उस समय भी यही कहा गया कि विदेशी व्यापार हमारे हित में होगा। मैं इकानामिक पोइन्ट बुक से निकाल कर बताता हूँ कि 1949-50 में 1 अरब 41 करोड़ 90 लाख रु० का अगर ज्यादा इम्पोर्ट करना पड़ता था तो 1950-51 में डिबेल्यूएशन के परिणामस्वरूप वह केवल 49 करोड़ 60 लाख रु० रह गया, मगर 1951-52 में वह एकदम से बढ़कर 2 अरब 37 करोड़ 10 लाख रु० हो गया। यह हमारे डिबेल्यूएशन से लाभ है या हानि है, जो कुछ आप मानते हो, ये आंकड़े बोलते हैं, लेकिन उससे भी हमारी सरकार को सबक लेना चाहिये। महोदया, बुद्धि कोई ऐसी चीज नहीं है कि किसी बोनल से निकाल कर चम्मच

से हमारी कांग्रेस सरकार के मुंह में डाल दी जाय। ये एक्सपोर्ट इम्पोर्ट की बात करते हैं। अभी हमारी स्थिति यह है कि मॉटे तौर पर 1400 करोड़ रुपये का हम आयात करते हैं और 800 करोड़ रुपये के लगभग का निर्यात करते हैं, हमारा डेफिशिट 600 करोड़ का है। आगे जब हम 1400 करोड़ रुपये का आयात करेंगे तो उसकी कीमत 2200 करोड़ होगी और जो 800 करोड़ का निर्यात करेंगे उसकी कीमत 1200 करोड़ रु० मिलेगी अर्थात् यह 1000 करोड़ रु० का डेफिशिट हर साल पड़ने वाला है क्योंकि पहले तो केवल 600 करोड़ के डेफिशिट को बैलेन्स करने की जरूरत थी, अब 1000 करोड़ रुपये के डेफिशिट को बैलेन्स करने का कष्ट उठाना पड़ेगा। इसमें हमारी सरकार क्या कर सकेगी? हमारी सरकार कहती है कि हम एक्सपोर्ट बढ़ायेंगे। एक्सपोर्ट किन चीजों का बढ़ायेंगे, कौन सी चीज सप्लस है, किन किन चीजों का प्रोडक्शन बढ़ायेंगे? हाँ मैं मानता हूँ कि हमारे यहां भाषणों का प्रोडक्शन काफी है, चर्चाओं का प्रोडक्शन काफी है... जिसकी एक्सपोर्ट वैल्यू कुछ नहीं है। (Interruption) के० के० शाह साहब, आपको बुद्धि को थोड़ा ठंडा करके सोचना चाहिये, तब आपको सारी बातें समझ में आ जायेंगी। उपसभाध्यक्ष महोदया, हमारी सरकार की बुद्धि घटती जा रही है। इसका उदाहरण यह है कि बिस्कुट बनाने की फैक्टरी के लिये विदेशी चाहिये, रोटी बनाने के लिये विदेशी चाहिये, होटल चलाने के लिये विदेशी चाहिये, यह इतनी भी बुद्धि अपने आप में नहीं समझती है कि ऐसे कामों में अपने मस्तिष्क का उपयोग लें। यहां के कारखाने वाले बिस्कुट का और कई चीजों का एक्सपोर्ट करते हैं। इसीलिए हमारी सरकार हमारे देश के उद्योग को किस तरफ ले जायेगी यह सबको विदित हो रहा है।

जब सरकार से पूछा गया कि डिबेल्यूएशन से सरकार भाव कैसे नहीं बढ़ने देगी?

[ श्री विमलकुमार मन्नालालजी चौरङ्गिया ]

तो वह कहती है कि हम आंतरिक भावों को नहीं बढ़ने देंगे जिसकी वजह से भाव नहीं बढ़ने पावेंगे। इस तरह की जो बात सरकार कहती है वह बिल्कुल झूठी है, जिससे वह जनता को धोका देती है और खुद भी अपने को धोके में रखती है। सरकार कहती है कि हम अनाज की कीमत तय कर देंगे, दूसरी चीजों की कीमत तय कर देंगे और इस तरह से खास खास चीजों के दाम तय हो जाने से चीजों के भाव नहीं बढ़ने पावेंगे। इस तरह की बात कहकर सरकार पर कोई भी विश्वास नहीं कर सकता है क्योंकि एक काश्तकार जब वह आज ट्रैक्टर लेने जाता है तो उसे पहले से डेढ़ गुना ज्यादा दाम देने पड़ते हैं। इसी तरह से मोबिल आयाल के दाम बढ़ गये हैं। सरकार फटिलाइजर के दाम में सबसिडी देती है मगर काश्तकार के उपयोग की जो दूसरी चीजें हैं उनके दाम तो बहुत बढ़ गये हैं वे महंगी हो गई हैं। आज किसान के बैलों की, औजारों की तथा उसके उपयोग की सामग्री के मूल्य बढ़ गये हैं मगर फिर भी हमारी सरकार कहती है कि हम चीजों के दाम नहीं बढ़ने देंगे और वेज फ्रीज कर देंगे। आज बाजार में अवमूल्यन से कपड़ा महंगा हो गया है और बहुत सी चीजों के दाम बढ़ते ही चले जा रहे हैं जिससे मजदूरों को बहुत तकलीफ हो रही है। सरकार किसानों और मजदूरों का गला घोट कर चाहती है कि हमें भाव नहीं बढ़ने देने हैं। वह तो कहती है कि तुम पेट पर पट्टी बांध कर बैठ जाओ, हम भाव नहीं बढ़ने देंगे। इस तरह की वह जिनकी बात करती है वह असम्भव बात है। इसलिये मेरी प्रार्थना यह है कि हमारी सरकार इस भ्रम में न रहे। अगर वह ऐसा करती है तो अपने को भी धोके में रखती है और समाज को भी धोके में रखेगी।

सरकार जो यह कहती है कि अवमूल्यन

के बाद कीमत नहीं बढ़ी है, तो मैं नम्र निवेदन करना चाहता हूँ कि जहाँ शासकीय नियंत्रण है वहीं भाव बढ़ रहे हैं। हवाई जहाज के किराये में 10 प्रतिशत की वृद्धि हो गई है। अपने यहाँ की घड़ियाँ जो पहले 99.00 रुपये में आती थीं उनके दाम 113.70 रुपये हो गये हैं। मोबिल आयाल के दाम बढ़ गये हैं। ट्रैक्टरों के दाम बढ़ गये हैं, मोटरों के दाम बढ़ गये हैं, फिर भी सरकार की ओर से कहा जाता है कि कीमत नहीं बढ़ी है? हमारी प्रधान मंत्राणी जी कहती हैं कि केवल एक प्रतिशत की वृद्धि हुई है। वाणिज्य मंत्री जी कहते हैं कि कीमतें देश में जरा कम होती जा रही हैं। बैंक की रिपोर्ट के अनुसार और होल्सेम मार्केट में 7 प्रतिशत की वृद्धि अवमूल्यन के बाद हो चुकी है। मगर वास्तविकता यह है कि 15 प्रतिशत की वृद्धि अवमूल्यन के बाद अब तक हो चुकी है। अभी तो बिसमिल्लाह ही है, गुरुआत ही है, आगे क्या-क्या होगा, देखते जाइये। आज बाजार में जितने भी भाव बढ़ गये हैं, वे सब अवमूल्यन के कारण बढ़े हैं। हमारी सरकार कहती है कि अवमूल्यन से कीमतें नहीं बढ़ेंगी हमारा हित होगा। यदि हमारी सरकार यह मानती है तो मैं केवल यही कहूँगा कि अगर वह और उसके साथी इस ख्याल में हों और जनता में भ्रम करने पर तुले हुए हैं कि यह अवमूल्यन देश को लाभप्रद होगा तो मैं श्री के० टी० शाह, अर्थशास्त्री ने जो कुछ कांस्टीट्यूट असेम्बली में कहा था उससे अधिक नहीं कह सकता। उन्होंने कहा था :—

"if anybody lives in the hope, if anybody lives in the belief that we are going to benefit from it, I would regard him a candidate for an asylum and not for an Assembly."

ऐसी ही स्थिति आज हमारे देश की हो गई है और मैं इस बारे में ज्यादा कहना

नहीं चाहता हूँ। मैं अंत में कुछ सुझाव देना चाहता हूँ, वैसे सुझाव तो हम पहले भी बराबर देते चले आ रहे हैं (Time bell rings)

SHRI BHUPESH GUPTA : They are isolated and even in the asylum they will not be in a majority.

श्री विमलकुमार मन्नालालजी चौरङ्गिया : उपसभापति महोदया, हमारी सरकार को इस बात का सबक लेना पड़ेगा कि उसकी आज तक की गलत आर्थिक नीतियों के कारण आज हमें यह दिन देखने को मिल रहा है। इसलिये मेरा नम्र निवेदन यह है कि हमारी सरकार को अपने आर्थिक ढाँचे में और अपनी योजनाओं में आमूल चूल परिवर्तन करना पड़ेगा। उसे उन सब खर्चों को बंद करना पड़ेगा उन नीतियों को बदलना पड़ेगा जिसकी वजह से आज हमें यह दिन देखने को मिल रहा है।

उपसभापति महोदया, कहा जाता है कि रूस का रूबल स्तर पर है क्योंकि वहाँ पर सब चीजों का राष्ट्रीयकरण है। लेकिन मेरा नम्र निवेदन यह है कि हमारे यहाँ इन सब बीमारियों का इलाज राष्ट्रीयकरण नहीं है और अमेरिका जैसी पूरी छूट दे देने से भी इसका इलाज होने वाला नहीं है। रूबल की कीमत इसलिये नहीं घटी कि वहाँ पर राष्ट्रीयकरण था बल्कि राष्ट्रीयकरण के पीछे रूस सरकार का डण्डा और गोली भी थी। उधर अमेरिका में डालर की कीमत इसलिए नहीं घटी कि वहाँ पर शासकीय नियमन के साथ उद्योगों का विकास होता जा रहा है। किन्तु वहाँ लूट की छूट भी है जो उचित नहीं। हम चाहते हैं कि राज्य का कर्तव्य है कि वह आर्थिक क्षेत्र में नियोजन, निर्देशन, नियमन तथा नियंत्रण का सामान्यतः तथा विशेष क्षेत्रों और स्थितियों में स्वामित्व और प्रबन्ध का दायित्व ले।

मगर हमारी सरकार की जो नीति है वह कम्युनिस्टों की नीति है केवल गति का फर्क

है और उनके पास डण्डा और गोली भी नहीं है। जिन चीजों से देश में उत्पादन बढ़ना चाहिए उसको सरकार ने व्यर्थ के शिकंजों में ले रखा है जिसका परिणाम यह हो रहा है कि उत्पादन में कमी हो गई है जिसकी वजह से निर्यात में भी कमी हो गई है और जिसका परिणाम यह अवमूल्यन है। इसलिये मेरा नम्र निवेदन है कि अगर सरकार की यही नीति रही तो पांच सात वर्ष के अन्दर-अन्दर उसे पुनः अवमूल्यन करना पड़ेगा। अगर यह सरकार पुनः अवमूल्यन के लिए आई तो इस सरकार को बेशर्म, नालायक और निकम्मी सरकार से ज्यादा और क्या कहा जायगा। इस तरह के कम्पलिमेंट मुझे न लगाने पड़ें, इसलिये आशा है कि वह सही दिशा में कदम उठायेगी और इस तरह की स्थिति को पैदा नहीं होने देगी।

श्री रामकुमार भुवालका (पश्चिमी बंगाल) : उपसभापति जी, गत 5 जून को वित्त मंत्री श्री शचीन चौधरी ने भारत के इतिहास में सबसे महत्वपूर्ण आर्थिक घोषणा की। सामान्य जन के लिए रुपये के अवमूल्यन की घोषणा चौंकाने वाली बात हो सकती है, लेकिन जो लोग भारतीय अर्थ-तंत्र के उतार चढ़ाव के जानकार रहे हैं उनके लिए यह निर्णय एकदम अप्रत्याशित नहीं था। चूँकि भू० पू० वित्त मंत्री श्री टी० टी० कृष्णमाचारी ने अपने कार्यकाल में अवमूल्यन सम्बन्धी अफवाहों का जोरदार खंडन किया था और हमारे राजनीतिज्ञों ने कई बार यह दोहराया था कि रुपये का अवमूल्यन नहीं किया जा रहा है। इसलिए अवमूल्यन के निर्णय को आकस्मिक घटना माना गया और सरकार पर राजनीतिक दबाव के आगे झुकने के आरोप लगाए गए। हालांकि यह सही है कि विश्व बैंक, अन्तर्राष्ट्रीय मुद्राकोष और अमरीका की ओर से रुपये के अवमूल्यन का सुझाव दिया गया था, लेकिन मात्र सुझाव को निर्देश करार देना किसी भी राष्ट्र की प्रतिष्ठा के अनुकूल

[श्री रामकुमार भुवालका]

कार्य नहीं है। सरकार की ओर से बार-बार राजनीतिक दबाव के आरोपों का खंडन किया गया है, लेकिन इसके बावजूद विरोधी पक्ष आरोप लगाते रहे हैं। अतः जहां सरकार का रवैया सार्वभौम सत्ता और राष्ट्रीय प्रतिष्ठा के अनुकूल है वहां विरोधी पक्ष का आरोप अप्रतिष्ठाकारी है। राजनीतिक दबाव के आगे झुकने का आरोप लगाने का अर्थ यही है कि विरोधी पक्ष ने राष्ट्र की प्रतिष्ठा को बहुत कमजोर माना है। यह अनुचित है और राष्ट्रीय सम्मान के प्रतिकूल है। आरोप के खंडन के लिए एक यही तर्क काफी है कि यदि सरकार पाश्चात्य राजनीतिक दबाव के आगे झुक गयी होती तो वह वियतनाम में अमरीकी बमबारी का विरोध नहीं करती। क्या किसी ने यह आरोप लगाया है कि भारत ने वियतनाम पर अमरीकी बमबारी का विरोध भी अमरीका के इशारे पर किया है ?

लेकिन यह कहना गलत न होगा कि अवमूल्यन का निर्णय भारी दबाव के आगे झुक कर लिया गया है, हालांकि यह दबाव राजनीतिक नहीं, आर्थिक परिस्थितियों का था। यह निर्णय यद्यार्थे स्थिति को मान्यता प्रदान करने का प्रमाण है। विदेशी बाजारों में भारतीय रुपये की कीमत पहले ही काफी घट चुकी थी। इसके अलावा हमारा विदेशी मुद्राकोष भी रिक्त हो चला था। भुगतान का संतुलन और व्यापार संतुलन बिगड़ चुका था। हमारा निर्यात 800 करोड़ रु० वार्षिक के आस पास स्थिर हो गया था जबकि निर्यात 1400 करोड़ रु० वार्षिक हो रहा था। इस दरार को विदेशी सहायता से पाटा जा रहा था। लेकिन इधर कुछ समय से विदेशी सहायता का प्रवाह भी मंद हो चला था। कृषि और उद्योगों का उत्पादन बढ़ने के बजाय घटने लगा था। महंगाई लगातार बढ़ रही थी जिससे निर्यात योग्य उत्पादन का लागत खर्चा बढ़ता जा रहा था

और हमारा माल विदेशी बाजारों में भारी प्रतिद्वन्द्विता के आगे टिक नहीं पा रहा था। सरकार ने निर्यात प्रोत्साहन योजना लागू करके और निर्यात को आंशिक सहायता देकर स्थिति सम्हालने के प्रयत्न अवश्य किए लेकिन यह स्थिति ज्यादा दिनों चलने वाली नहीं थी।

हमारे अर्थतंत्र की प्रगति की रफ्तार मंद हो गयी थी। तृतीय योजना के प्रारम्भिक चार वर्षों में कृषि उत्पादन में औसतन 2.53 प्रतिशत वार्षिक कमी आई। घरेलू राष्ट्रीय उत्पादन में कुल 4.8 प्रतिशत औसतन वृद्धि हो सकी जबकि 11 प्रतिशत औसत वृद्धि की आशा की गयी थी। सन् 1965-66 में कृषि उत्पादन हद से ज्यादा गिर जाने के कारण स्थिति और भी खराब हो गयी। प्रगति की मंद गति के कारण खाद्यान्न का आयात जारी रहा। कीमतें बढ़ती रहीं, भुगतान संतुलन प्रतिकूल हो गया और विदेशी मुद्रा का अभाव हो गया जिस कारण हम जरूरी कच्चे माल और औजारों का पर्याप्त आयात न कर सके और फलतः कई क्षेत्रों में उत्पादन में बाधा पड़ी। सन् 1965-66 में खाद्यान्न का उत्पादन कुल 723 लाख टन हुआ जबकि 1964-65 में उत्पादन 890 लाख टन हुआ था। इस प्रकार उत्पादन में 18.08 प्रतिशत कमी आई। अन्य कृषि उत्पादनों में भी 15 प्रतिशत गिरावट आई। यह गिरावट अभूतपूर्व थी। अतः इस वर्ष महंगाई बहुत ज्यादा बढ़ी। सन् 1962-63 में कीमतों में 5 प्रतिशत वृद्धि हुई थी। 1963-64 में 9 प्रतिशत वृद्धि हुई और इस समय तक इस वर्ष 16 प्रतिशत वृद्धि हो चुकी है। कीमतों में वृद्धि चीनी आक्रमण के बाद ज्यादा तेज रफ्तार से शुरू हुई। पिछले वर्ष भारत पाक युद्ध के कारण स्थिति और भी ज्यादा बिगड़ गयी। एक ओर महंगाई बढ़ी और दूसरी ओर विदेशी सहायता

रूक गयी। अतः मजदूर होकर अवमूल्यन का निर्णय लेना पड़ा।

लेकिन अवमूल्यन हमारी समस्या का समाधान नहीं, यह तो अर्थतंत्र को सुधारने के लिए प्राप्त एक नया अवसर है। इस अवसर को चूकने से भारी क्षति होगी और समूचा अर्थतंत्र बुरी तरह लड़खड़ा जायगा। अवमूल्यन के निर्णय से लाभ उठाने के लिए यह जरूरी हो जाता है कि तत्काल कार्यवाही शुरू कर दी जाय। ऐसा महत्वपूर्ण निर्णय घोषित करने से पहले ही कार्यवाही की सारी तैयारियां कर ली जानी चाहिए थीं। लेकिन अवमूल्यन को दो महीने से ज्यादा गुजर चुकने के बाद भी अभी तक आगे की दिशा में प्रगति नजर नहीं आ रही है।

अवमूल्यन के साथ साथ यह जरूरी था कि सरकार के पास पर्याप्त विदेशी मुद्रा होती क्योंकि जरूरी चीजों के आयात को ढील देने के लिए विदेशी मुद्रा की जरूरत पड़ती है। जरूरी चीजों के आयात बगैर उत्पादन नहीं बढ़ सकता और उत्पादन बढ़े बगैर हमारी निर्यात आय नहीं बढ़ सकती।

विश्व बैंक ने 90 करोड़ डालर की सहायता का संकेत दिया था, लेकिन यह राशि तुरन्त नहीं मिल सकी और अभी इसके मिलने में और भी समय लग सकता है। इंतजार के ये दिन आर्थिक गतिविधियों की तेजी का वातावरण तैयार करने में बाधक सिद्ध हो रहे हैं। उस समय राशि प्राप्त होने से क्या फायदा जब अवमूल्यन की धार ही उतर जाए। हमारी सरकार को अवमूल्यन घोषित करने से पहले इस बारे में विश्व बैंक से पूरी बात कर लेनी चाहिए थी।

5 P. M.

दूसरी कमी यह है कि सरकारी खर्च में कटौती की कार्यवाही तत्काल शुरू कर दी जानी चाहिए थी, क्योंकि केन्द्रीय सरकार

ने इस आशय की घोषणा की भी थी पर अभी तक खर्च में कमी के आसार नजर नहीं आ रहे हैं। कई गैर जरूरी योजनाएं बरकरार हैं। राज्य सरकारों को भी रिजर्व बैंक से ओवर-ड्राफ्ट न लेने के लिए कठोर निर्देशन नहीं भेजे गए हैं। राज्य सरकारों ने अभी तक अपनी ओर से खर्च में कटौती की घोषणाएं नहीं की हैं। सरकारी कर्मचारियों की नयी भर्ती पर भी प्रतिबंध नहीं लगाया गया है।

सरकार ने महंगाई रोकने की आवश्यकता तो महसूस की है पर अभी इस ओर प्रभावकारी कार्यवाही नहीं की है। कुछेक डिपार्टमेंट स्टोर खुलने से महंगाई नहीं रोकी जा सकेगी। सरकार खुद अपनी ओर से महंगाई बढ़ा रही है। कई राज्यों को राशन का खाद्यान्न महंगा कर दिया गया है। बिजली और पानी की दरों को बढ़ने से भी नहीं रोका जा रहा है। कहीं कहीं बिक्री कर की दरें बढ़ा दी गयी हैं जिससे सामान्य उपयोग की वस्तुएं ज्यादा महंगी हो गयी हैं।

लेकिन मेरा ख्याल है कि अभी भी सुधार की गुंजाइश है। जो होना था वह हो चुका। सरकार को अवमूल्यन के बाद की कार्यवाही तेजी से शुरू कर देनी चाहिए। कृषि और उद्योगों के उत्पादन की वृद्धि की चेष्टाएं की जानी चाहिए। आयात के विकल्प तैयार किए जाने चाहिए। खर्च में कटौती की जानी चाहिए और अन्त में परिवार नियोजन पर ज्यादा जोर दिया जाना चाहिए।

किसी भी देश का अर्थतंत्र कृषि और उद्योग पर निर्भर होता है। अर्थतंत्र की सुदृढ़ता के लिए इन दोनों क्षेत्रों का पर्याप्त विकास होना जरूरी है। हमारे देश में पंचवर्षीय योजनाओं का उद्देश्य यही रहा है, हालांकि योजना की रूपरेखा कार्यक्रमों सम्बन्धी प्राथमिकताओं और योजनाओं की

[श्री रामकुमार भुवालका]

क्रियान्विति पर मतभेद रहे हैं। सौभाग्य से, अब कृषि में सर्वोच्च प्राथमिकता देने की बात स्वीकार कर ली गयी है। वस्तुतः खाद्यान्न का उत्पादन बढ़ाने को सर्वोच्च प्राथमिकता दी ही जानी चाहिए ताकि खाद्यान्न का आयात बन्द हो। यह कार्य एक दिन में नहीं होगा। लेकिन यदि हमारे देश के लोग इस संकल्प को पूरा करने के लिए लगन से जुट जाएं तो कोई कारण नहीं कि कुछ ही वर्षों में हमारा देश खाद्यान्न में आत्मनिर्भर हो जाए। हम लोग गत सन् 1964 में अमरीका गए थे तो वहां न्यूयार्क में डा० बर्न्स से हमारी भेंट हुई थी। डा० बर्न्स करीब 10 वर्षों तक भारत में रह चुकने के कारण यहां की स्थितियों से बहुत कुछ परिचित हैं।

उपसभापति : आप और कितने मिनट लेंगे ?

श्री रामकुमार भुवालका : सात आठ मिनट और लूंगा।

उपसभापति : सात आठ मिनट और लेंगे, then

you can finish your speech tomorrow. We have now got a Half-an-Hour discussion.

#### HALF-AN-HOUR DISCUSSION RE AMERICAN COLLABORATION FOR MANUFACTURE OF BISCUITS IN INDIA

DIWAN CHAMAN LALL (Punjab) : Madam Deputy Chairman, the half-an-hour discussion that I have asked for is to raise a discussion on the points arising out of the answers to starred question No. 259 given in the Rajya Sabha on the 4th August 1966 regarding American collaboration for the manufacture of biscuits in India ?

The questions and answers are as follows :

"Will the Minister of Industry be pleased to state :

(a) whether the Government have received any proposal from any Indian Company for collaboration with an American Company for the manufacture of biscuits in India; and

(b) if so, what are the details of the scheme ?"

The Minister of Industry replied : "(a)

Yes, Sir.

(b) Government have approved of a proposal for foreign collaboration between an Indian Company and an American Company for the manufacture of biscuits. The scheme involves manufacture of special varieties of biscuits, and the investment in equity capital of the new company by the foreign company will be limited to 40 per cent which will cover the cost of the necessary import of machinery and equipment. There is also a provision in the scheme that the repatriation of dividends on this foreign capital will be covered by the adequate export earnings." Now, may I draw the attention of the Minister to the fact that he mentioned that the scheme involves manufacture of special varieties of biscuits but there is absolutely nothing in the agreement between the Government and this particular firm in regard to this particular matter ? This is something that the hon. Minister has evolved out of his own brain. The reply that the Minister gave to the questions put to him on August 4th talks of special varieties of biscuits but as said there is nothing • • • ■

SHRI ARJUN ARORA (Uttar Pradesh) : Which special variety ? Dog biscuits ?

DIWAN CHAMAN LALL : I do not know. After all, you must ask the Minister as to what special varieties are.

SHRIBHUPESH GUPTA (West Bengal) : The variety that our Ministers will eat.

THE DEPUTY CHAIRMAN : Please, let him continue.

DIWAN CHAMAN LALL : I do not know what the special varieties of biscuits are but I do know this fact, Madam, that there are more than 20 Indian firms in India which are manufacturing biscuits.

SHRI BABUBHAI M. CHINAI (Maharashtra) : Twentynine.