

SARDAR SWARAN SINGH: As a result of this tension and as a result of the firing I said that there was movement from these areas which were directly under fire to safer areas. We have also taken some precautions in that direction.

SHRI A. B. VAJPAYEE: Does it not show that our security arrangements on the border are not adequate ?

SARDAR SWARAN SINGH: In the case I should like to say that the security arrangements were very adequate, and I would like to pay a tribute to the very valiant manner in which our police force there have defended the border. It will be wrong. Madam, whatever may be our difficulties, always to create an atmosphere as if our people, who at the moment are facing the fire, are in any way deficient. That will not be correct at all.

SHRI A. B. VAJPAYEE: Madam, on a point of personal clarification. I did not say anything which might be construed as a reflection on the forces there. But if the Government have not made adequate security arrangements, then the Government has to be condemned.

SAKDAB SWARAN SINGH: I do not mind being condemned so long as the hon. Member is quite clear as to what he is saying. Whatever may be the arrangements, there is no need for making arrangements always. If there are any surprises from the other side, then we make arrangements to meet this type of firing. But if the firing is resorted to and our people are exposed, then our security forces, the police, take measures, take counteraction. They have taken action, and according to my assessment and reports, very effective action. So we should really support the action that they have taken and we should not always, in the strong temptation of trying to make a statement against the Minister, forget the situation on the ground.

SOME HON. MEMBERS: Madam . .

THE DEPUTY CHAIRMAN: That will do. Let us come to the Discussion on the Budget.

### THE BUDGET (GENERAL), 1965-66- GENERAL DISCUSSION— *continued-*

SHRIMATI MOHINDER KAUR (Punjab): Madam Deputy Chairman, I wish to compliment the Finance Minister for giving the much-needed relief by reducing the excise duty on essential commodities. But, I am afraid, Madam at the same time I find some omissions too. Everyone knows that diesel oil is extensively used for agricultural purposes. But somehow the cost of this commodity is so high that farmers hesitate to use it. I will give, you an example.

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

Sir, in Punjab three years back the-Punjab Government had given subsidy the-farmers to sink 6,000 wells with the understanding that electricity would be given to them to energise those wells. But so far no electricity has been given to them: because we have not got sufficient power. But last year the Government of Punjab-decided to give subsidy to the farmers up to 25 per cent, of the cost of diesel engines. But in spite of this generous offer, very few farmers came forward to take advantage of it. They were reluctant since the cost of the diesel oil is so high that recurring expenditure on diesel engine is not commensurate with the returns. So» I wish to tell you, Sir, that unless we can give adequate incentive to the farmer, he will not go in for something which does not give him adequate return. I will give you an example.

Out of the total cultivated land in India, only 20 per cent, is canal irrigated land and a much smaller percentage is irrigated by tube wells or minor irrigation works. So two-thirds of our total cultivated land in India is Barani land. Unless we can give the farmer an incentive by reducing the price of diesel oil, he is not going to go in for diesel oil operated wells.

Moreover, the electricity supplied to a village is too costly. If I may tell you, the minimum cost per village comes to Rs. 30,000. It depends on the distance from village to village. For a distant village it may be even Rs. 60,000. la

[Shrimati Mohinder Gaur.] Punjab we have a total of some 23,000 villages. In Punjab so far we have electrified only 6,000 villages. This does not mean that these 6,000 villages have got power for agricultural use also. This is only for lighting the villages. Only yesterday I was looking at the report of the Electricity Board and of their programme. In that programme they have mentioned that with the meagre resources available with them, they are going to take, up only a thousand villages every year. You can imagine the total number of villages in the country. If we are going to wait for power supply in all these villages, it is going to take quite some time. Of course, that does not mean that we should give up the idea. That is a long-term planning. But I should like the agricultural production of the country to be boosted up. I would plead with the Finance Minister to reduce the duty on diesel oil. Of course, if he does not find it convenient for certain reasons, then I would request him at least to make diesel oil available to the farmer at a subsidised rate as is done in the case of insecticides and fertiliser. I am absolutely confident that if they do so we shall boost up agricultural production in this country.

Another thing that I would like to mention is that our fertiliser distribution arrangement is not very satisfactory. I would say that when quotas are earmarked for States, it should be done very carefully. Supply and demand must be taken into account because many a time one bears; not sufficient fertiliser being available to particular States where as certain States get surplus quotas which go on accumulating. I feel we need a better co-ordinated system to ensure that the required amount of fertiliser is given to the farmer at the right time, and if there is any administrative flaw, it should be looked into and removed to ensure a regular supply of the commodity.

Sir, I am very happy that for the first time in this Budget family planning has been dealt with from a fiscal point of view. This is a problem which is of a vital importance to us in this country. Our numbers are increasing at a very rapid

rate. Our death rate is something like 2.1 but the birth-rate is 4.6. Steadily the death rate is going down and the birth-rate is rapidly increasing. So if we have to fight the population growth, I would plead that even if we have to adopt drastic measures we should not shy away from it. I was very surprised to hear the speeches of the hon. Members in this very House saying that family planning is something which should be left to nature and that the Government should not bother very much about it. I am afraid I do not find much logic in that argument because, as it is, have we not tempered with nature? We have done away with diseases. We have combated epidemics which was the nature's way of keeping a balance. If we could do that, it is absolutely necessary for us to aid nature to keep that balance even if we have to adopt drastic measures like legalising abortion. We should not shy away from it. I know there is apprehension in many people's mind. They feel this is going to encourage immorality in the country. They say that if there is legal sanction for it, people will become unmoral. I am very sorry to say that if law is the only custodian of morals, it does not speak very highly of us.

I shudder to think of the rapid growth of population. What is going to happen at the end of the century when the population is expected to double if the growth rate goes unchecked? Japan has legalised abortion. In ten years they reduced the birth-rate to half. If Japan could do it why cannot we do it?

SHRI D. P. KARMARKAR (Mysore): May I interrupt the speaker? I will not disturb her. Since she is so serious about it, may I invite her attention to the fact that Japan found to her cost that legalising abortion was a very great undesirable thing and they are now discouraging it.

SHRIMATI MOHINDER KAUR: I feel that with every Plan, more and more wealth is generated into the country and every year we see the national income is growing and increasing but at the same time we do not find a proportionate rise in our *per capita* income because more and more people arrive in this country, more and more human beings arrive in this

country, to share the benefits. Unless we do something drastic to check the growth rate, we will never be able to ensure a decent standard of living for our people. I appeal that we should adopt a more scientific approach, we should have a more stiftic approach in regard to this problem and we should not shy away from it.

Once again I want to plead for diesel oil supply to the farmers at subsidised rates. I hope the Finance Minister will give it some consideration because I am fully confident that if that is done, then our agricultural production is bound to go up by leaps and bounds. I wish to congratulate the Finance Minister once again for presenting a very bold and imaginative

Budget.

श्री गोपबल्लभ विजयशर्मा (मध्य प्रदेश) : उपर्युक्त महोदय, बिलकुल आखिर में भी आपने मुझे मौका दे दिया, इसके लिये मैं आप को धन्यवाद देता हूँ। असल में तो मैं सोचता हूँ नहीं था कि मुझे बोलने का मौका मिलेगा, लेकिन खैर, मिल ही गया।

यह सवाल फिर दोहराने की जरूरत नहीं है कि हमारी जनसंख्या काफी ज़ोरों से बढ़ रही है और हमारी नेशनल इनकम उस अनुपात से नहीं बढ़ रही है। हमारी नेशनल इनकम सन् 1961-62 में 2.5 प्रतिशत बढ़ी, सन् 1962-63 में फिर 2.5 प्रतिशत बढ़ी और सन् 1963-64 में 4.5 प्रतिशत बढ़ जायेगी। इस वर्ष में भी शायद कुछ बढ़े, लेकिन यह संतोषजनक नहीं है। इसलिये हम को कोई ठोक ढंग की प्लानिंग करनी ही चाहिये। जो लोग हमारे देश में ऐसा कहते हैं कि प्लानिंग की जरूरत नहीं है और सारी आर्थिक व्यवस्था पंजीपतियों और भूमिपतियों के हाथ में छोड़ देनी चाहिये, वे मेरे खयाल से बहुत गलती पर हैं। ऐसा भी कुछ लोगों का व्यू है कि हमें प्लान को एक्सपेंड नहीं करना चाहिये, बल्कि कंसालिडेट करना चाहिये। लेकिन ये दोनों चीजें अलग नहीं हो सकती हैं।

प्लान का एक्सपेंड करने की भी जरूरत है और प्लान का कंसालिडेशन भी होना चाहिये। ये सब चीजें साथ साथ चलने वाली हैं।

पिछले तीन वर्षों में फसलें बहुत खराब रहीं और होर्डस और मुनाफाखोरों ने काफी स्पेकुलेशन किया, इस वजह से कीमत बढ़ी है। इस सम्बन्ध में गवर्नमेंट ने काफी काम किया है और वह बंटी नहीं रहा है। उसने फूड कारपोरेशन कायम किया और एग्रीकल्चरल प्राइमरी कमिशन कायम किया और इन सब बातों से हम लोगों ने इन मुसोबतों को कुछ न कुछ पार किया है। फिर भी कृषि की उन्नति ज्यादा करने की जरूरत है। साथ ही हमारे देश में औद्योगिक उन्नति भी बहुत हुई है। जैसा कि रिपोर्ट में हमें बताया गया है, औद्योगिक उत्पादन 8 प्रतिशत बढ़ा है, लेकिन उसके भी और बढ़ने की जरूरत है।

अभी हाल में जो एफ० आई० सी० सी० आई० की मीटिंग हुई थी, उसमें हमारे व्यापारी भाइयों ने जो विचार प्रगट किये हैं, वे मेरे खयाल से बहुत काफी गलत ढंग से किये हैं। अपने देश की आर्थिक अवस्था की एक बड़ी ग्लूमी पिक्चर उन्होंने सामने रखी है। हमारे प्राइम मिनिस्टर श्री लाल बहादुर शास्त्री जी ने इस मौके पर जो बात कही, मैं उनका पूरा समर्थन करता हूँ। उनका यह कहना बिलकुल ठीक है कि हमारा व्यापारी वर्ग हवी टैक्सेशन की बहुत शिकायत करता है, लेकिन कोई आल्टरनेटिव नहीं है, हवी टैक्सेशन जरूरी है क्योंकि हम देश की तरक्की, उन्नति या डवलपमेंट करना चाहते हैं। वह लम्बा कोटेशन मैं पढ़ना नहीं चाहता हूँ। एक्सपोर्ट्स के मामले में भी व्यापारी वर्ग चाहता है कि एक्सपोर्ट्स हों और बजट में भी उसके लिये सुविधायें हैं। इस बजट में एक्सपोर्ट्स के लिये काफी प्रोत्साहन दिया

[श्री गोपीकृष्ण विजयवर्गीय]

गया है, जो एक अच्छी बात है। लेकिन हमारे भारत के व्यापारियों का एक रवैया यह रहा है कि जो चीज भी यहां से भेजी जाती है, विदेशों में जाकर के उसकी क्वालिटी खराब निकलती है। तो वे कहते यह है हर तरह से बेजा तौर पर मुनाफा कमाना और चीजों की क्वालिटी को गिराना, इससे हमारे देश की इज्जत भी गिरती है। इसलिये हमारा व्यापारी वर्ग अगर थोड़ा मोरेलिटी का खयाल रखे, तो ज्यादा अच्छा होगा।

इसके अलावा जो फोर्थ फाइव ईयर प्लान आने वाला है, उस पर शास्त्री जी ने यह जोर दिया है कि उससे छोटा रखना मुनासिब नहीं है क्योंकि देश की जरूरतें बढ़ती जा रही हैं, आबादी भी बढ़ती जा रही है, एजुकेशन की जरूरत है और दूसरी चीजों की जरूरत है। शास्त्री जी ने इसके बारे में बहुत साफ कहा है। यह मैं इसलिये कह रहा हूँ कि हमारे देश में एफ० आई० सी० सी० आई० या व्यापारियों के जो नुमाइशे लोग हैं, वे हमेशा ऐसी मांगें करते रहते हैं कि उनको इंसेंटिव चाहिये। वे प्राफिट भी काफी लेते हैं, फिर भी उनका पेट भरता नहीं है और उनको और ज्यादा मुनाफा चाहिये। शास्त्री जी ने यह कहा है :

"in her pursuit of socialism, India could neither have a free economy nor could she go in for a regimented one. The country would have to evolve its own pattern which could only be a mixed economy, with both sectors playing roles complementary to each other."

मैं तो पुराना सोशलिस्ट विचार का ट्रेड यूनियनिस्ट आदमी रहा हूँ और मैंने गरीब किसानों और मजदूरों के लिये हमेशा काम किया है और इस देश में इसी तबके की आबादी ज्यादा है। इसलिये मैं समझता हूँ कि हम देश के भविष्य को सिर्फ व्यापारियों और मुनाफाखोरों के हाथ में नहीं छोड़ सकते हैं

और हमारी गवर्नमेंट जिस ढंग से काम कर रही है, वह मुनासिब है।

बजट के बारे में अब मैं कुछ कहना चाहता हूँ। अगले साल का जो बजट रखा गया है, वह 2,353 करोड़ का है और खर्च 2116 करोड़ का रखा है और 237 करोड़ की उसमें बचत है। यह बचत बड़े संतोष की बात है। खास कर के मैं डिफेंस के बारे में कुछ कहूंगा। अभी देश के सामने जो मसले हैं, उनमें पाकिस्तान का झगड़ा और चीन का झगड़ा बड़ा महत्व रखता है। इस लिये इसमें 749 करोड़ रु० का जो डिफेंस का खर्चा रखा गया है, वह मुनासिब है। हवाई सेना का खर्चा भी खास कर के महत्वपूर्ण है। कुछ फौजी कारखाने भी हमारे देश में बन रहे हैं, जो कैपिटल बजट का एक हिस्सा है। मिग विमान जो हमारे देश में बनने वाले हैं, वह भी बहुत मुनासिब है क्योंकि आर्म्स अम्पुनिशन के मामले में हमको स्वावलंबी होने की जरूरत है। नेवी के सिलसिले में मजगांव डाक्स में जो लड़ाई के जहाज बनने वाले हैं, वह भी एक अच्छी योजना है। इसलिये मैं डिफेंस बजट का पूरी तरह से समर्थन करता हूँ।

हमारे देश में अन्न संकट आया और भाषायी संकट भी आया। भाषा के सम्बन्ध में कुछ झगड़े भी हुये। लेकिन आम तौर पर मुल्क में घबड़ाहट फैलाना या यह कहना कि हमारे देश की हालत खराब है, ऐसा कुछ लोग जो देश में एक वातावरण बनाते हैं, वह मुनासिब नहीं है। हमारे देश में अगर मुसीबतें हैं तो हम साहस से उनका मुकाबिला करेंगे। हिम्मत के साथ में, समझदारी से और शांति से, जो भी मसला हमारे सामने आयेगा, उसको हम जरूर हल करेंगे। शांति से नहीं हो सकेगा तो जैसी परिस्थिति होगी वैसा करना पड़ेगा।

तो मैं डिफेंस के मसलों में पूरी तरह से सपोर्ट करता हूँ। डिफेंस के अलावा, इस

बर्ड फाइव ईयर प्लान के आखिरी साल के खर्च के लिये फाइनेंस मिनिस्टर ने 2,225 करोड़ ६० इस बजट में रखा है। यह बहुत मुनासिब है। पब्लिक सेक्टर प्रोजेक्ट्स का इन्तजाम भी बहुत अच्छा होना चाहिये। यह जाहिर है कि बहुत रुपया हमें पब्लिक सेक्टर में लगाना है और मैं उसका पूरा हामी हूँ, लेकिन पब्लिक सेक्टर प्रोजेक्ट्स को जरा अच्छे ढंग से चलाया जाय, जिससे वे सरकारी एक्सचेजर में ज्यादा मुनाफा दें। यह बात भी सही है कि अब उनकी हालत सुधरने लगी है और रिपोर्ट में यह दिया है कि अब पब्लिक सेक्टर प्रोजेक्ट्स से ज्यादा मुनाफा होना शुरू हुआ है कुछ कम्पनियों से जैसे स्टील कम्पनी बगैरह से। तो इस मामले में यह बहुत जरूरी चीज है। पब्लिक सेक्टर के लिये कोई एक ब्यूरो कायम किया जा रहा है और पब्लिक सेक्टर की जांच के लिए पार्लियामेंट की भी एक कमेटी है। मेरा खयाल है कि पब्लिक सेक्टर अपना कुछ ज्यादा अच्छा हिसाब अगले साल दे सकेगा।

(Time bell rings)

मैंने बहुत कम टाइम लिया है। मुझको बिल्कुल आखीर में टाइम दिया गया है। मैं जल्दी खत्म करता हूँ।

मैं हाल में एक अमेरिकन की लिखी हुई किताब पढ़ रहा था। तो जो भी अंडरडवलपड कंट्रीज हैं उनके बारे में उसने लिखा है और उसने अमेरिकंस को भी सलाह दी है कि यह जो पुराने कैपिटलिस्ट ढंग से काम किया जा रहा है और जो उनकी कैपिटलिस्ट थिंकिंग है उसकी जरूरत नहीं है और उन लोगों को भी अपना नजरिया व रवैया बदलना चाहिए और जो डवलपिंग कंट्रीज हैं उनके लिए एक अलग फिलासिफी, एक अलग तरह की फिलासिफी होनी चाहिए। तो हिन्दुस्तान जैसे देश में केवल कैपिटलिस्टिक ढंग की प्लानिंग काम नहीं दे सकती।

[THE DEPUTY CHAIRMAN in the Chair.]

हमें अपनी हालत के मुताबिक सेल्फ-जैनेरेंटिंग एकानामी तक पहुंचना चाहिए।

(Time hell rings)

जरा थोड़ा सा समय मुझ को दे दीजिए। मैं बहुत समय से कह रहा हूँ, मुझको समय नहीं मिल रहा है।

तो इस बजट में प्राइवेट सेक्टर की उन्नति के लिए, कारपोरेट सेक्टर की उन्नति के लिए भी कुछ बातें रखी हैं। जो कारपोरेट सेक्टर है वह भी देश में काम कर रहा है, जो देश के उद्योगपति हैं वे भी कुछ सेवा करते हैं लेकिन उनकी हर तरफ मुनाफा कमाने की जो प्रवृत्ति है वह ठीक नहीं है। (समय की घंटी)।

एक मिनट में मैं अपने मध्य प्रदेश की कुछ बातें कहना चाहता हूँ। छोटे उद्योग, स्माल इंडस्ट्रीज को बढ़ाने का गवर्नमेंट का लक्ष्य है लेकिन मध्य प्रदेश की छोटी इंडस्ट्रीज बिना स्केयर्स रा-मेटीरियल्स के रुकी पड़ी हुई है और सेंटर से यह कहा जाता है कि पास्ट-परफार्मेंस के लिहाज से स्केयर्स रा-मेटीरियल रियासतों को देंगे लेकिन मेरा खयाल है कि कुछ बैकवर्ड रियासतों को, बैकवर्ड स्टेटों को और ज्यादा कोटा मिलना चाहिए। कुछ स्टेटों को बहुत ज्यादा कोटा मिलता है लेकिन मध्य प्रदेश में रा-मेटीरियल का कोटा बहुत कम मिलता है। इसलिए एडीशनल डवलपमेंट कोटा पिछड़े हुए स्टेटों को मिलना चाहिए और जिसमें कि मध्य प्रदेश को भी मिलना चाहिए।

एक बात यह है कि गवर्नमेंट की कंज्यूमर गुड्स बढ़ाने की जो नीति है वह ठीक है लेकिन हमारे मध्य प्रदेश में जो कोआपरेटिव म्पनिंग मिल्स मांगी गई है उसका लाइसेंस नहीं मिल रहा है। तो किस तरह से ये कंज्यूमर गुड्स बढ़ सकेंगे। इसकी तरफ भी गवर्नमेंट को ध्यान देना चाहिए।

[श्री गोपीकुण्ड विजयवर्गीय]

कृषि के क्षेत्र में एक बात यह है कि दो करोड़ एकड़ जमीन हमारे यहां मध्य प्रदेश में खड़ी हुई है और उसके लिए ट्रैक्टरों की बढ़ी जरूरत है और अगर मध्य प्रदेश को आप यह देंगे तो फिर अन्न की समस्या हल हो सकती है। ट्रैक्टर हमारे यहां काफी नहीं बनते, उसमें फॉरेन एक्सचेंज का सवाल है, लेकिन मेरा निवेदन है कि मध्य प्रदेश को ज्यादा ट्रैक्टर वगैरह की मदद दें डकती एरिया जो है। उसके लिए भी यह है कि सड़कें खोलने की जरूरत है। सेंट्रल गवर्नमेंट भी और मध्य भारत की गवर्नमेंट भी मध्य प्रदेश प्रदेश की गवर्नमेंट भी इसके लिए रुपया खर्च करती है लेकिन फिर भी डाकू कब्जे में नहीं आते हैं। एक स्कीम बनाई गई। वहां काफी रोड्स और ब्रिजों की जरूरत है। मैं समझता हूं कि सेंट्रल गवर्नमेंट इसके लिए अपना हिस्सा, अपना कांटीव्यूशन ज्यादा करे तो मध्य प्रदेश की यह समस्या हल हो सकती है।

THE MINISTER OF FINANCE (SHRI T. T. KRISHNAMACHARI) : I cannot, Madam, complain that enough attention has not been paid in regard to the Budget by this hon. House—forty-nine Members have spoken. I must express my gratification, Madam, that a very large number of them, the majority of them, supported the Budget.

Before I go into the points raised by hon. Members I like to refer to one matter about which I heard when I came back to the House at half past two. This is with reference to an alleged communication sent by our late Prime Minister Jawaharlalji to the American President, asking for military help, that is, in the form of American troops, American warships and American planes, manned by Americans, to resist Chinese aggression. Because of a combination of circumstances I happened to occupy, not a privileged position, but a position very near to the late Prime Minister during those very

difficult days that this country had to face, and therefore, Madam, hon. Members will forgive me if I say that I must have known what had happened. I would also like to tell this hon. House that I was the first Indian official emissary sent from India to countries abroad, to visit the heads of States, after the Chinese aggression, and I had the privilege, which, to me, was unique, to have had a considerable number of discussions with prominent men in the American Government; all, I believe, were done with the knowledge, consent, approval and even the initiative of the late lamented President Kennedy. I had more than an hour and a half's talk with him at the end of it all. If we had to discuss direct physical aid to India, I believe the late President Kennedy would have discussed it with me, because I was authorised to do so. It has been one of my most unforgettable experiences, in a life which by chance and accident was crowded with a number of experiences, that I had the pleasure of meeting and talking to the late President Kennedy for more than an hour and a half—I shall never forget it. I remember, his last parting words were "Come back again, Mr. Minister, in December. We will continue this dialogue." But the December never came. We did ask for arms aid. We did ask for technical help, and in fact President Kennedy was very keen that the aid to India in this respect must be under several flags. He did not want that America alone should help us; he wanted other countries to help us in a task which, he felt, was something which we were carrying on magnificently putting up resistance to a very powerful enemy. I do not know who told the hon. Member concerned about some conversation that some official in the American Embassy had, as if he had superior knowledge. I must say that it is unlikely, extremely unlikely, that the late Jawaharlalji would have done anything without consulting his colleagues who were close to him. As I had said, at that time, more by chance, more by accident, I was with him all the time, during the very difficult days when we met together, myself and my colleague and the late Prime Minister, and of the two or us I probably saw him the most. So we knew every step that he wanted to take. I happened to know the letters that

were written, and I do not think that there is any mention of asking the one thing that Jawaharlalji would never have asked. He wanted arms; he wanted probably planes, as we all want, if we get them, they shall be manned by our people—But it has always been our intention that we should never ask any foreigner to shed his blood on behalf of India. We have enough, more than 450 million in this country. I have no doubt that my hon. friend who spoke about it is a well-meaning person; it is quite possible, he might have imagined things. It looks gripping that here, in the Bay of Bengal, very near the mouth of the Hooghly, there was aircraft carrier. We have an aircraft carrier too; may be, we could have borrowed planes; we have very efficient pilots; we could have put the planes on that aircraft carrier and we could have had the pilots, our own. Nobody suggested that there was a polaris submarine here, ready and prepared to let off one of these nuclear weapons on behalf of India's defence. Well, the history of those fateful days will have to be recorded some time; somebody would do it; may be that if we probably had held on at Sela Pass two more days, the Chinese would have gone back. They went back for various reasons, and not the least of it all was that their supply line was getting difficult. But my knowledge—and I think my knowledge is fairly correct because I have been one of those persons who had been near the Prime Minister at that time—is that that story, however well intentioned, however well meaning, however corroborated by fanciful telephone talks and other conversations, is apocryphal, to say the least of it

I think it is a slur on India, on the reputation of India, which has been built for it by our late lamented Prime Minister, to say that at that time of distress, we deviated from our path, the path that we had set to ourselves, that we shall fight and we shall fight to the last drop if need be. Of course, we are not ashamed—and we still want—to take arms, from various countries, equipment from various countries, technical know-how from various countries. But we shall not ask any foreigner to shed his blood in defence of

this country, because there are 450 millions of us in our country who will lay down their lives before this country becomes a slave country.

Madam, may I refer to the last two speakers and their reference to family planning ? I may assure the hon. Member from Patiala that the fiscal concession that I have given is, more or less, a token to encourage the firms to incur expenditure to give leave to their subordinates, to subsidise them if need be, during the days of absence and to provide other facilities which can be written down over a period of five years. Government realises that this is a task on which a large amount of money has to be spent because, as the hon. Member very correctly mentioned, if the birth rate and the rate of growth of our population go on as they do today, then no matter what the sizes of the future plans may be, the overall rate of advance will go down. Therefore, any amount of money, even say 25 per cent of the Plan amount being spent on family planning will not be too much, because it will make the expenditure on the next Plan more productive. I think at the moment we are thinking in terms of tens of crores behind this family planning scheme. The thing today, is to get the people to accept it. I shall not go into the details of abortion and the like and the devices for family planning and so on. I leave it to people who know better. But the Government is committed to this and expenditure will not stand in the way of our going ahead with this scheme for the purpose of family limitation. As I have said, without this, all expenditure on the Plans, whether the Fourth or the Fifth Plan, will be meaningless.

The hon. Member from Patiala also mentioned about the need for making diesel oil available to the agriculturists at reasonable prices. I agree. But the point is how to do it, because a large part of the consumption of diesel oil is by road vehicles plied for trade, and it is very difficult to distinguish between the two types of users. In fact, the use of diesel engines by people for agricultural purposes is perhaps a very small part of the total amount of diesel oil consumed in

[Shri T. T. Krishnamachari.]

this country. If concession is given, then the concession will go to somebody who does not merit the concession but makes money otherwise. That is the problem. I have suggested to my colleague, the Food and Agriculture Minister, that I am prepared to subsidise the initial purchase of diesel engines if that would help. When the initial purchase is comparatively easy, and since it does not have any recurring expenditure of any magnitude, may be that then people might accept the high cost of diesel oil. I cannot, at the moment, find any method by which I can distinguish between the two types of users. But we shall try to find out whether there is any method by which we can help the agricultural use of diesel engines.

Madam, the speaker prior to the hon. Member from Patiala, made an extraordinarily good speech. I compliment him on it. It showed that there was a considerable amount of study, careful study, behind it. But my only difficulty is how a person who made a speech of that nature, could end up finally as he did. He did not end up, because the time was against him. I recognise his distinction, or rather the attempt he made to distinguish between whether a Budget as a whole could be surplus or otherwise, whether there may not be some component elements in a surplus budget of this nature which might be characterised as inflationary. It is true we are only dealing with these matters generally and all I am trying to make out is a difference in degree. I have not said or claimed that I have completely eliminated all types of academically defined deficit financing. I have been a student, in a modest sort of way, of monetary economics. The question of the velocity of money, the question of the amount of deficit financing, what are the component parts, how to treat bank deposits, what part advances play, whether time deposits add to the volume and velocity of money or only demand deposits do, these are things which vary from one professor to another. Therefore, any difference that we claim is a difference which indicates a downward trend. It is only one of degree and not of kind. I do not claim, Madam, that I have rooted out deficit financing from our concept of

budgetary procedure. All that I may claim is that we are making a radical departure. In fact, the last two Plans were definitely deficit finance—oriented. I remember a time when I had to support the Second Plan I had envisaged a certain amount of deficit financing. But at the end it was exceeded. I thought we would not embark on deficit financing at least in the Third Plan, but we had to do so. I also agree with the hon. Member that deficit financing by itself is not evil, that is, in sub-lethal doses it is good. You have got to have monetary expansion if there is need for money. We have seasonal expansions of bank finance, when the busy season starts and we contract again when the season ends and the slack season commences. Similarly, if the total amount or the quantum of business dealings in the country grows, the money supply has to increase. But that would not be what you might call deficit financing which is *per se* evil. Therefore, I do not rule out altogether some kind of monetary expansion in the Fourth Plan. As the hon. Member said, it might even be desirable, certainly necessary.

I would not admit the charge, Madam, that I am a magician or a wizard or a person who does the rope trick or one who perhaps does the vanishing trick! There is no trickery in this Budget. What I would like hon. Members to note is that you should judge the Budget not entirely by the overall surplus that it creates. It would be good if it could be created. If we could meet both our capital and revenue expenditures from money sources which are not *per se* inflationary, that would be good. But I had indicated in my Budget Speech—unless I have forgotten about it—that the emphasis is on the increase of revenue surplus. I would like the revenue surplus to go up. I agree with the hon. Member, Shri Mishra, that if the revenue surplus is comfortable, even if there is deficit financing, it would not matter. It means that when we spend, the expenditure that we incur should be justifiable. I can only take credit, if I can do so, Madam, for indicating a policy which, if followed, would provide greater revenue surplus. Of course, in regard to our capital needs, we use various funds. Funds come from abroad but they would



not be inflationary and if they go into certain projects, they are much less inflationary. I have made a differentiation in regard to borrowing locally and we have confined ourselves this year to borrowing only to discharge the debt. If I can possibly not borrow at all and discharge the debt that we ought to, it would be a good thing but whatever it is, it is better than borrowing for expenditure—I mean borrowing if it is for the purpose of discharging a debt. As I said, these claims are not in any sense absolute. They are only relative, relative to what I did the previous year, relative to what my predecessor did the year before that and relative to what perhaps had happened in 1957 and 1958. While I agree with many of the suggestions made by my hon. friend, Shri Mishra, which were very valuable, I would like to tell him that the basic structure of our direct taxes and the intention behind it still remain because we have a differentiation between the earned and the unearned Income-tax. I do not admit that merely because of the fact that we have given Dearness Allowance to people who are getting six hundred rupees and below, we have raised the limit at which the unearned income surcharge operates to fifteen thousand rupees from ten thousand rupees that we have done something which is inflationary, that we put in more money in the hands of people who do not deserve it, I have mentioned in my Budget Speech. Madam, that by raising that to the fifteen thousand rupees level, I have indicated the lower middle class which needs every kind of support that we can possibly devise and afford. I would also like to make this submission that I make no apologies to anybody. They might call me a capitalist, they might call me a reactionary; they might call me an ignoramus. Nevertheless, I maintain that encouragement to earned incomes is a good thing. A person who earns an income, no matter how big it is, is doing a positive service because he has put in his brain and is making money. Well, I think we should encourage him. Having done that, when he uses that money that has been earned and leaves it to his son or daughter or to somebody else we come up with the Estate Duty and when he wants to give it away as gift thereby avoiding Estate Duty, we have got the Gifts Tax.

If he wants to live on unearned income of a magnitude beyond fifteen thousand rupees, then the unearned income surcharge comes. Wealth from out of unearned income is charged and when the capital appreciates and it is realised and it comes into his hands as fresh money, we tax him under the Capital Gains Tax and if he spends something which he should not spend instead of saving, he comes up against the Expenditure Tax. Well, my capitalist friends might say that the only thing we do in this country is not to tax dying. Maybe that is putting an extreme construction on our tax structure. That remains but if my friends think that the encouragement that we give to people to earn is wrong, I can only say, "I beg to differ". In fact, even in regard to unearned income surcharges while we have raised the limit from ten thousand rupees to fifteen thousand rupees, the rates have been steeply raised; formerly it was twelve and a half per cent; fifteen per cent and 17½ per cent, but now it is twenty per cent and twentyfive per cent. Even in regard to earned incomes above three lakhs of rupees, the surcharge operates at fifteen per cent. So, the whole idea is to make a person earn, earn and not spend—invest, save so that the community is benefited by his earnings and he gets the notional satisfaction of having earned. I can tell you that it is not merely a satisfaction, it is something real. If I may be pardoned the use of the personal pronoun. Madam, I was one of those persons who had earned at one time and not saved, never put by any money but when I saw a big cheque at the end of a quarter, it gave me a sense of satisfaction. Somebody said, let us pay this man, he has got to be paid but I used to tell my cashier, "Let the cheque be there for a couple of days". Merely having the sense of satisfaction that I earn that money, that the money is there in the bank, is a great thing. I am telling you this out of experience; I have earned money and I have spent it but the psychological effect of having earned money is there at a time when I was very young. If I were sixtyfive then, probably it would not have made the slightest difference. I would have been a cynic perhaps but at that time man has a zest for earning and everybody else has some kind of zest.

[Shri T. T. Krishnamachari.] Even at the moment, somebody tells me, "Why do you do this? Is it to benefit this person? Why do you do this? Is it to benefit that person?" Something that you do benefits somebody, something you do hurts somebody. It is impossible to exclude people from being benefited altogether or from being hurt altogether because we work at a system of slabs and averages and there is always a person who is not the average person and he gets hurt but the fact really remains that a man who earns has a lot of zest for earning. I suppose, for many people, after having earned, it does not matter very much. He says, "I have done my job". It is something for his own satisfaction. You may even ask me, "You present the Budget. At the end of it, what do you get? Have you any satisfaction?" Yes, I feel that it is over, we have done that. So is the case with human life, with an M.P. who makes a good speech as my friend did, or somebody else who appreciates the Budget or who criticises like my hon. friend, Mr. Bhupesh Gupta. What does he get, poor man, he does not even hear what he says but gets something. He has got the reputation of being the *enfant terrible* of the House and he likes it. Even these undesirable things give us satisfaction and I believe that we should continue to give satisfaction to those people who work hard and earn. Having done that, well, we bring in our defences, one, two, three, four or five. Of course, somebody jumps over them all; he is an expert jumper but one of these days he will trip and so, let us wait until he trips.

Madam, I do not propose to take much time of the House. Many of the hon. Members have made valuable speeches. My hon. friend, Mr. Vajpayee, is not here; he indicated to me that he would not be here because he has got to go and attend a very important meeting. He raised one question about this ten per cent surcharge. Madam, I believe that the statement that I placed on the Table of the House on the 17th of February indicated the gravity of the situation in regard to foreign exchange. There is no point in going about and finding out who has been in the wrong, your Plan is wrong, somebody else is wrong, who has caused it. Anyway, maybe there

is some leakage, maybe because there is an increase in the interest rates in some other country and people are holding on to the money, maybe a combination of many circumstances but we did take a drastic step. Hon. Members might say that it would not do the trick if you put this ten per cent surcharge. Well, if it would not, I can only say, "I am sorry for it" but I do think it will do something. In fact, when Mr. Vajpayee raised this question, "What are you going to get? You are getting seventy or a hundred crores and, therefore, you bring forth a surplus Budget," I can tell him that I can offer him this sum of seventy crores of rupees. I can part with that money that I am getting out of this duty. In fact, I am only taking credit for forty crores of rupees. Well, I would replace this duty if it would serve the same purpose, which means, reduce imports. I believe that it would to some extent. Will it be hundred crores of rupees, will it be forty crores of rupees—I do not know. Whether it is forty crores of rupees or hundred crores of rupees—how does it help? It helps because people would spread out their imports. They postpone imports for the time being and I get a certain amount of advantage. But this reduction in imports would also cut down my import duty which is roughly 40 per cent. So if I gain Rs. 100 crores I lose here Rs. 40 crores. I am taking credit only for a modest Rs. 40 crores; not more than that.

An hon. Member who is not here (poke about no mention of socialism. I can quite understand my hon. friend. He is perhaps older than myself; we have lived in the days of ritualism. In those days, I remember in 1921 I went to Banaras and I wanted to have a bath. Somebody came and said, 'No, no; you must do it in the proper way. You must do *sankalpa* first.' I said, I can do it myself; I am a priest and I do not want a priest'. What we do is, we do the *sankalpa* before we start doing anything, and my hon. friend, the Professor, being ritualistic himself says that I should begin by saying 'I believe in socialism' and therefore my Budget would reflect my beliefs. In fact, I did that and I think one of my hon. friends did quote from my opening paragraph. Do you think you can pay greater homage to

socialism than pay homage to our late leader? After all, we learnt our ideas of socialism from him; we learnt the ideas of planning from him; we learnt the ideas of building an India which will have a place in the world from him. We learnt from him the idea that the India that we shall build will be an India that shall contribute to peace and morality and well-being of humanity. All this we learnt from him. Some of you might have been with him. Many of you might have been with him in prison but in this prison of Delhi I had been with him for 16 years and I felt that I have not lived those 16 years in vain. I do not think, Madam, there is anybody who has been associated with Jawaharlal, unless he becomes a renegade which some do unfortunately, could ever forget the basic facts, the basic purposes, the basic objectives for which he lived. I do not have to repeat it. It is quite enough for me if I remember Jawaharlal and I know I will do the right thing. I have not mentioned about socialism at all because that is what we are here for. We are here for doing people good and we cannot do good to people if we love accretion of money in certain hands which means economic power and thereby political power. The whole idea of the Budget is striving to see if we can do some good to the people. I do not say we have done a lot of good. I wish I had the capacity to do more good; I wish I had the intelligence and imagination to do more good for the people who suffer in this country. I wish we had the money to do that. Even if I am the Finance Minister it is impossible. For several years I do not think I can do justice even to a moiety of the desires that I have in the matter, desires which I have imbibed at the feet of Jawaharlal. Therefore there is no need for me or anybody else or my successor to say that this Government stands for socialism. This country can have no other policy, no matter which Government comes, no matter who the Finance Minister is, who the Prime Minister is, except a policy which is directed towards socialism. So I do not think it needs repetition. Often times having repeated, you forget it; having made a *sankalp* we forget all about it and we will have to do it all over again. But to us it lives all the time. Therefore I would tell the

Professor, who is not here, that we do not need to be reminded of the basic objective for which we function here.

Well, Mr. Dahyabhai Patel—he is not here—did represent what to this House must be a unique point of view, even more unique perhaps than the point of view represented by my hon. friend, Mr. Bhupesli Gupta. In fact, we are getting accustomed to live with this kind of view. He said that the Budget has given no relief to the corporate sector. Madam, I admit that I have not given just as much to the corporate sector. In fact, the corporate sector to me, Madam, is a means to an end; it is not an end in itself. If the corporate sector does not do the function of starting, developing and progressing the growth we have no use for it. We can have another sector to do that function. The corporate sector as they understand it and we are told to understand it to be can exist, can function, so long as it performs the role for which we intend it to live; not for the purpose of living itself. I do not propose to refer to the animadversions in another part of a Government building in Delhi during last week because I think it is all in the game. When people congregate they must abuse somebody. Sometimes they abuse individuals; often times they do courtesy to individuals and abuse the Government. The Government being perhaps inanimate should not take offence. The point really is, I am prepared to give concessions to the corporate sector if that means growth of the economy and I venture to submit, Madam, that is what I have aimed at. Maybe I have not defined it in the manner it should be defined. It might be defined when the Finance Bill comes up; it might be defined later on because if I give an incentive for increasing production, production is not going to take place immediately. It is going to take place next year and I can define those incentives even in the next year's Budget. That I have said in my Budget speech. Madam, I am not in a position, with the needs of the country in regard to many useful and desirable forms of expenditure, to sacrifice current revenues from the corporate sector for the purpose of giving it concessions or incentives. I am quite prepared to give incentives from out of the increased earnings,

[Shri T. T. Krishnamachari.] whether they be in the form of expansion, whether they be in the form of higher productivity and saving in expenditure and thereby greater profits; I am quite prepared to earmark a portion of the increased income on which they pay taxes for the purposes of development. The whole idea of revamping the development rebate, of offering incentives from the increased taxation they pay, some other subsidies from the increased earnings that the State has by way of excise duties on certain excisable commodities, all this leads only to the question of helping the growth, helping the expansion of industrial units so far as the future is concerned; not for what has been done for the present.

Now, of course, I do not think I have any time to speak about the stock market. Probably I will speak about it when I bring the Finance Bill here but only one thing I would like to mention here. The stock market is perhaps important. I do not think it is unimportant. I do not think anything is unimportant in this world. I am old enough to know that there is nothing that is unimportant. At the same time its importance relatively to me is not so great. Because if I do not remember the time when I was burnt some six or seven years back and if I am still a free agent I can purchase all the available useful shares in the stock market for Rs. 15 crores. Today an expenditure by a Government organisation of Rs. 15 crores would break the stock market. They can only gamble in shares but there will be no shares for physical transfer at all. They will all be absorbed. So in the context of our economy all this shows that in terms of money the amount of scrips available in the share market is negligible. Somebody can do it. If Parliament authorises me I can do it tomorrow. The only thing is, if I say that, the share prices will go up. I do not have to go and buy them

at all. But what is the use? Does 5 P.M. it add to growth? If the price of

Indian Irons, just to take an illustration, is Rs. 24'50 today and it becomes Rs. 28-50 day after tomorrow, does it mean a spoon of sugar more in my cup of tea than what I get now or for that matter in anybody else's tea? I agree

that it is an indicator for many people, but it is a conventional indicator. It is not an indicator which gives a real estimate of the prosperity of the economy. The people who manipulate stock exchanges are very small people and the people who hold the money are also very small people. Today the Life Insurance Corporation has got a sum of Rs. 150 crores of equity shares and scrips. If you let them go, they will perhaps every year buy another Rs. 30 or Rs. 40 crores. So, while I admit that it has a part to play in what some say the semi-capitalist economy of ours, if it does not function, we must find substitutes. We must find institutional substitutes for that purpose. I do not say for one moment that I have no use for the private sector, that I have no use for investment. Otherwise, why should I announce on the 24th December last that I am prepared to give my person who invests in equities 20 per cent off, because I want him to save? I want him to be an owner. Give him a little interest so that he can get a little income. We are not out here to completely obliterate any desire to hold property. We only want to hold that desire in check, so that it cannot transcend what you call the metes and bounds of social desirability. So, we have to part company at some point and I am afraid in this road to economic progress in this country Mr. Dahya-bhai Patel and I part company at the first furlong.

Madam, I would like to conclude. I would like only to mention one thing. Hon. Members have asked: What has this Budget done for agriculture? What has it done for the agriculturist? What has the Central Government done for it? Well, I can easily take the line of least resistance by saying that the Central Government, at any rate the Finance Minister is a ghost without a body. He has nothing except the Union territories to spend his money on. He has got to spend it through some other body. But that would be a quasi metaphysical interpretation, which does not carry conviction. Of course, the fact is that the local Governments, our State Governments are close to the people who produce. But have we not in recent times given an increase in price for foodgrains?

People might say that it is not enough. Agriculturists will say that it is not enough. Mr. Anandan perhaps is a representative of the consumers and he will say that the cost of living is going up and, therefore, give me a little more dearness allowance. And somebody will ask: Why do you not put down expenditure? My colleague, Mr. Tyagi, if he remembers his old days—he is an atavist—would ask: Why do you not put down expenditure? If you give more price to the agriculturist, you have got to give more dearness allowance. It means a bigger budget on non-productive ends. Even so, the recent price increases that we have given will put into the pockets of agriculturists anything between Rs. 200 to Rs. 240 crores in a year. Well, in this wide country if you change your money into paise and throw it away, well, you may not be able to find it, but, nevertheless, it has some impact. It has also an inflationary impact because the inflationary impact comes—with all apologies 'o my friend, Mr. Mishra, this way that there is going to be an increased demand for consumer goods from this sector of the population. And today, unfortunately, in this graph that we draw of demand and supply, the demand curve is higher up and the supply curve is well below. That is the whole trouble of prices today. If production can be increased and the demand curve and the supply curve coincide, or even for that matter the producer says: I have produced something more, do something about it, buy it up, give it to those underdeveloped countries as they do in America like PL 480—it might be difficult for him, but I think I would be happier. This Rs. 240 crores is going to impinge on the totality of the goods available and they have to find more goods for it.

Then, I think more than one hon. Member mentioned about fertilisers. If the charge is that the production of fertilisers in this country has not kept pace with the demand or in the matter of our aspirations, Madam, I plead guilty. I think in most of these cases we have not done it ourselves. We have asked other people to do it. Various factors come in. Besides, production of fertilisers is an extremely tricky process and the process also changes. All along in places like Sindri we were accustomed to produce fertiliser

by coal gasification. Today that is being fact replaced by naphtha cracking, production of ammonia from naphtha. We are trying to orient our minds today. As somebody says, our import of crude oil or import-cum-production of crude oil should be of the order of about .50 million tonnes by the end of the Fourth Plan. There are other people who say. Oh, you are being fantastic in your estimates. The estimates are correct. If you envisage that a very large portion of that crude oil will go into naphtha production again fertilisers, and as a bye-product of it into petrochemicals, which again gives you the basis for pesticides well, you will blame us if we have not gone fast enough. Because of the changing processes that are taking place, many fertiliser factories which we now possess and which are based on coal gasification find that their prices are very high when fertilisers out of naphtha come into production. We will be producing a little more than one hundred thousand tonnes this year, in addition to our existing production, as nitrogen. Our supply position will improve by another two hundred thousand tonnes. That would not be enough. We thought of eight hundred thousand tonnes in the Third Plan. We will probably reach about 560 to 570 thousand tonnes. For the next Plan we thought of 15 million tonnes, but now our estimates go into the region of 2-5 million tonnes. The emphasis on the production of fertilisers is an indication of the importance that we give to agriculture. And it is not the only thing that we are doing for agriculture. There are a number of irrigation and power projects that we have undertaken. I was in Bihar recently. I had the opportunity of not only discussing with the officials of the Bihar Government but the Ministers but also of seeing

some of the projects that have been undertaken. Out of 21 million acres in Bihar by the beginning of the Fourth Plan, very possibly we shall be stabilising the irrigation of 8 million acres, which is a big factor and we want fertilisers for it. After all when our Budget is oriented towards irrigation and power projects to a very large extent and projects for making fertilisers, it is wrong to say that we have done nothing for the agriculturist. What we have done finally is to give them better prices. I do not say that it is enough,

[Shri T. T. Krishnamachari.] because basically if we can get agricultural production anywhere between 5 to 6 per cent more, I can think of a growth of about 7 to 8 per cent, which is what we need. There is no point in saying that the Plan is ambitious because you want a growth of 7 per cent. I think it ought to be eight and not seven. I shall perhaps have an opportunity of speaking about the Plan sometime later. What I merely want to say now is that agriculture is something about which we have been thinking all the time, that the failure in regard to our Third Plan in the first three years has been due to the fact that we have failed on the agricultural front. It is not entirely because of our own deficiencies but because of various other conditions, many of

them beyond our control. But it is something to which we are alive, which we are conscious of, which we want to improve. That is the basis of our Plan.

Madam, as I have said before, I shall have more than one opportunity of being able to answer questions from hon. Members before this Budget session ends. Therefore, I seek your permission to conclude my reply at this stage. Thank you.

THE DEPUTY CHAIRMAN: The House stands adjourned till 11 A.M. tomorrow.

The House then adjourned at ten minutes past five of the clock till eleven of the clock on Tuesday, the 23rd March, 1965.