

The Speaker has certified that this Bill is a Money Bill within the meaning of article 110 of the Constitution of India."

Sir, I lay the Bill on the Table.

#### ALLOTMENT OF TIME FOR CONSIDERATION OF THE APPROPRIATION (No. 2) BILL, 1961

MR. CHAIRMAN: I have to inform Members that under rule 161(2) of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I have allotted seven hours for the completion of all stages involved in the consideration and return of the Appropriation (No. 2) Bill, 1961, by the Rajya Sabha, including the consideration and passing of amendments, if any, to the Bill.

#### THE APPROPRIATION (NO. 2) BILL, 1961

THE MINISTER OF FINANCE (SHRI MORARJI R. DESAI): Sir, I beg to move:

"That the Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the services of the financial year 1961-62, as passed by the Lok Sabha, be taken into consideration."

As the hon. Members are aware, this Bill arises out of the grants voted by the Lok Sabha and the sums required for meeting the expenditure charged on the Consolidated Fund of India. The figures provided in the Bill are for the gross requirements of the Government exclusive of recoveries and include the sums voted on Account and provided for in the Appropriation (Vote on Account) Act, 1961.

The total amount to be withdrawn from the Consolidated Fund of India during the year 1961-62, for which authority is being sought through this

Bill, is estimated at Rs. 7,832 crores. Of this, Rs. 1,349 crores relate to expenditure on Revenue account, Rs. 683 crores for Capital expenditure excluding Railways, Rs. 580 crores for disbursements of loans and advances and Rs. 5,220 crores for the repayment of debt.

Of the expenditure on Revenue account, Rs. 953 crores are for the Civil departments, Rs. 310 crores for Defence Services excluding Capital Outlay and Rs. 86 crores for the Posts and Telegraphs Department. Of the major items under Civil expenditure, mention may be made of Rs. 219 crores for payment of interest and other charges on Public Debt, Rs. 196 crores for social and developmental services, Rs. 297 crores for grants-in-aid to States including the payment of their share of Union Excise Duties and Rs. 63 crores for the Administrative Services proper.

Capital expenditure next year includes Rs. 110 crores for industrial development, Rs. 299 crores for expenditure on schemes of government trading, Rs. 33 crores for Defence Capital Outlay, Rs. 20 crores for Posts and Telegraphs Department, Rs. 75 crores for funding of development assistance from the Government of the U.S.A. including the loans under the P.L. 480 Programme and the balance of Rs. 148 crores for the requirements of other departments.

Gross requirements for the disbursement of loans to States are estimated at Rs. 409 crores. A provision of Rs. 171 crores has also been made for loans to other parties including Rs. 40 crores as loan to the Hindustan Steel Company.

Of the amount provided for repayment of debt, Rs. 138 crores are for the rupee-loans maturing during the year, Rs. 32 crores for other debt repayments including Sterling and Dollar loans and Rs. 5,050 crores for discharge of Treasury Bills. The Treasury Bills have a currency of

[Shri Morarji R Desai]  
 ninety-one days Provision has, therefore, to be made for their discharge four times during the year but this payment is covered by a corresponding receipt as a result of their simultaneous renewal. The total amount of Treasury Bills outstanding at the end of 1960-61 was of the order of Rs 1,106 crores which would require a provision of Rs 4,425 crores to meet their repayment four times during the year. The balance of Rs 625 crores is for the discharge of Treasury Bills likely to be created in the current year.

Full supporting details have been given, as usual, in the Budget documents circulated to the Members. The House has also had an opportunity of a general discussion on the Budget. I do not, therefore, propose to take the time of the House in explaining the provisions further but shall try to meet in my reply the points that hon Members may wish to raise during the course of the debate. Sir, I move

*The question was proposed*

SHRI M S GURUPADA SWAMY (Mysore) Mr Chairman, when the Budget proposals were discussed both in this House and in the other House, many criticisms were made in regard to one very important aspect, that is, about the concentration of economic power in a few hands. I do not want to cover familiar ground again but I want to recall a few things which have come to my notice and which I think are very important, and perhaps may be useful for further study. It is more or less obvious that the income stream during this decade has been able to benefit a few business houses, and at this point of time, it is worth our while to consider whether any countervailing measures have been taken or whether more are necessary to prevent further concentration of economic power in a few hands. According to me, the present policy of the Government,

though socialistic in character, has been indirectly helping a few business interests to grow more powerful. To illustrate, Sir, I may draw the attention of the House to one important aspect of foreign collaboration. The country needs foreign collaboration, both financial and technical. We cannot dispense with foreign assistance but if you look at the impact of foreign assistance and foreign collaboration on the distribution of benefits growing from them, it will be interesting to note that foreign collaboration during the last few years has helped a few established business houses. It is very difficult for new entrepreneurs to get foreign assistance, either financial or technical. They being new in the field, naturally the foreigners do not come forward to help them. So, the benefits of foreign collaboration normally go to established business houses, and we have not been able to analyse to what extent this has led to concentration of wealth and power in a few hands. The licensing policy of the Government also, I feel, has been very much helpful in the concentration of wealth in the hands of a few. The procedure, the licensing schemes and the methods employed are such that they have been helpful to a few industrial houses which are already established, and it is also an interesting study to find out how far the licensing system has been able to help the new entrepreneurs, the new people. Sir, I feel that the entire scheme of things has favoured a very few people in the country. The policy adopted by financing institutions in the country has also helped few houses. The Industrial Finance Corporation in the Centre, the State Finance Corporations, the Investment Corporation and others have been very generous in giving help to a few people in the country. This has led to concentration. Sir, there is another aspect which has also led to concentration of economic power in the hands of a few. During the past few years, the number of failures of companies has been increasing. The number is big. I think nearly

hundred companies are failing every month. It will be interesting to know which companies are failing, what are the reasons for their failure and, after liquidation proceedings are gone through, who purchase such companies. I feel that these small companies which are to be liquidated because they are small and uneconomic and hence are unable to compete with big monopolies are taken over by the very same big business houses. Today, after a decade of economic development, ten business houses have doubled their income between 1950 and 1960, and these very ten have, between them, 67 per cent. of the total paid-up capital of the companies. According to me, I hope I am correct in my statement, eight business houses control nearly Rs. 750 crores, and out of these eight business houses, two houses between them control Rs. 500 crores. You can understand how enormously wealth of a few has increased during this decade of planning. Now, the banks also have been able to contribute much to this increase in disparity, inequality or concentration. It is difficult for a new man who wants to enter business to get financial aid from banks. It is normally denied because he is not established, his credentials are not known. The banking policy has always been to encourage established houses in the country. Sir, naturally those who are already established will get more encouragement and the technological changes which have been brought about and the urbanisation which has been growing as a result of economic growth have also considerably helped this concentration. We have not been able to foster counter-vailing measures to bring down these disparities. I do not say that all inequalities can be abolished and we can bring about an egalitarian society within a short time.

[MR. DEPUTY CHAIRMAN in the Chair]

I do not say that but at the same time we can avoid traditional type of inequalities which are persisting. We

can tolerate inequalities which are inevitable, which are the natural consequence of economic development. Those inequalities which are inescapable, which are functional can be tolerated under certain restraints but the traditional inequalities should be eliminated as far as possible. Further, proper restraints should be placed on the new type of inequalities which are emerging as a result of economic growth but unfortunately Government has not taken any steps in this regard and if any steps have been taken they are ineffective to control the growing inequalities in the country. Today there has been considerable growth of urbanisation and this as I said earlier has contributed to the growth of inequalities. And with the growth of urbanisation the land value, the value of the buildings, the values of other kinds have considerably increased and this increase in capital gains as a result of urbanisation and technological changes, has not been properly shared by all classes and secondly the disparity between the urban sector and the rural sector is ever increasing. I am interested to know from the hon. Minister what steps have been taken to bring down this growing disparity between urban and rural incomes. According to the figures available to us, the *per capita* income is somewhere at Rs. 313; that is, each man in India is getting only less than a rupee per day and in rural areas according to the information given by the Finance Ministry a person is getting about 80 nP. per day. With this income and with this growing disparity between urban and rural sector I think the strain of development will be increased and it will have to be borne more by the rural sector.

Besides this, there is another problem which is very important and which has occupied the mind of the Ministry as well as every Member of the House, that is the problem of unemployment. The recent census figures have belied our expectations; the population has increased more than what we anticipated and I think the

[Shri M. S. Gurupada Swamy.]

unemployment situation today is more acute and more serious than it was. Even according to the old estimate the unemployment situation was considerably acute but with the increase in population which we have found out after the census I think the situation is more serious than we had thought it to be and I do not know what measures are contemplated except those about which information is already made available to us.

According to the Third Plan only a little more than 3 per cent of the total outlay is devoted to small-scale industries. Small-scale industries, as you are aware, have got greater employment content but the allocation that has been made in the Plan is, I feel, far too inadequate for the purpose in hand. Now, if you go through the figures you will find that in large-scale industries about four million people are employed but for the same amount of investment in medium and small industries more than three times that figure could be employed. So, you will see that the employment potential is considerably much more in the case of small and medium industries but the allocation that has been made in the Plan is very meagre according to my view. Of course, many schemes have been undertaken by Government; for instance, the Small Scale Industries Corporation has been set up but the way the Small Scale Industries Corporation is working is not, to my mind, very encouraging. Though at the top policies are laid down, schemes are published and propaganda is carried on in favour of starting small scale-industries, at the bottom at the State level I think nothing has been done to expedite these schemes. For instance, I have heard many complaints that when applications are made they have to wait for years to get sanction for them. I do not know why there should be such considerable delay in the matter of disposing of these applications. Even for sending the application from one department to the other and for getting the

port of the Director of Industries in the State concerned they take a lot of time and this delay and red-tape are coming in the way of the growth of small industries.

Then, take the case of the industrial estates. Industrial estates were promoted with a very laudable objective, for dispersal of industries and for aiding people to start new small industries in those areas but I find that some industrial estates are vacant and nobody has been able to use these industrial estates. I know personally that in some industrial estates people have taken the accommodation on rent but they have not paid the rent nor have they made use of the industrial estates and in some cases these industrial estates have been given to large industries—not to small industries but very large industries—involving more than Rs. 10 lakhs of investment. So there is no proper execution of the policies that are laid down.

There is one more aspect in regard to small-scale industries. If you think that small industries should be promoted and encouraged, mere propaganda would not be enough, mere technical assistance would not be enough but considerable monetary assistance is necessary. The present monetary assistance that is given is rather slow and is not adequate. So, it would be better if a National Investment Corporation is set up for this purpose—and the idea is not new; I think some people have already made this suggestion—and considerable money and technical help given to the new persons who are anxious to come into the industrial field.

Now, much of our planning has been distorted because of price increase and price inflation. This year, that is, the last year of the Second Plan, there was not much of the new money flowing into the market. But in spite of this and in spite of restrictions imposed on banking institutions and enforcement of other

credit controls, we see a certain amount of rise in prices. Also, there is the disturbing phenomenon that the prices of food articles have been most erratic during this decade. The price of food articles has risen and fallen in a most unpredictable way. There is no steadiness in the rise and fall of these prices. These trends have been operating and the Finance Minister was good enough to say, on some other occasion, that all steps have been taken to restrain the inflationary impact on the economy. But unfortunately actual experience shows that all these measures, fiscal and administrative, have proved inadequate to restrain the impact or the growth of inflationary pressures on the economy. In the present year prices have risen, though the prices of food articles have not risen. On the contrary they have shown a decline. That is because of other factors. Now, if the price-line is not held and is not stabilised, I am afraid ultimately the cost of the Plan will inevitably increase and the physical content of our achievements will be small. I do not know whether the measures that have been proposed by the Ministry will be followed strictly, and even if they are followed, whether they will be adequate. It is for him to say what more measures will be taken in regard to this matter.

Then, there is one more thing which I want to touch. Now, both in the public sector and the private sector, large construction activities have been going on and big contracts are given both by the States and the Centre. Perhaps the Centre is aware of it that certain firms of businessmen or industrialists have become contractors during the last few years. The procedure of giving contracts is such that it has helped a few contractors, a few firms. The very people who are industrialists, who are engaged in big trading activities, have also become contractors and these contracts are going to them because they have the equipment, the know-how. They have got the financial backing and all that. The contracts are big. They are not split up. So, ultimately what has

happened is this. All these big contracts have been going to a very few people, thereby also causing a great concentration of economic power in a few hands. It would be difficult to bring about a socialistic society, unless we mean what we say and unless we create proper pre-conditions for bringing about such a society. One may say many things, but to me it seems that one of the most important pre-conditions is to create a proper atmosphere for equality of opportunity and that is impossible unless people are educated.

Today, illiteracy in the country is very great and during the last one decade, as the House may be aware, only 7 per cent. of the people have become literate. The population has increased in the meanwhile. So, today I think illiteracy is more than what it was about a decade ago. Unless proper attention is paid to this problem of illiteracy and people are made conscious of their duties and responsibilities, it would be difficult for us to take the country forward to the goal of social and political equality. The allocations made in the Plan for education are meagre and the way you are doing things in the field of education is not satisfactory. Even in the case of adult education, in the past there was some missionary zeal. Today that missionary zeal has gone and all the schemes of adult education are on paper only. Funds might have been expended, but no results have been produced. So, unless the conditions for bringing about equality of opportunity are created, I am afraid socialism has no meaning. Today, the talk of socialism has no appeal and the thought of socialism has been hampered or restricted because people are not made conscious of their duties and responsibilities and they are not made to think in socialistic way. As I said before, only a few people talk about socialism in the country. Perhaps a few Members of Parliament, a few people in the political parties are talking of socialism. The doctor, the lawyer, the engineer and the man in the street are not

[Shri M. S. Gurupada Swamy.] socialists. They are not thinking in terms of socialism and socialism has no meaning to them, because in the last one decade our economic growth has made no impact on the submerged or disinherited or dispossessed classes of the society. So, unless we take concrete measures to create an atmosphere for equality of opportunity, we cannot make much progress. I think it is the most basic problem, because on this rests ultimately the equality of income and wealth. We can tolerate, as I said, some amount of inequality, which is inevitable in any economic growth and economic development. But it can be tolerated only if conditions for equal opportunity are created for one and all.

Today, it is amazing that 25 per cent. of the people in the country have not had the benefits of the Plans at all. Twenty-five per cent. of the people are landless and nearly 83 per cent. of the people who depend upon land have a huge number of dependants who are not earning. They have no jobs. Unless some sort of a national consciousness is created, it would be difficult to bring about national integration and national unity which we have been talking about so loudly in the past few days. I feel that if the country is to go forward, the Plan should have the association of the community. But all the institutional changes made during the last few years at the district level and at the panchayat level have not yet produced results. We have been able to create some institutions all right, but these institutions have not been able to create enthusiasm among the people, because the right approach, is not made. There is too much domination of the official element. There is not proper education of the people regarding their rights and responsibilities. Further, no other basic and associate bodies are created and run properly, and there is no integrated

approach. That is why today after one decade of planning the man in the street is more dispirited, disillusioned and dissatisfied. There is discontentment all round and this is a problem that has to be considered in all seriousness by all political parties including the Government. Unfortunately, the Government have failed in the past to get the support and co-operation of the millions in the country, and the same thing may happen in the next five years. We are launching upon a bigger Plan and we expect a very large amount of co-operation from all sections of the people, but I am afraid the way in which we are going about and thinking of this problem of public co-operation may not lead us to achieve our objective. The ruling party have perhaps been thinking in their mind that planning is their own business, that development is their own task, and that everybody should co-operate at their bidding and on their own terms. I think this attitude of the ruling party is largely responsible for the growing apathy and indifference on the part of the masses. Unless the ruling party makes a big effort in the direction of getting support from all the people, not by talking but by working with the people, with all the political parties which are very willing to co-operate with the ruling party, in regard to economic development, I think it would be difficult to achieve our goals and objectives.

Lastly, with regard to taxation I feel, Sir, that the upper income groups have not been taxed in the same measure as the poorer sections. I am not making a broad or sweeping statement. If we go through the distribution of income, perhaps my words will have meaning, and today the burden borne by the upper classes, I think, is far less than the burden borne by the other sections of the community, and it has to be analysed as to how far the amount of Rs. 1650 crores which is to be raised during the next five years will be dis-

tributed among the various classes. In the Plan I have not found anything to show how far and to what extent this tax burden will be distributed in the next five years among the various classes of the community. This year indirect taxation has been increased. It has imposed considerable strain on the people and the psychology of the people will be against taxation and they will oppose it still more when they know that a proportionate burden is not put on the richer classes. I would have been happy if the Minister had come forward and taken us into his confidence in regard to the ways and methods by which he will put these various taxation proposals into action in these five years and in regard to how far the richer sections of the people will be made to pay in the next few years. I am sorry that the psychology has been created in the country that poor people are very much harassed and that is so. Sir, I feel that the Minister should give us some idea about his taxation policy in the next few years and how far he will be levying these new taxes on the richer sections of the community. Thank you, Sir.

SHRI N. SRI RAMA REDDY (Mysore): Mr. Deputy Chairman, I rise to lend my full support to the Appropriation (No. 2) Bill, 1961, presented to this House. Sir, it has been said that the Budget of any Central Government is not only an accounting of resources and expenditure but it is a great fiscal measure which as a matter of national policy has to be managed in such a way as to promote a stabilised growth of economy. This is the test, Sir, that has been prescribed to measure the success or otherwise of the national Budget of any country. Let us therefore examine the growth of our economy in this country, and find out if any growth has occurred in the past few years. We also have to find out if that growth has been a stabilised growth to give the fullest satisfaction to the country. Therefore, we have been given a pamphlet entitled "Estimates

of National Income" prepared by the Statistical Organisation of the Central Government. Here we are. Our national income in real terms was Rs. 9100 crores in the year 1951-52, and for the year 1959-60 up to which the figures have been compiled the figure stands at Rs. 11,760 crores. Therefore, we have certainly made some progress, but let us see if this growth has been a uniform or a stabilised one.

Sir, in the Press Note that has been attached to this pamphlet we have been given to understand that the growth during the five years of the First Five Year Plan had been 18.4 per cent., whereas in the four years of the Second Plan it had been only 12.2 per cent. Thus the growth averaged during the First Five Year Plan to 3.7 per cent. as against only 3 per cent. during the first four years of the Second Plan.

Coming to the *per capita* income, we have another set of figures. These figures are a little bit more disappointing than the figures of the total national income. In the year 1951-52 the *per capita* income was Rs. 250.3. Of course, that figure has now risen. According to the revised estimates based on the latest census reports available to us, for the year 1959-60 the figure is 276.9. Once again let us examine these figures in relation to the Five Year Plans that we have been working. There has been a rise from Rs. 250.3 to Rs. 267.8 towards the end of the First Five Year Plan. During the first year of the Second Plan the *per capita* income had been Rs. 275.6, and towards 1959-60 the figure remained almost the same Rs. 276.9. This is an aspect which is causing a certain amount of disappointment in our national economy and to this pointed attention has got to be drawn by this Parliament. Sir, our disappointment is even more when these figures are compared or weighed against another set of figures that are available to us through a pamphlet called "The Economic Survey

[Shri N. Sri Rama Reddy.] of 1960-61'. The figures given in respect of total expenditure on developmental and non-developmental sides by both the Centre and the State Governments are as follows. In the year 1951, the total expenditure was 998 crores; the developmental expenditure was Rs. 480 crores and the non-developmental expenditure was Rs. 518 crores. That is, the percentage of developmental expenditure to non-developmental expenditure was 48 to 52. Thus, in the year 1951-52 the non-developmental expenditure was much more than the developmental expenditure. Let us examine these figures in respect of the year 1955-56. The total expenditure was Rs. 1,470 crores. The developmental expenditure was Rs. 884 crores and the non-developmental expenditure was Rs. 586 crores. Thus, you will see that the tempo of developmental expenditure has increased enormously towards the year 1955-56 and the percentage was 60; 60 per cent. of the total expenditure was incurred on developmental programmes whereas only 40 per cent. of the expenditure was incurred towards non-developmental expenditure. The tempo increases much more towards the end of the year 1960-61. The expenditure incurred on developmental programmes rises to 66 per cent. as against the 34 per cent. of the expenditure incurred on the non-developmental side. Now, Sir, it is quite natural to expect the increased expenditure on the developmental side. The outcome either in terms of the national income or the *per capita* income ought to have been much more than what has been effected in the country. I want to know why with this increased expenditure on the developmental side we have not been able to achieve the proportionate increase in the national income. According to the Second Five Year Plan, we have promised to the country 25 per cent. increase in it but we have achieved during the first four years of the Second Five Year Plan only 12 per cent. and even assuming that there has been an increase of four per cent.—I do not

know if the figure for 1960-61 is that; I have no figures with me—the total percentage of increase will be only about 16 or 17. Even this figure is much lower than the figures achieved during the First Five Year Plan. Of course, there has been some growth, but I am inclined to believe that the growth has not been very stabilised; nor did the growth maintain the expected levels.

Now, I have to refer to another set of figures. Out of a total national income of Rs. 11,760 crores, the income through agricultural and allied professions is only Rs. 5,400 crores. This works out to about 46 per cent. of the entire national income. The percentage of agricultural population in our country is as high as 70 and there has not been any sign that this percentage would fall in the near future. For 70 per cent. of the entire population to subsist on only 46 per cent. of the national income is a thing that is not very healthy at all especially on account of our sworn ambition to bring about a socialistic pattern of society. That is our concept, that is the concept for which we are working but can we hope to bring about this socialistic pattern at all either now or in the near future if 70 per cent. of the population is expected to live or subsist on 46 per cent. of the national income? I do not know if the disparity between the agricultural and the industrial sectors should continue for all time. That is what it looks like. I do not know what steps have been taken. The only possibility to bring about a socialist State, according to me, is that either the agricultural population must be brought down or the agricultural income must be raised to 70 per cent. Whichever is possible, I do not know. What steps are being taken in this regard, I do not know either. But I am sure that if we are to take the experience of the other progressive countries, we have got to reduce the percentage of population depending upon agriculture. In England, it is said that only 7 per

cent. of the people are depending upon agriculture. I have no figures about other countries but anyway this is the state of affairs of the economic growth of the country.

Sir, I have to say a word or two about our agricultural and industrial production. Ever since 1950, agricultural production has risen by 33 per cent. And it is a matter for gratification that our industrial production has risen as high as 67 per cent. Certainly we have reason to congratulate ourselves about this but with regard to agricultural production, the situation is very discouraging indeed. I do not know the causes for this great malaise in the agricultural situation of our country. We have been talking of increasing the production in agriculture but we have never been able to do it to the satisfaction of the country. I do not know what made our Agricultural Minister say very recently that our agricultural economy has reached the level of self-sustaining and self-developing stage. I really do not see that such a thing as that has happened. With regard to agricultural production, if we take the past few years, it was about 68 million tons in the year 1956-57. Now, it is said to be 76 million tons. There is only rise of about 8 million tons. In terms of percentage, agricultural production has risen by 1.5 per cent. as against the population which is said to have risen by 2.2 per cent. Is this the self-sustaining or self-developing agricultural economy that gives satisfaction to us in this Parliament or to the country? Certainly it is very discouraging. I do not want to go into the causes of such a situation but mainly I say that our bad agricultural policies have been responsible for a situation like this. I want five minutes more, Sir.

[Time bell rings.]

1 P.M.

MR. DEPUTY CHAIRMAN: It is time; you have to finish now.

SHRI N. SRI RAMA REDDY: Yes, Sir. Now, the human aspect is very

important. Our agriculturists are illiterate, and ignorant and their vision is very much narrow. As such the new ideas in the agricultural sphere have not been absorbed by them. We have been talking of science and technology without ever making a single agriculturist a scientist or a technologist in the past few years. Do we hope to improve matters, Sir?

Sir, speaking of foreign aid our present American Ambassador, Mr. Galbraith, has prescribed a qualification for receiving foreign aid. He has said a reliable apparatus of Government machinery is a condition precedent to receiving this foreign aid. Now, Sir, let us examine whether the human population that is engaged on agriculture have been made sufficiently capable of understanding the new techniques, or whether the machinery that is employed for bringing about this improvement in the country has been equipped properly or the men trained. Sir, I want to point out only one aspect of this problem although I wanted to point out several more, time permitting, but there is no time. I want to invite the attention of this Parliament and the country to what may be called the manurial problem. This is the crux of the entire agricultural production. And what is happening? We have been only thinking of—and it is quite easy to set them up—setting up fertiliser factories and are thinking of making an allocation of Rs. 240 crores for the purpose. There is money and let us set it apart for that purpose. But what have you been doing about the organic manure that is naturally available in the country? We are having 306 million head of cattle, of horses, donkeys, sheep, everything put together, and all of them eat the grass and other things that come out of the soil. Soil is the bank, and the crops take all the material from the soil, and they grow, and these crops are eaten by human beings.

SHRI M. P. BHARGAVA (Uttar Pradesh): We can continue after lunch, Sir.

MR. DEPUTY CHAIRMAN: His time is over; he is just finishing.

SHRI N. SRI RAMA REDDY: I can continue after lunch, Sir.

MR. DEPUTY CHAIRMAN: Your time is up. Please finish now.

SHRI N. SRI RAMA REDDY: Now, Sir, there is a colossal waste of the natural manurial resources available in the country, and everywhere I go I find the organic manure being wasted. Nobody takes note of this colossal waste and everybody thinks of only fertiliser factories. This is the type of thing that is happening.

Now, Sir, I have got only . . .

MR. DEPUTY CHAIRMAN: You have to finish now.

SHRI N. SRI RAMA REDDY: I am just closing, Sir. All said and done it cannot be said that our economy has not been growing. It has been growing, albeit snail-paced. The tempo has got to be improved, and unless we step up the tempo, there is the great danger of our economy going into a rut.

In conclusion, Sir, the appropriations asked for give us the hope that a flying start has been given to the Third Five Year Plan. It has been rightly called a development budget. Bold and patriotic as he is, the Finance Minister has cast his net far and wide to make an impressive start in raising the resources. A lot of political courage has been shown and a gallant attempt to get to grips with the main problems confronting the country has been made by our Finance Minister. I congratulate the Finance Minister most heartily and wish him all the luck.

Thank you very much, Sir.

MR. DEPUTY CHAIRMAN: The House stands adjourned till 2.30 in the afternoon.

The House then adjourned for lunch at four minutes past one of the clock till half past two of the clock.

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

SHRI A. D. MANI (Madhya Pradesh): Mr. Deputy Chairman, Sir, while speaking on the Appropriation Bill, I should like to refer to the demands asked for for the Ministry of Information and Broadcasting, and in this connection I would like to draw the attention of the House to the serious developments which are now taking place in the matter of internal and external news agency transmissions.

Sir, news agency work might be ordinarily taken as work concerning newspapermen but I would like to inform the House that on impartial dissemination of news depends the healthy development of public opinion in the country and, therefore, the country as a whole is very much interested in seeing that news agency transmission is free and impartial. Mr. Deputy Chairman, Sir, the Press Commission, of which I happened to be a member, went into great detail in examining the growth of news agency structures in the country and they made certain recommendations. Some of those recommendations have been carried out. But I may inform the House that one of the principal recommendations of the Commission was that efforts should be made by the Government and the newspaper profession to see that monopolist tendencies do not occur in the country.

At the present moment there are three news agencies functioning in the news agency transmission field: The Press Trust of India, The United News of India and the Indian News Service of India. Mr. Deputy Chairman, Sir, it is only proper that I should

inform the House that I happen to be one of the old directors of the Press Trust of India and was in my time Chairman of the organisation, but I have no financial interest in the P.T.I., and I may mention as part of my credentials that even though I was a director of the Press Trust of India, I was a signatory to the Press Commission's Report which carried some criticism of the working of the P.T.I. One of the grave dangers that have now emerged with these three agencies coming into the field is the fact that the second agency to which I referred, namely the United News of India is owned largely by newspapers in the country but the third one has certain peculiar features in regard to its proprietorial structure to which I may draw the attention of the House.

One of the motor transport operators is a shareholder of the agency and I may inform the House that the Government of India, in 1958, laid down a policy in answer to a Question in the other House that a news agency must be owned by newspapers themselves. That is a safeguard for the impartial dissemination of news.

Now, Sir, the Indian News Service is also owned in a large measure by two big newspapers in the country, and one of the newspaper proprietors the other day declared that he had 15 per cent. of the total circulation in the country. The other newspaper, which is one of the principal shareholders of the Indian News Service, is also having substantial circulation through its various chains. Now, what is happening with this service coming into operation is that not only do we have monopoly in the readership of the country but also a very strong competing force in the shape of news agency operated by these two newspapers. I believe, Sir, that the Government has tentatively agreed to take over their services on trial. I do not want to go into the details of this transaction because they would only concern the Ministry officials and the newspaper profession. But from the

point of broad policy, I would like to make this point that the Government should not give facilities to news agencies to come into the field unless they comply with certain conditions.

One of the principal conditions would be that the proprietorship of the news agency should be of a co-operative character. That is to say, there should be no majority or minority shareholding in such a concern. Further, it should be specifically stated in the Articles of Association of any company, which seeks to operate a news service, that it shall have the duty of disseminating news in an impartial manner without any bias. I may mention here that the U.N.E.S.C.O., which went into this matter also, stated in one of its enquiries that the news agency, if it has to deserve its name, must give completely impartial news.

Now, the third point I would like to make is that no news agency, which has got outside interests in the share capital, should be given encouragement by the Government. Today, we have a motor transport operator being a principal shareholder of the news agency. Tomorrow, the brewery interests, who are very much interested in the non-enforcement of the prohibition plan, might start a news agency of their own and try to come into the field. Then, there is the textile industry, the sugar industry and so on. We cannot allow these industries to run news agencies in this country. Sir, I would like the Government, in its reply, to give some attention to this aspect of the matter. We want competition but, I think, there will be unfair competition if there is one news agency in every field. I would recall here what the Prime Minister said, when he saw the only news agency some months ago:

"Monopoly of any kind other than any service owned by a co-operative agency like the Press Trust of India should not be encouraged."

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The other point that I would like to make about a news agency, Sir, is that news agency transmission is so important in the development of public opinion in the country, in the matter of seeing that the news is not slanted that we want some distinguished representation on every board. The presence of distinguished outsiders very often brings about a certain measure of objectivity in the working of a news agency. I believe, Sir, that on the Press Trust of India Board there is a retired Chief Justice of India, Mr. Patanjali Sastri.

We would also like to see that in these boards there is no concentration, no question of vote-manipulation at all, that there are various interests represented which will ensure that the news agency transmission is maintained unfettered by bias.

Sir, I would like to ask the Government whether any assurance has been given to any of these two agencies, which have come into the field, that the All India Radio will take their services. The All India Radio pays to the Press Trust of India about Rs. 7 lakhs a year for its news agency services. It may be that the other agencies are competing for the All India Radio's subscription. The All India Radio subscription is essential for the prestige of a news agency. The point to be noted by the House is that at present we are having two American news agencies functioning in the country. I am not suggesting that anything American is bad. American news agencies are extremely efficient but the fact is that we are having American point of view very heavily presented in the country and I feel that the news agency work is of such an important character from the point of view of development of public opinion that Government should try to see that there is not a glut of competition in this field, we do not have too many agencies working. I have no objection to the United News of India functioning in the country

because the United News of India is owned virtually by a co-operative agency but we do not want motor transport operators who are really merchants or sugar factories to come into the field. The Indian News Service of India is really controlled by two big newspapers, very well produced and which will bring a lot of credit to this country. The proprietors of these two newspapers are virtually concerned with every item of taxation which comes up in the Finance Bill and I think it is a grave, dangerous tendency that we are seeing coming into this field and we trust that we will have an opportunity of hearing from the Government their statement of policy in regard to the news agencies.

I would like to mention that in the matter of external publicity—I am going on to the External Affairs Ministry's Vote—the matter has been discussed at great length in the past in both the Houses. The dissatisfaction of the country with the external publicity has been very often voiced. I know that it is extremely difficult for us to obtain publicity abroad because every country has its own problems and we cannot compel the newspapers abroad to publish news about India but there is one serious flaw in our embassy set-up which, I think, must be rectified. Somehow in our embassies we do not give the same status and the same range of opportunity to the Press Attache as we give to the First Secretary. Very often—and I do not want to mention names or the places where these things have taken place—there is not much cordiality between the First Secretary and the Press Attache. I think that if we want to present our news abroad more effectively, we ought to give a much better status to our Press Attaches. In some of the embassies like the U.S. Embassy, in the Delegations abroad, they have the Press Attache with the rank of a Counsellor. A Counsellor's rank enables a Press Attache to function better. Further, if we go through the details of the Ministry of External Affairs report, we will find that very

little money is spent on news. Much of the money is being spent on the set-up of the various embassies in various countries and even in respect of news agency transmission, the news that they get is very often directed from Delhi. I have been abroad and I must say that I have been extremely dissatisfied with the news agency bulletins that our Press Attaches get in foreign countries. They do not give an adequate picture of what is happening in the country. A further fact about this matter is, very often our own officials are not much well-informed about what is happening in our country. They are much better informed about what is happening in New York or London than what is happening in India and if our officials are to function effectively, I think that the Ministry of External Affairs should see to it that at least in respect of Information Officers, they come back to India at one year intervals, so that they have an adequate background of what is happening for presentation abroad.

There is one other lag in our foreign publicity and that is, we do not have enough speakers to go round foreign countries explaining the Indian point of view even in the embassies. Unless we have a team of men going from India, not necessarily at our expense on every occasion, to whom the embassies will give facilities in the matter of speaking to gatherings, we may not be able to present our point of view abroad. I trust that the Prime Minister when he chooses the U.N. Delegation every year, would try to see that the Delegation consists of people who can do work not only in the U.N. Committees but who can also, taking advantage of their presence abroad, go round and speak to various gatherings because it is only when Delegations go abroad that we get an opportunity of sending men who can press our point of view.

I would like to refer to one other aspect of external publicity and that is very important. I believe the countries of the Mid-East, particularly Egypt, wants facilities for circulating

its agency services in India. Yugoslavia would like to have the facility of transmitting its own services in India as a part of better understanding with this country, but unfortunately the Transport and Communications Ministry rules are so tight that to get a foreign service in India, we have to pay Rs. 90,000. It is not possible to arrange exchange of news from one country to another and these countries are extremely anxious to know more about India. We can send our news to them and unless these exchanges are treated as a part of the money that we consciously and knowingly spend on better understanding, it is not possible for such news agencies to function in the country or to give that news. What I would suggest is that the Government should, as far as possible, where international understanding is concerned, pay the landing charges themselves. If Yugoslavia, if the Mid-East, wants to understand us better, if we spend money for such understanding, it is part of the legitimate expenditure of the Ministry of External Affairs.

I understand that the All India Radio is having a scheme of appointing its own correspondents abroad who will send news to this country. In this connection, I may mention that the Estimates Committee which went into the matter in its 12th Report says:

"AIR would not be justified in maintaining foreign correspondents even if funds permitted. If Government is anxious to obtain foreign news written from an Indian angle, it would be better to think of this from a national view-point and encourage Indian news agencies to maintain Indian correspondents abroad."

Now the A.I.R. wants to have correspondents in some of the important centres. These correspondents would not be able to function as effectively as a correspondent of a news agency and I think it will be wasteful expenditure if the A.I.R. is permitted to utilise precious foreign exchange in sending its correspondents abroad. I think this matter of both internal and

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external publicity is so important, now that we are reaching the take-off stage of our economy and it is necessary that our case should be presented abroad more effectively, that a Parliamentary Committee is appointed to go into the matter and to make appropriate recommendations to the Government.

I would like to make a reference to the Vote on the privy purse to the princes. They have asked for a Vote of Rs. 5.44 crores. This morning we have read that the Board which has been appointed to go into the charges against the Maharaja of Bastar has recommended to the Government that there is no case for keeping him in detention. The Maharaja of Bastar comes from my State and I happen to know some of the intricacies of the question relating to the events which led to his deposition from his former status. I think the Government of India and the Government of Madhya Pradesh have come down very much in public estimation in Madhya Pradesh for the haste with which they acted against the Maharaja of Bastar. I am not saying a word about the ex-Maharaja of Bastar or his habits. Every person's habits are his own concern and perhaps in a democratic society he would not be entitled to the facilities that he enjoyed at that time but somehow the impression has gone abroad that he has been deposed because he did not agree to join the Congress party. I may mention to the House that at one time the mental fitness of the Maharaja of Bastar was in serious question in certain areas, and particularly in Madhya Pradesh. At that time when he was supposed to be mentally not very strong, the Congress party gave him a ticket and got him accepted as a candidate....

SHRI BHUPESH GUPTA (West Bengal): Where?

SHRI A. D. MANI: In Madhya Pradesh. When he was supposed to be mentally unsound, he had the honour of getting a Congress ticket and sit-

ting in the Madhya Pradesh Vidhan Sabha those days . . .

(Interruptions.)

SHRI DAHYABHAI V. PATEL (Gujarat): Did not that cure him?

SHRI A. D. MANI: He was not cured by that. Unfortunately he relapsed to his old position.

SHRI BHUPESH GUPTA: That is the treatment . . .

(Interruptions.)

SHRI A. D. MANI: I would like to mention that the ways in which these affairs were handled, particularly giving too much publicity to a person's little antics which were not taken seriously in his own constituency, have led to very unpleasant consequences among the tribal people in Madhya Pradesh. I would like to ask here the Government one question. For the first time, in the solemnity of this Chamber, in the solemnity of Parliament, the Government laid a statement on the floor of this House where the words 'a life of depravity' were used. One of the reasons advanced for withdrawing the recognition from the Maharaja of Bastar was that he was leading a life of depravity, though under the Rules of this House there should be no reference to a person's personal conduct. But when the Government made the statement, that was made one of the grounds for withdrawing the recognition of the Maharaja of Bastar. I would like to ask the Government whether they have conducted a survey of the manner in which many of the princes live in India and spend Rs. 5.44 crores which come to them as privy purse. Some of them maintain racing stables, some of them squander money. I would like to ask if, at any place, any prince, in the future, is going to lead a life of depravity, would the Government apply the same principle which they applied to the Maharaja of Bastar and withdraw recognition from that prince? Because the impression

has gone abroad in Madhya Pradesh that personal matters have been picked up and used against the Maharaja of Bastar. Well, there are a number of princes who are leading lives which are not free from criticism. Is the Government going to take the over-all moral supervisory control of the lives of all the princes and if anybody deviates from that, are they going to take the same action as was taken against the Maharaja of Bastar?

One more point I would like to make about the princes before I close. Sir, the elections are coming and the princes naturally want to stand for elections. I would not like to recommend any restriction on the freedom of any individual or any party to fight the elections. The princes are as much entitled to fight the elections as anybody and they are entitled to join and are eligible to join any party also. But these princes enjoy a certain advantage which the ordinary candidate does not enjoy. A prince who is pitted against a common candidate, a commoner candidate, has got his privy purse which is not subject to income-tax, while the common candidate has got to pay income-tax on even Rs. 400/- a month. So it is extremely difficult for the common man to fight a prince on account of this. I think the time has come, in view of the fact that the princes are nursing political ambitions, when we should consider amending the Representation of the People Act, making it a disqualification for any person who enjoys a tax-exemption to stand for elections. The principle that I seek to apply in this case is this. If a person holds an office of profit, he is disqualified from standing for elections. What does it mean? It means that the person is beholden to the Government since he obtains money from the Government and therefore, he should not stand for elections. The man who takes a very big privy purse also enjoys a substantial tax concession in that he need not pay any income-tax on it. If he does not pay any income-tax, that means he is subsidised by the Government. This exemption

from income-tax should be considered, in my opinion, now that the princes are entering the field for elections, as an office of profit, and if the princes want to exercise their democratic right, let them pay tax on their privy purses and then stand for elections. We have no objection. We would like to meet them on common ground. I am mentioning this in fairness to the common candidate who does not have a big money purse as the princes have. We should get the facility. I think the time has come for the Government to take account of this so that the enjoyment of tax exemption may become a disqualification. I am sure my hon. friend the Finance Minister, himself would welcome the day when the princes start paying income-tax on their privy purses. I thought this was an important matter to which I should draw the attention of the Government during the debate on the Appropriation Bill. Thank you.

SHRI PURNA CHANDRA SHARMA (Assam): Mr. Deputy Chairman, while speaking on the Appropriation Bill I would like to discuss a little the disparity in the matter of the distribution of the allotments to the different States. Sir, there are many backward States in this country, including Assam. Generally the allocations of the Central grants for all these States is not, I submit, in proportion to the needs or according to the income of the particular State. The Government of Assam has in its present Budget shown a deficit of nearly Rs. 3.5 crores and it has also been stated that it is not possible to collect this amount within the State itself by additional taxation or otherwise. As a matter of fact, the Government of Assam has been complaining to the Centre about the inadequacy or rather the disproportion in the grants made from the income-tax collected from the resources in Assam and from the excise duties on tea, jute etc. as well as on petroleum. Sir, until some more adequate finances are made available to that State from the resources of the State itself, this deficit will go on and the development

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of this State would be hampered. It is time something is done because it has been accepted as a principle that we should devote a little more attention towards the development of the backward people and the backward areas. Assam is one of the most backward areas. It is almost the most backward area and I think in the matter of giving finances, the Government of India should give a little more money for the development of that State.

That State is backward in many respects. Industrially it is backward. We have to see that this disparity that is there in this country and which is widening in certain places is removed as early as possible and bring in more industrialisation of the backward places. Assam being one such backward State, there should be more consideration given to it.

Then there is the question of communications in the State of Assam. Some attempts have been made for developing communications in that State; but no industrialist has yet been tempted to come to that State to start an industrial undertaking and take advantage of the immense natural resources of that State and utilise them for the benefit of that State and for that of the whole country. So, the development of communications is another important factor. The development that has taken place is not at all enough and the pace of progress has to be much swifter so that the State could be brought on par with the neighbouring States.

The general complaint everywhere is that the Posts and Telegraphs Department has not been very efficient or that it has deteriorated in efficiency in many places. People have been complaining of not receiving telegrams in time and of not receiving their letters. This is the case not only in Assam, but elsewhere also. Of course, it depends on the efficiency of the people who are administering this department. Therefore, I submit more attention should be given to the efficiency in this parti-

cular department so that people may not have the grievance regarding the receipt or delivery of telegrams and letters.

Finally, I have to say something about the department dealing with statistics. The authenticity of these statistical information is always being questioned from all quarters. Generally, we find that these statistics are collected from official papers and those official papers are not based on the actual facts. For instance, in the matter of agricultural production we have been hearing for a long time that there has always been an increase in production. But actually only this year perhaps, during all these five or ten years, has there been a little more production in agriculture; but all these years we have been hearing from these statistical publications that production from agriculture has been increasing all these years. As a matter of fact, production was going below our requirements. So, the statistics should be based on actual village enquiries instead on the papers submitted from the revenue offices through their officers.

Now, I have to say a few words about some multi-purpose river projects. We have been told that the investigations for one multi-purpose project has been going on in Assam, namely, the Kopili valley project. This investigation has been going on for the last ten years or so and every year some money is being allotted for this purpose. We are surprised that this investigation has not yet been completed. In Assam we have been waiting for power all these years and it has to come from the development of this project and this project alone can supply the power that Assam so badly wants. And Assam is so backward in the matter of power supply. I would like to draw the attention of the Government to the necessity for expedition in respect of investigation of this project. The work should be taken in hand soon so that power may be available to the State of Assam for the development of industries.

I have already mentioned about communications. The National Highway in Assam is so very narrow that we have had several accidents in the last two or three years on that Highway. It should be widened as it has been done in other parts of the country. A National Highway should not be less than 60 feet in width but in Assam it is not more than 40 feet. Some money should be allotted for this purpose. I do not know whether the State Government has made any recommendation now. So far as I know, some recommendation was made to the Centre some time ago but back came a retort that the density of traffic should be much more. During the last few years, the density of traffic on that road has increased enormously that even State Transport Buses collided and there have been big accidents also. Only one portion, right up to Shillong, has been widened but on the other between Gauhati and Dibrugarh there is such a heavy amount of traffic that it is very difficult to travel by night even in one's own car.

In the matter of purchase of food-grains, a very good allotment has been made. Let us hope that the State Trading Corporation will be successfully using that money and will be able to meet the needs of the country whenever there is great need for this.

There is one thing more about community development. The community development projects are spreading throughout the country but the results achieved are far from satisfactory, they are not what we expected them to be. In many places, complaints are heard about misdeeds by several officers concerned. In the Punjab too, I heard of some complaints. I do not know what is being done about these.

Generally, I support the Bill and I commend it for acceptance by the House.

SHRI P. RAMAMURTI (Madras):  
Mr Deputy Chairman, during the period between the presentation of the

Budget and today, certain important publications have been put out by the different agencies or the Government. One of those and an important publication is the Estimates of National Income. I refer to this particular publication because it has got very great relevance to the policies that are adopted by our Government and to an examination of the question whether the objectives that have been placed before the country when they adumbrated the two Five Year Plans are actually being achieved. Therefore, it has become necessary for me to refer to the publications of the Government. This publication says that between 1951-52, that is, the beginning of the First Plan, and 1959-60, the end of four years of the Second Five Year Plan, during the last nine years, the *per capita* national income has risen from Rs 250.3 to Rs 276.9. The *per capita* income has increased during a period of ten years by hardly ten per cent, from Rs 250 to Rs 276. It was postulated at the time of the publication of the First Five Year Plans that as a result of these Five Year Plans, there would be an increase of 25 per cent in the *per capita* income by the end of the Second Five Year Plan and that it was also our ambition to double the *per capita* income within the course of twenty-five years, at the end of five Five Year Plans. The progress achieved so far gives less than one per cent. *per annum*. Something has gone wrong with your estimate of the increase in the population. Today, for example, it is known that population is increasing by nearly two per cent. *per annum*. When that is the position, what is the picture that you are placing before the country? This is the question that I would like to ask of the Finance Minister. Does the Government hold out today any hope to our people that maybe at the end of twenty-five years the *per capita* income in this country will at least increase by fifty per cent, let alone by hundred per cent? After ten years of development, after ten years of these two Plans, the *per capita* income has increased only by ten per cent. What is it that is wrong? When we are

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discussing today the Budget, when we are discussing the various allocations made to the various departments, to the various services, behind all these things lie certain basic questions. The basic question is this: What is going to be the future of the people of the country? Are they going to be kept sunk in poverty and hunger as they are today? Or, is there any hope that at the end of fifteen years, twenty years or twentyfive years at least, the people of this country will eat better, clothe better and live better? That is the simple question which I want the Finance Minister to answer us squarely and fairly. When we talk of the increase of ten per cent. during this period of ten years, it is not as if this increase of ten per cent. has gone to every common man; it is not as if the agricultural worker got an increase of ten per cent. in his real earnings during the last ten years; it is not as if a middle class employee got an increase of ten per cent. in his real earnings. Certainly not; that has not taken place. It is there that the question of distribution of national income assumes tremendous of importance. That is the question with which the common people of our country are faced today. When we talk of this question of distribution, the Finance Minister and the Government will say that we must first have production and then only will the question of distribution come. After ten years of development, you could hardly increase the *per capita* national income by ten per cent. I cannot understand this. Let us try to understand that there is something basically wrong with our Plans. There is no use the Finance Minister or the Prime Minister throwing at our face phrases like, "These are Communists. These people have got some theory. Marx wrote something about hundred years ago and they are just vomiting Marx." We are not concerned with what Marx wrote or what some others wrote. We are concerned with what you are doing, what has been your profession, what has been your objective and what is it that you are aiming

for. This is a simple and straightforward question. Something has gone wrong and, therefore, it is that at the end of ten years, instead of a 25 per cent. increase in the *per capita* income you are getting only an increase of 10 per cent. I can understand the figure being either 23 per cent. or 22 per cent., one or two per cent. this way or that; that we can understand, but between 25 per cent. and 10 per cent. there is a very wide gap. There seems to be something wrong in the basic assumption underlying planning and, therefore, we would like to ask him whether he is, even now, prepared to think about those basic things and try to change certain basic assumptions. That is the simple question with which we are concerned. Well, at this rate how many years would it take for the *per capita* income to be doubled? At the rate at which we are going I dare say it cannot be achieved in one generation. It is calculated that at this rate it will take about 90 years for the *per capita* income to be doubled; at any rate not within the generation of the present Government, not within our generation, not even in the next generation but probably three or four generations after. That is simple arithmetical calculation. I am not saying anything on my own. That is simple arithmetical calculation based upon the rate of increase in the *per capita* income today. At this rate it will take not less than 90 years for the *per capita* income to be doubled, other things being equal of course.

Now, let us take the other question. What is it we have been developing? The *per capita* income has got to be increased. It is quite on the cards that the rate of investment certainly must increase. When the question of the rate of investment comes up, the Finance Minister would say: "Here are the opposition members; here are some people who are opposed to us. We want to increase the rate of investment and that is why we are taxing the people but you are objecting to it. You cannot have the cake

and eat it too. You object to the taxes that are imposed but at the same time you want to increase the rate of investment. How is it possible?" This is the simple way in which they try to counter us. By the way in which you are now taxing the people do you expect that you will be able to increase the tempo of development in this country so that if not within 25 years, at least within 30 or 35 years you will be able to double the *per capita* income in this country? Obviously not; there is something wrong. After all, we are not able to find the resources. When the question of resources comes up, again and again you say at our face: "The people have got to be taxed." So the basic question is this; what is it that we are developing in this country? Everything depends on what it is that we are building up in the country. Today capitalism all over the world is in the throes of a crisis; the capitalist economy is undergoing a crisis. Even in the United States of America, the richest country, the most developed capitalist country, President Kennedy had to admit the other day that the figure of unemployment had reached up to five million. In the richest capitalist country five million people are unemployed. That is only the indication of the extent of the crisis that that capitalist country is undergoing. So, when all over the world capitalism is in the throes of a crisis, if we are developing a capitalist society, and that too depending more and more for aid on those people, obviously we find ourselves in tremendous difficulties. What are we to do? And when we say that, our Finance Minister will say, "No; we are not building capitalism; we are building socialism." Well, one of the colleagues of the Finance Minister—it was the Deputy Minister, Mr. Bhagat, I think—the other day speaking at an industrialists' meeting at Calcutta, about a fortnight back, stated when he was talking to the industrialists: "You can't be angry with our Government. You cannot find fault with this Government. After all during the last ten years we have enabled you to invest in private in-

dustries much more than what you had been enabled to invest in the private sector during 150 years of British rule." This was the statement made by Mr. Bhagat, the Deputy Finance Minister. It is quite true; I agree with it. When he goes to talk to the industrialists, he goes and tells them: "Look here, we are your best friends. We have helped you in ten years to invest much more than what you have been able to invest during the last 150 years." But when he goes to the common people, he says: "We are not building capitalism. We are not friends of capitalists. We are not friends of rich people. We are friends of poor people." Why this double talk? When the Deputy Finance Minister goes and talks to the industrialists, he tells them: "we have enabled you to build up these huge capital resources in the private sector." That is quite true. I agree with him, because that is a fact. The fact is that during the last ten years the amount of investment that has taken place in the private sector certainly has been much more, at least about  $1\frac{1}{2}$  times the capital that had been built up in the country during the 150 years of British rule. There is no doubt about that. But how did they enable this huge capital to be built up? Is it that these Tatas, Birlas and Singhanias and other big industrialists have suddenly, overnight, released these huge resources, that they had all this money locked up somewhere and during the last ten years they were able to invest nearly Rs. 700 to Rs. 900 crores? Where did they get the money from? The money came from the common people. Let us not forget that. It is because of the policy that the Government has been adopting all these years, the policy of price increase, which made the poor people pay so that the richer sections might get the money and invest it as private capital. That is the definite, conscious, deliberate, policy that has been pursued during the last few years as a result of which the big capitalists like the Tatas, Birlas and others have certainly been able to invest huge sums of money as their private capital. They

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are the earnings of the common people which went to them and they have invested all that money in this way. That is how capital formation was encouraged. Not only that. We know, for example, that all these agencies that have been set up by the Government, the National Industrial Development Corporation, this corporation and that corporation have been helping the bigger industrialists. How many small industrialists do they help? Whom do they help? Do they help the small industrialists? The bulk of the money is given to the big people. That is how the common people's money is being diverted to them. It is this particular system that we are trying to develop today unlike Britain or America or other countries where they were able to get capital out of the loot from their empire. Out of that they were able to invest. Today that path is not open to our Indian capitalists here. So the Government comes, in and says to them: "You will not be able to loot other countries and invest in your private enterprise. Therefore, we will help you by keeping the prices high; we will help you to loot the common people of this country and you can invest that money as your private capital." This is the deliberate policy that has been pursued all these years. Therefore what happens? There is suffering and the people find . . .

SHRI N. M. LINGAM (Madras): Does the hon. Member mean to say that the Government has given the capital free to these industrialists?

SHRI BHUPESH GUPTA: How can the Government give?

SHRI P. RAMAMURTI: The Government does not give. The Government adopts such a policy by means of which the common people are made to pay to these big industrialists.

SHRI N. M. LINGAM: Are not the common people shareholders in these enterprises?

SHRI P. RAMAMURTI: I do not know whether my hon. friend thinks that the 400 million people of this country are shareholders of the big factories owned by the Tatas and Birlas. That day will come when the common people will become shareholders in these big enterprises, when private ownership of all means of production and distribution are abolished and their ownership vested in the Government. Till then the common people are not the shareholders. That is a different matter. I can give you certain instances.

Nowadays, the newspapers carry almost every day or every other day company notes. The balance sheets of the various companies are published. Now, there is a mill in Bombay called the Century Mills. Their balance sheet showed that in 1959 the Century Mills earned a profit of Rs. 137 lakhs while in 1960 they earned a profit of Rs. 287 lakhs. From one crore and thirty-seven lakhs their profits rose to two crores and eighty-seven lakhs, that is, an increase of Rs. 1½ crores in a single year. Their profits have jumped up. There is another mill in Coimbatore called the Coimbatore Cotton Mills. It is a small textile mill. Its profit, as published in the balance sheet, in 1959, was Rs. 10 lakhs and in 1960 the profits went up to Rs. 25·7 lakhs. From Rs. 10 lakhs their profits jumped up to Rs. 25·7 lakhs. How did they get this profit? How did their income suddenly increase like this? What jugglery was there as a result of which the Century Mills was able to earn a profit of Rs. 287 lakhs? How did it jump up like this? It is because of the fact that last year the textile millowners put up the price of cloth and yarn by 50 per cent. Everybody in the country agreed that the prices were obnoxiously high and the Minister stated openly in Parliament that a fifty per cent. increase in the price of cloth was unconscionable but none-the-less the Government refused to take any steps against them and naturally the industrialists were enabled to earn huge profits. This is how the common people are looted and the

industrialists are helped to build up these huge empires. That is what is happening and that is why we say that this policy is being deliberately pursued by the Government. For everything the common people must pay. We cannot help them. They have got to pay. As far as the richer sections are concerned 'No, we will not tax them. We will give them more concessions.' That is how you would argue the whole question, even when last year the profits of the textile mills increased tremendously, by fifty per cent. or sixty per cent. There is another mill in Ahmedabad, from where I believe our Finance Minister comes—Ambica Mills. I saw their balance sheet the other day. They were able to declare a dividend of 40 per cent. That is the amount of profit it earned in 1960. When this is the state of affairs and when we say that such unconscionable profits are being earned, at least get a share of that, they have looted the people and the people have been made to pay this unconscionable price and they have built up these huge reserves, at least let the Government get a share of the loot, let there be the excess-profits tax, the Finance Minister says 'No. How can we have excess profits tax on them? After all our policy is to see that capital is formed by them.' It is at the cost of the common people, and there comes the problem. It is in this connection the resources problem comes and faces us. At the rate at which we are going it is quite possible that we will not be able to build up the resources in our country to see that the standard of living of our people is developed very rapidly. That rapid development is certainly not possible. It means more resources have got to be found. When the question of resources comes, our Government has only one thing. Again and again they will say, we will tax the people or we will now find a new method, viz., foreign collaboration, collaboration with foreign concerns. After all they are giving us more industries, particularly by means of foreign collaboration in the private sector. That is the way in which our

Government thinks that we will be able to develop our industries. I do not want to go into the details of many of these things, but I shall just read to you some clauses in the agreement that has recently been entered into and which has been sanctioned by our own Government between Tatas and CEAT GOMMA S.I.A. of Italy, to show how our national interests are being served by these agreements. They have entered into a collaboration for the manufacture of giant tyres and the clauses of the agreement are really wonderful. The agreement says that 60 per cent. of the shares will be held by the foreign concern. Tatas will have only 40 per cent. I do not know what the explanation is. Earlier it was stated in the Industrial Policy Resolution that 49:51 per cent. would be insisted upon. That is the rule. But during last year out of 45 foreign collaborationist agreements that were sanctioned, actually in about 36 or so cases the 49:51 ratio was given up. Therefore, I do not know what the exception is. The exception seems to be not 49:51 per cent. The rule seems to be over 51 per cent. for the foreign Sector. The old Industrial Policy Resolution now seems to be the exception today. Anyway, after all what is the agreement? CEAT will enter into an agreement and grant a licence to the use of patents, etc. The final clause is the most important one which I shall read out:—

"The expenses for the research laboratories and other technical work to be carried out by CEAT on behalf of the Company will be reimbursed by the Company on the following basis:—

(i) An amount equal to 3 per cent of the net sale proceeds of the products up to 325 tons per month;

(ii) An additional amount equivalent to 2½ per cent. of the net sale proceeds of products from 326 tons to 400 tons per month;

(iii) A further additional amount equivalent to 2½ per cent. of the

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net sale proceeds of the products from 601 tons over per month."

Here is an agreement for the building up and for the installation of a giant tyre factory whose ultimate production target is going to be up to 1,000 tons per month. When the targeted production is reached, Indian people will have to pay nearly 8½ per cent. on the net sales. It is not 8½ per cent. net profit on investment, but on the net sales. That will have to be paid to them. For what purpose? For the research that they are undertaking. They are all undertaking some wonderful research. For the research laboratories and other technical work to be carried out, you will have to pay them at the rate of 8½ per cent. on the net sales. What a drain on our country's resources? This is something which is considered to be in our national interest.

Take, again, this clause:—

"A purchase commission of 3 per cent on the invoice value of all additional machinery that may be required over and above the machinery estimated to be necessary for the manufacture of products up to the first target of 325 tons per month . . ."

That is for the machinery required for increasing the initial target of 325 tons and you will have to pay 3 per cent. on the invoice value. Then, it says:—

". . . and which additional machinery the Company may require CEAT to purchase for it a purchasing commission of 1 per cent. on all raw materials which the Company may require CEAT to purchase for it."

After all they have got 60 per cent. of the shares and when they have the controlling interest in the company, naturally they would also say that most of the raw materials should be purchased through CEAT from outside the country. Therefore, one per cent. on the purchase of raw materials has also got to be paid.

This is only one instance. Unfortunately, for us the Government does not publish all the agreements that the Government sanctions to the private industries. Here, when they enter into such collaborationist agreements, it would be a good thing if they do it. After all, the people have got to pay, our countrymen have got to pay. What is the secret about it? No wonderful defence secret is involved in this. The Indian people have got to pay out of their sweat and toil. Therefore, it is absolutely essential that every time the Government sanctions a collaborationist agreement in the private sector, it must immediately justify that collaborationist agreement. The Government must publish the terms of that agreement and justify those terms saying that these are in the national interest. Why should there be any hesitation in publishing those terms at all? Most of these terms are kept as secret. Somehow or other we come to know about them. That is a different matter. But the point is why should anybody try to keep these things as secret? This is the way in which foreign collaboration is being bought here. After all, what is the kind of foreign collaboration? Take the cement industry. We have been running the cement industry for the last 25 years. We ourselves have got the technical know-how. But even in the case of the cement industry a foreign collaborationist agreement is sanctioned today by the Government. I do not know in whose interest. I do not know how the national interest will be jeopardised if that collaborationist agreement in respect of putting up a cement factory in Mysore is not sanctioned by the Government. Even for the cement industry, for such small things, you want collaboration. What is the net result of it?

Today, for example we are manufacturing cars in collaboration with some foreign concerns. But what is the result? Spare parts have got to be manufactured. In regard to the manufacture of spare parts, by virtue

of the fact that some of these foreign concerns are having a grip over these industries, they say only a particular type of spare parts can be allowed. Other spare parts will not be used. And for that particular spare part, foreign collaboration is required. So, how can Indian talent at all develop? This is what I would like to know. After twenty years of freedom, are we to depend for the manufacture of every small thing on some foreign technical collaboration? Cannot our Indian engineers, cannot our Indian technicians, develop it? Cannot their initiative be developed?

THE MINISTER OF INDUSTRY (SHRI MANUBHAI SHAH): May I interrupt the hon. Member? I would draw his attention to the fact that the foreign technical collaboration industrial schemes are hardly 5 per cent. to 7 per cent. of the total enterprises being established in the country. Perhaps he might look into these figures before he generalises.

SHRI P. RAMAMURTI: When he talks of figures, we are now concerned more with the amount of money involved.

SHRI MANUBHAI SHAH: The number of industries being established in the country with or without technical collaboration—that is the point.

SHRI P. RAMAMURTI: Take, for example, the Third Five Year Plan. A total amount of Rs. 300 crores has been sanctioned, out of a total investment of over Rs. 1,000 crores, for foreign private collaboration. So, Rs. 300 crores of foreign investment out of a total of Rs. 1,200 crores or so is certainly not five per cent. Now, I am not concerned with the number of industries in which it is done. After all, many of these industries are huge industries. Today they earn huge profits. Take, the fertiliser industry, for example. In regard to the fertiliser industry you may say that it is 5 per cent. of the total number of industries in this country. Shoe-making is also a modern indus-

try. You can lump together all these different industries in the country and say that in the case of only 5 per cent. of the total number of industries in the country foreign collaboration is allowed. We are not concerned with that. What we are concerned with is the fact that foreign collaboration is being allowed in certain vital industries, particularly, for example, in the chemical industry, in the aluminium industry. Many of these industries earn huge profits. That is how things are, and our national interests today are impinged. Again, tyre is an important thing. We manufacture rubber, we produce rubber in our country. If after twenty years of independence we cannot even think of developing our own tyre industry without this kind of technical collaboration at this unconscionable rate of exploitation of Indian labour and India's financial resources, what are we to do? That is why I say this kind of thing must go.

Take another thing. The other day, for example, the Reserve Bank bulletin for January 1961 showed that the grip of foreign interests over our export and import trade had increased. In 1956 according to the Reserve Bank bulletin—these are their figures—foreign concerns in our country had a share of 26.2 per cent. of the imports. In 1958 their share increased to 32.2 per cent. From 26.6 per cent. to 32.2 per cent is certainly an increase. After all, it means that certain foreign concerns were getting the cream of our profit on the export and import trade. Why is it necessary? Then the Reserve Bank figures also clearly show that during the last few years our foreign trade is in a terrific crisis and that our balance of payments position is day by day becoming more and more difficult. What is the position today? For example, in 1957 in the dollar area our deficit was Rs. 38 crores; in 1958 it was Rs. 76 crores; in 1959 it was Rs. 136 crores. In the European Common Market area our deficit in 1957 was Rs. 169 crores; in 1958 it was Rs. 125 crores; in 1959 our deficit was Rs. 141 crores. It also

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shows that during these very years our exports to the dollar area and our exports to the European Common Market have been falling, whereas our imports have been increasing. This is certainly not a very good position. We might say that we are increasing our imports because of our industrial needs. That may be true, but simultaneously our exports to these countries are falling, which means that it creates difficulties of payment. Later on we have got to pay. We have got to take further loans for payment, and therefore this problem of payment arises. Only the other day it was Shri Lal Bahadur, the then Minister of Commerce and Industry, who pointed out that with certain countries a new pattern of trade was developing, and according to that pattern aid and trade went together. He himself pointed that out the other day, that in the case of those countries a new type of trade was developing. We purchase things under rupee payment as a result of which they purchase whatever goods they can. Therefore, the problem is entirely different as far as trade with some other countries is concerned. That is what he himself stated. I depend upon Mr Lal Bahadur's word, let not Mr Shah think that a Communist Member is saying this and therefore he is inclined towards Communist countries.

SHRI MANUBHAI SHAH: It is all out of context. The context has to be properly given.

SHRI P RAMAMURTI: The context is quite clear. Anyway, I shall pass it over. The facts are there. Even the *Eastern Economist* of the Birlas has said very recently that the pattern of trade that we are having with the United States and many other countries are certainly going to create more difficulties for us for payments at a later period. This is the position.

SHRI BHUPESH GUPTA: Do you doubt it?

SHRI P RAMAMURTI: I do not. Anyway, I can pass it over. Unfortunately, I have not got the quotation. The problem, therefore, is this. When the question of resources comes, we ask you a simple question. Why should these foreign concerns continue to be in charge of our export and import trade? Is it such a difficult affair? Cannot we take it over? Cannot we utilise the tremendous resources of that import and export trade? Why should not the State get the profits earned in the export and import trade by the foreign concerns? Why should it be absolutely necessary that those concerns should get the cream of that profit? This is all we are concerned with, and we are more concerned with it because of another reason also, and that is from the point of view of the development of our trade in the direction which is most advantageous to us but which may be obstructed by many of these vested interests—and it is a fact because they have got certain vested interests. The United Nations Survey has pointed out very recently that between 1954 and 1958 while raw material prices fell by 8 per cent, while agricultural commodity prices fell by 8 per cent, in this very period of four years the prices of manufactured articles rose by 9 per cent. That means to say that we were paid less for the commodities that we exported from our country to the dollar area, and we had to pay 9 per cent more for the goods that we got from them. That means to say that our balance of trade naturally gets affected. It has always been the experience through the centuries that whenever there is a capitalist crisis, whenever the capitalist economy of these advanced countries undergoes a crisis—we saw it in 1930, we saw it in 1935, we saw it in 1929—whenever there is a crisis in any of these advanced capitalist countries they try to pass on the burden of that crisis to a certain extent to the underdeveloped countries by means of unequal terms of trade. This has been the experience throughout. Has it not been our experience between 1954 and 1958, have we not seen how many

crores of rupees the Indian people had to fork out because of these adverse terms of trade? It is just because such adverse conditions exist that it becomes absolutely essential for the Government to overcome these adverse results and divert the trade to some other countries and take all possible steps to see that these adverse effects do not accrue to us. But then certain vested interests in foreign trade will stand in the way of the Government taking effective measures. They try to see that we are not able to buy things from whatever country we please. Certain agents are there, certain vested interests are created there. In jute trade, for example, certain vested interests are created. You are talking of resources, and we are pointing out this simple thing. Here are the resources. Why cannot the Government take it over? Why cannot the State Trading Corporation take it over? The State Trading Corporation has already taken over certain small things. It is doing very well. Can it not do better? The export trade is to the extent of Rs. 500 crores, and the import trade is to the extent of Rs. 800 crores. The main bulk of it means altogether Rs. 1,000 crores. Cannot the State take this over? Why should the profit of Rs. 50 crores or Rs. 60 crores or Rs. 70 crores per annum be thrown away? Why should somebody else get this? The result is that black marketing is going on in a number of commodities. Today licences are issued, and just because of that blackmarketing goes on in a number of commodities. I need not point them out. Our Ministers know that, and many people know that. Officially they may not admit, unofficially everyone will say "yes", "yes". If I want to buy something, I will have to pay the blackmarket price. Many Ministers admit it. Therefore, with foreign exchange being scarce it is natural that we have got to have a system of licences. Vested interests are created as a result of this. We say, "Why not Government think in terms of taking over these things?" This is the simple question which we would like to ask.

**SHRI BHUPESH GUPTA:** Only promotional activities they are engaged in at the moment in finding a Deputy Leader of the Congress Party.

**SHRI P. RAMAMURTI:** All that I would like to point out at this time is for the Government to realise that something has gone basically wrong. Our assumptions are today proved wrong. We targeted for an increase of 25 per cent in the national income. We are not getting that 25 per cent. Distribution of income is not taking place according to what was desired. We said that as a result of the two Five Year Plans inequalities will decrease. It is nobody's claim that inequalities have decreased. No Government official today is bold enough to say that the inequalities have been reduced. Therefore, when your social objectives, when the basic assumptions, have today gone wrong, it is very necessary for the Government at least now to realise that something is wrong, that some basic postulates are wrong and that there is something wrong in their very approach to planning, and once that approach is found to be wanting, it becomes absolutely essential for the Government to think in terms of changing certain basic policies. What those basic policies which have got to be changed are, well, let us sit together and discuss without any passion or without any prejudice. Why should we not do it? If the Government today is certainly prepared to discuss the matter without any prejudice, let us not bother about any ism; let us not worry about socialism, communism, this ism or that ism. The country's interest is primary. Today the means for the people's livelihood have got to be increased; their standard of living has got to be raised. Our methods have not led to an increase in these things. Therefore, some other method has got to be found out. What that method is let us sit together and consider and let us achieve that result. If the Government is prepared to adopt that attitude, I dare say that a method or way can be found, but if that is not the attitude . . .

SHRI N. M. ANWAR (Madras): Are there not inequalities in Russia?

SHRI P. RAMAMURTI: Nobody says that. We have never said that inequalities must go. All that we say is, reduce inequalities.

SHRI T. S. AVINASHILINGAM CHETTIAR (Madras): For the sake of justifying Russia, he will claim now that inequalities remain there.

SHRI P. RAMAMURTI: Human nature being what it is, all people cannot be equal. It is a well-known fact. When we say that all people must be equal, we mean that inequalities should be reduced and we talk of reducing inequalities. Inequalities arise primarily because of the ownership of the means of production. You own half a dozen cars. I have no objection. But do not own a motor car factory or do not own a share in a motor car factory and earn an unearned income. That is our concern. Therefore, what I say is that if today the Government is prepared to sit together and discuss the whole problem with us with a new approach, then certainly a solution can be found. Otherwise, all these troubles will be there; endless bickerings will be there. Congress Member after Congress Member gets up and says, the objectives have not been fulfilled but still they support the Appropriation Bill. Every Congress Member will say, this is wrong; people are dissatisfied with this. Still they support the Appropriation Bill. Like a *mantram*, they just repeat, "I support the Bill."

SHRI N. SRI RAMA REDDY: Do they not increase the tempo of development?

SHRI P. RAMAMURTI: Increase the tempo of development? Where is the tempo now? The tempo is hardly one per cent. That is why I would ask the Finance Minister when he replies to the debate not to brush aside our criticism by saying . . .

SHRI BHUPESH GUPTA: Let him talk about our economy, not of politics. Let us talk in terms of our economy.

SHRI MORARJI R. DESAI: Let not the hon. Member indulge . . .

SHRI P. RAMAMURTI: I would like to know what exactly he is saying. I did not hear him.

SHRI MORARJI R. DESAI: You will hear me when I reply.

SHRI BHUPESH GUPTA: Let him say.

SHRI P. RAMAMURTI: This is in the sphere of economics, it has nothing to do with politics. It is on the basis of the economic growth. Whatever you have targeted for, the whole thing must be fulfilled.

श्री नवाबसिंह चौहान (उत्तर प्रदेश):  
उपसभापति जी, मैं अधिक नहीं कहना चाहता हूँ लेकिन अभी मुझ से पूर्व वक्ता ने जो कुछ कहा उसने मुझे प्रोत्साहित कर दिया है कि मैं कुछ कहूँ।

SHRI BHUPESH GUPTA: You are inspired by us.

श्री नवाबसिंह चौहान : उन्होंने बड़े जोर से कहा कि कांग्रेस मेम्बर तो अक्सर सरकार का तो विरोध करते हैं किन्तु फिर भी यह कहते हैं कि हम बिल को सपोर्ट करते हैं। कांग्रेस वाले ठीक कहते हैं और ठीक काम करते हैं। कांग्रेस के मेम्बर जो सुझाव देना चाहते हैं वे सुझाव देते हैं और जो नुक्ताचीनी करना चाहते हैं वे नुक्ताचीनी करते हैं। लेकिन साथ ही साथ यह भी लाजमी है कि अगर एप्रोप्रिएशन बिल पास न हो तो कल हम लोगों को भी जो कुछ मिलता है वह भी बंद हो जायेगा, राजकाज ठप्प हो जायेगा और इस तरह से सरकार का सारा कार्य ही रुक जायेगा। हमारे मित्र ने जो यह एतराज उठाया है, मैं समझता हूँ कि यह उनकी दिमाग की एक

नई खोज है जो कि विचित्र सी मालूम पड़ती है और वास्तविकता से परे है।

**SHRI BHUPESH GUPTA:** You should say something more than supporting him. After supporting him, you say all that you have to say.

**श्री नवाबसिंह चौहान :** वह ठीक है कि हम सपोर्ट करते हैं और जो बात कहते हैं वह ईमानदारी से कहते हैं। हम लोग आंख मीच कर कोई बात नहीं कहते हैं और न दूसरों के आदेश के अनुपार कोई काम करते हैं। जैसा कि हमारे साथी आंख बन्द करके दूसरों के आदेशों को मानते हैं, चाहे वह हमारे देश की परिस्थिति के अनुकूल हो या न हो। लेकिन हम लोग इस तरह की बातें नहीं करते हैं और न मुल्क के बाहर में किसी प्रकार का आदेश लेते हैं।

हमारे देश में जो शासन है उसको हम चलाते हैं और जो कुछ बुराई या नुकम देखते हैं उसको दूर करने की कोशिश करते हैं। यह एक प्रजातांत्रिक पद्धति है। जो लोग एकतंत्र को मानने वाले होते हैं वे प्रजातांत्रिक पद्धति को नहीं चाहते हैं और इसलिए उनकी बारबार नुक्ताचीनी करते रहते हैं। मैं इस विषय में ज्यादा बहस करना नहीं चाहता हूँ; क्योंकि मेरे पास समय थोड़ा है। मेरे पास जो थोड़ा सा समय है उसमें मैं वे बातें आपके सामने रखना चाहता हूँ।

हमारी सरकार का बहुत कुछ धन सरकारी कर्मचारियों की तनखाह पर खर्च होता है। सरकारी कर्मचारियों को जो तनखाह मिलती है उससे उनकी उदरपूर्ति होती है और उनका काम चलता है। लेकिन मैं माननीय वित्त मंत्री जी और साथ ही साथ उनके सहयोगी मंत्रियों से यह कहना चाहूंगा कि केवल तनखाह मिलने से लोगों को संतोष नहीं हो जाता है, बल्कि बहुत सी ऐसी बातें हैं जो सामान्य न्याय की होती हैं। जो कानूनी नियम बने हुए हैं उनके अनुसार उन्हें कुछ

अधिकार मिले होते हैं। सरकारी कर्मचारियों को वे अधिकार न मिलने पर असंतोष होता है और इसका काम पर काफी असर पड़ता है। मैं इस चीज को मानने वाला नहीं हूँ कि अगर उनकी मांग ज्यादा तनखाह बढ़ाने की है तो बढ़ाई ही जानी चाहिये। मैं तो यह मानने वाला हूँ कि अगर तनखाह बढ़ाई जाने के लिए कोई औचित्य है तो बढ़ाई जानी चाहिये और यदि न हो तो न भी बढ़ाई जानी चाहिये। यह तो सब परिस्थितियों को देख कर फैसला करना होता है। लेकिन इसके अलावा कुछ ऐसी चीजें हैं जो रोजाना सरकारी कर्मचारियों के सामने आती हैं और जिनके न होने से उन्हें दुःख होता है।

सब से प्रथम चीज जो मैं आपके सामने रखना चाहता हूँ वह यह है कि जिन केन्द्रीय कर्मचारियों ने पिछली हड़ताल में हिंसा लिया था; माना कि उन्होंने गलती की थी, किन्तु उन्हें सरकार ने कुछ शर्तों पर माफी देने की आज्ञा दे दी थी। मैं सरकार के इस रुख के लिए उसे धन्यवाद देना चाहता हूँ कि उसने सरकारी कर्मचारियों के प्रति इस तरह का उदार रुख अख्तियार किया और अपने नीचे के अफसरों को इस प्रकार का आदेश दिया कि हड़ताली कर्मचारियों के साथ नर्म व्यवहार किया जाये। लेकिन मुझे यह कहते हुए दुःख होता है कि इन अफसरों ने हमारी सरकार के उन आदेशों का ठीक ढंग से पालन नहीं किया और उन पर ईमानदारी से अमल नहीं किया। हमारे बहुत से सरकारी कर्मचारी ऐसे हैं जिनके खिलाफ कार्यवाही हुई है, जिन्हें तरह तरह की परेशानी उठानी पड़ रही है लेकिन उन की बात कोई नहीं सुनता है, इसलिए मैं माननीय वित्त मंत्री जी से प्रार्थना करूंगा कि वे इस तरह के मामलों की तरफ देखें; क्योंकि आखिर सरकारी कर्मचारियों ने जो कुछ गलती की, भूल की, उसके लिए सरकार ने एक उदारता का रुख अख्तियार किया लेकिन आपकी मंशा को नीचे के कर्मचारी पूरा नहीं कर रहे हैं। यह एक बड़े अन्याय की

### [ श्री नवाबसिंह चौहान ]

बात है जिससे उन लोगों में असंतोष बढ़ रहा है। अतः सरकार को इस ओर जल्द से जल्द ध्यान देना चाहिये और उनको जो परेशानियाँ हो रही हैं उन्हें दूर करना चाहिये।

इसके अलावा मैं दो एक बातें और कहना चाहूंगा। सरकारी कर्मचारियों के सम्बन्ध में, तनखाह देने के साथ-साथ कुछ नियमों का भी पालन करना होता है। उनकी पदवृद्धि के लिए कुछ नियम बनाये जाते हैं जिसके अनुसार उन्हें अपने सेवाकाल में उन्नति के अवसर मिलते हैं। अगर इन नियमों का ठीक ढंग से पालन न किया जाये तो उन लोगों में असंतोष पैदा हो जाता है और अव्यवस्था फैल जाती है। मैं दो चार बातें की ओर सरकार का ध्यान दिलाना चाहूंगा जो इस समय सरकारी कर्मचारियों के लिए परेशानी का बायस हो रही हैं। यहां पर कभी-कभी लोगों की भर्ती हुआ करती है, कभी असिस्टेंटों की भर्ती होती है, और इम्तिहान होते हैं, कभी असिस्टेंट सुप्रिण्डेंट्स के इम्तिहान होते हैं, और तीन चार ऐसे इम्तिहान हुये हैं जिनके सम्बन्ध में बराबर ससद् के दोनों सदनों में बहुत सी बातें उठाई गई हैं, लेकिन अभी तक कोई उनका ठीक हल नहीं हो पाया है, कोई उनका ठीक नतीजा नहीं निकला है। अभी हाल में सन् १९६० में असिस्टेंट सुप्रिण्डेंट्स की पोस्ट्स के लिए इम्तिहान हुआ है। तकरीबन छ. लाख रुपये उसके ऊपर खर्च हुये होंगे ऐसा मैं अन्दाजा करता हूँ। अभी तक संभवतः वेकेंसीज नहीं है। बाद में जब दस पांच वेकेंसीज होगी तो उनमें से कुछ शैड्यूल्ड कास्ट्स के लिए निकल जायेगी। वेकेंसीज न होने की वजह से संभवतः अभी कोई अनाउसमेंट नहीं किया जायगा। क्या आगे चल कर के जब कुछ वेकेंसीज हो जायेगी तब अनाउसमेंट किया जायगा? इसमें कुछ पता नहीं चलेगा कि कितनी नो क्वालिफाई किया है। इस प्रकार इसके अभाव में यदि लोगों के अप्वाइंटमेंट्स होंगे तो अन्य लोगों में बड़ी

शिकायत पैदा हो जायेगी। इसलिए माननीय मंत्री जी, गृह-कार्य मंत्री जी से मिल कर इस तरह का कोई नियम बनाये कि जब कभी निश्चित रूप से वेकेंसीज हो जाये तभी इस तरीके के इम्तिहान लिये जाये और वे भी नियमों के अनुसार होने चाहिये कि कितनी वेकेंसीज हम भरने के लिए ले रहे हैं, कितने नम्बर प्राप्त करने में कोई क्वालिफाई करेगा और जो क्वालिफाई करेगा उसकी नियुक्ति जरूर होगी। मेरा यह भी कहना है कि ऐसे नियमों को बाकायदा प्रकाशित कर देना चाहिये और जो उत्तीर्ण हो उनकी नियुक्ति पूरी तरीके से होनी चाहिये। हम देखते हैं कि इस तरीके के तरह-तरह के नियम बने हुये हैं। मैं चाहता हूँ कि नियुक्तियों और पदवृद्धियों के सम्बन्ध में नियम सभी मिनिस्ट्रीज में एक से हो, चाहे वे पार्टिसिपेटिंग मिनिस्ट्रीज हों, चाहे नॉन-पार्टिसिपेटिंग मिनिस्ट्रीज हों क्योंकि पैसा आपके फंड से ही सब जगह जाता है। जब गवर्नमेंट के कोश से तमाम खर्चा होता है, तो फिर यह नहीं होना चाहिये कि केन्द्रीय सरकार के अन्तर्गत एक मिनिस्ट्री में सरकारी कर्मचारियों के प्रोमोशंस और अप्वाइंटमेंट्स के नियम एक तरह के हों और दूसरी मिनिस्ट्री में दूसरी तरह के हों। मैं समझता हूँ कि डिफेंस डिपार्टमेंट और रेलवे डिपार्टमेंट को भी इसी के अन्तर्गत आना चाहिये। जहाँ तक कि उनकी सर्विसेज का ताल्लुक है और उनकी सर्विस कंडिशन का ताल्लुक है। एक तरह के नियम न होने से दूसरों के दिलों में प्रतिस्पर्धा पैदा होती है और वे कहते हैं कि वहाँ इस तरीके से किया जा रहा है और यहाँ इस तरीके से किया जा रहा है। डिफेंस डिपार्टमेंट में जो सिविलियन इस्टैब्लिशमेंट हैं, उनमें हम देखते हैं कि तमाम विंग्स में कैंडर है, सिर्फ एक विंग को बिल्कुल एक्स कैंडर बना रखा है और वह सन् १९०९ से चला आ रहा है। इसका क्या कारण है? यह इस्टैब्लिशमेंट भी वैसे ही है, जैसे और मिनिस्ट्रीज में होते हैं, तो फिर यहाँ एक खास नियम क्यों लागू है? यह

मैं मानता हूँ कि लड़ाई की जो फौजें हैं उनके लिए अलग से नियम होने चाहिये। लेकिन इन दफतरो में जो काम करने वाले हैं उनके लिये एकसे नियम होने चाहिये। सन् १९५८ में असिस्टेंट्स ग्रेड की परीक्षा हुई। उसमें जिन लोगों ने क्वालिफाई किया उनमें बहुत से परेशान हैं और अभी तक उम्मी तरीके से पड़े हुये हैं। उसमें अनियमितता यह हुई कि तीन पर्चे होते हैं और तीनों पर्चों को मिला करके ४५ परसेंट क्वालिफाइंग मार्क्स रखे गये। फिर करैक्टर रोल के जब नम्बर उसमें जोड़े गये तो एग्जिगेट मार्क्स ५० परसेंट कर दिये गये; यानी एक ही परीक्षा के दो हिस्सों में से एक में पास करने के लिये ४५ परसेंट नम्बर लिये जाते हैं और एक में ५० परसेंट लिये जाते हैं। इसी तरीके से जब सेक्शन आफिसर्स की जगहों के लिये परीक्षा हुई तो उसमें क्वालिफाइंग मार्क्स ४५ परसेंट रखे गये और फिर करैक्टर रोल के नम्बर मिला करके एग्जिगेट मार्क्स ५८ परसेंट कर दिये गये। मैंने ये आपको मिसालें दी। इसके अलावा एक्स वेडर के लिये कभी यू० पी० एस० सी० में परीक्षा के लिये नहीं भेजा जाता है, लेकिन कुछ एक्स वेडर पोस्टों के लिए भी परीक्षा के लिए भेज दिया गया। डिफेंस डिपार्टमेंट की तरफ से इसी तरीके की एक परीक्षा कराई गई, लेकिन वह दूसरे ढंग से ही कराई गई। मेरा कहना यह है कि इन चीजों में असमानता होने से बड़ी गड़बड़ी पैदा होती है। और लोग यह समझने लगते हैं कि हमारे साथ अन्याय किया जा रहा है। इसलिये सब जगह एक से नियम होना और उनका ठीक ढंग से पालन होना बहुत आवश्यक है। इसके न होने से आप चाहे जितनी तनख्वाह बढ़ाते जाइये, लोगों में संतोष नहीं होगा और हमेशा गड़बड़ी होती रहेगी। आप यह देखिये कि कभी कभी जो हड़तानें हो जाती हैं और जो बड़ी बड़ी डिमांड्स पेश होती हैं, उन के मूल में, जहां

तक मैं समझा हूँ, यही छोटी मोटी चीजें हुआ करती हैं। जब कभी मौका आता है तो चार्टर आफ डिमांड्स में बड़ी चीजें शामिल कर दी जाती हैं, लेकिन उन डिमांड्स के अन्दर यही तमाम छोटी मोटी चीजें आधार हुआ करती हैं। इसलिए मैं आशा करता हूँ कि इन चीजों पर विशेष ध्यान दिया जायेगा।

एक और चीज है जिसके ऊपर मैं आपका ध्यान दिलाना चाहता हूँ। वह बात कितनी कड़वी क्यों न हो, लेकिन जहां तक मेरा तजुर्बा है उनमें बहुत कुछ वास्तविकता है। हमारा प्रजातंत्र है और प्रजातंत्र कभी नहीं ठीक तरह से चल सकता, यदि उसके संगठन को कास्टीइज्म, जानिवाद, प्राविशियलिज्म या कम्युनलिज्म से विषाक्त कर दिया जाये। मुझे बड़े दुःख के साथ कहना पड़ता है कि हमारी केन्द्रीय सरकार की सर्विमिज में प्राविशियलिज्म का पूरा बोल-बाला है। इससे क्या नुकसान होता है? इससे नुकसान यह होता है कि जहां प्रमोशन का सवाल आता है वहां यदि प्रमोशन देने वाले आफिसर के दिमाग में किसी किस्म का प्राविशियलिज्म होता है तो जो आदमी उसको अपने माफिक मिलता है, उसको वह प्रमोशन दे देता है और जिसको वास्तव में प्रमोशन मिलना चाहिये वह पीछे पड़ जाता है। इससे लोगों के दिल में उस आफिसर के प्रति ही अविश्वास नहीं पैदा होता है, बल्कि सरकार के प्रति भी अविश्वास पैदा होता है। इसलिये मैं पहले भी कहता रहा हूँ और अब भी कहता हूँ कि हमारे डेमोक्रेटिक ढांचे के नीचे जो सर्विमिज का संगठन है उसको अगर आप ठीक ढंग से चलाना चाहते हैं तो आप उनके मन में इस प्रकार के अस्मन्तोष और अविश्वास की भावना को दूर कीजिये और इसके लिये आप एक हाई लेबिल कमेटो बनाइये जो यह देखे कि कहां किस आदमी ने प्राविशियलिज्म की भावना से प्रेरित हो कर गलत काम किये हैं। एक दफा हमारा

[ श्री नवाबसिंह चौहान ]

पैसा लेने पर आप चाहे किसी को माफ कर दें लेकिन इस चीज के करने पर आप को किसी को माफ नहीं करना चाहिये; क्योंकि यह चीज उससे बहुत ज्यादा गंभीर है। यदि आप गहराई में जाकर देखेंगे तो आपको बहुत सी ऐसी मिसालें मिलेंगी जहां इसी पक्षपात को लेकर छोटे छोटे आदमी ऊपर आ गये हैं और जो योग्य आदमी थे वे पिछड़ गये हैं। हमारे पी० डब्ल्यू० डी० ने जो एक डिपार्टमेंटल कमेटी यह देखने के लिए बनाई है कि किस तरीके से पी० डब्ल्यू० डी० में करप्शन को कम किया जा सकता है, उसके सामने मैंने एक यह भी सुझाव भेजा है कि जिन अफसरों के दिमाग प्राविशियलिज्म की भावना से प्रेरित होते हैं, उनके सामने जब चीजें जाती हैं और वे यह देखते हैं कि यह शस्त्र दूसरे प्राविस का है तो वे दूसरी भावना से काम लेते हैं और कभी कभी अगर कोई ऐसा आदमी जुर्म करता है जिसको वे समझते हैं कि हमारे प्राविस का है, हमारा भाई है, हमारी जानि बिरादरी का है, हमारे मजहब का है, तो वे यह सोचने लगते हैं कि उसको सजा नहीं होनी चाहिये। इस प्रकार सजा-वार छूट जाते हैं और जो निरपराध होते हैं, वे फंस जाते हैं। ऐसी ही और भी बहुत सी चीजें हुआ करती हैं। और बातों को न कहते हुए, यही चन्द बातें आपके सामने रखना हूँ और मुझे आशा है कि अगर इन बातों का महत्व समझा गया, तो इस सम्बन्ध में और जानकारी हासिल करने का प्रयत्न किया जायगा। हमारे माननीय वित्त मंत्री जी और उनके सहयोगी अनुभवी लोग हैं और मुमकिन है कि उनको इन चीजों का ज्ञान हो। अगर ऐसा हो तो उनको इसके खिलाफ एक सक्रिय कदम उठाने के लिये मैं प्रेरित कर रहा हूँ और प्रार्थना कर रहा हूँ। अगर इसमें कुछ हो सका तो मैं अपने को धन्य समझूंगा।

4 P.M.

SHRI JASWANT SINGH (Rajasthan): Mr. Deputy Chairman, Sir,

we are today discussing Appropriation Bill No. 2. In the general discussions that took place last month at the time of the Budget proposals much had been said generally on the Budget and also on the taxation proposals as were submitted at the time of the presentation of the Budget. But, since then, in the other House the Finance Minister has been pleased to make some concessions in regard to some items. These revised proposals will come before us in the form of the Finance Bill. These proposals will be further talked over. I would, therefore, confine myself to the activities of some of the Ministries mentioned in the Appropriation Bill. Particularly I would like to speak on the Ministry of Irrigation and Power, Vote Nos. 64 to 66.

This Ministry, Sir, has assumed great importance after the attainment of independence by the country and particularly after we undertook to execute the Five Year Plans because irrigation and power will form the basis of industry and agriculture, and as such it is but natural that this Ministry should assume supreme importance. I, as a member of the Public Accounts Committee for the last two consecutive years and one more year previously, altogether three years, have had particular opportunity to visit the various parts of the country and of seeing at first hand great works being executed particularly of the nature of river valley projects have been wonderstruck hydro-electric and otherwise. Sir, it is not I alone but many outsiders, who have seen bigger schemes and and projects have been wonderstruck at the progress that is being made under this Ministry. All the same when such big steps are taken, it is natural that there will be many shortcomings and faults but the Ministry in trying to get over them are naturally facing great odds and difficulties. Sometimes this even brings the Ministry a bad name. All the same they are doing a great job and the country is proud on the whole of

their achievement and they deserve our full congratulations in this respect.

Sir, my State of Rajasthan is directly concerned with the biggest dam that our Government has taken in their hands, namely the Bhakra dam. This dam is directly going to benefit that tract of Rajasthan from where I come and which formerly formed part of the Bikaner State. The whole of the north and north-western part of the Bikaner State will be covered by irrigation because of this dam. Therefore, it is a matter of really great interest to me personally as I come from that part, as a Rajasthani, and lastly as an Indian. At the same time it is really a matter of great satisfaction and pride.

Sir, in this connection I would like particularly to refer to the Rajasthan Canal which brings a veritable boon to the arid area of western Rajasthan. The Rajasthan Canal is one of the most ambitious schemes and also one of the greatest that our country has undertaken. When completed the scheme will be the largest canal system in the world with a discharge of 18,500 cusecs. I dare say that the Rajasthan Government is doing its best to do justice to this scheme and to push on with the project, but it is far too big a job for them to do full justice to.

Sir, it is nothing peculiar to Rajasthan but it is the bane of political life in our country that regional interests and regional politics very often go contrary to the interest of the country as a whole and as such since only the Bikaner Division will be benefited by this grand project, the regional interests have created jealousies and I am sorry to say that unless the Centre takes a direct interest in this project, this project is going to suffer before long. The various Ministries of Rajasthan will have to pay undivided attention in mutual co-ordination in order to make this scheme a complete success but,

as I referred to it a little while ago, due to regional interests, regional prejudices and jealousies are standing in the way. Hence, it would be in the interest of the State of Rajasthan and also of India if the Ministry of Irrigation and Power would consider the taking over of the control of the Rajasthan Canal under the Centre.

Sir, it appeared only today in the press that in regard to the construction of the Rajasthan Canal they are behind schedule by two months because of lack of cement and coal. In regard to coal much has been said in this House and I need not repeat it on this occasion. But in regard to cement I would like to say that in spite of the fact that thousands and thousands of tons of cement are being despatched for the construction of the Rajasthan Canal, still the shortage persists. I would like to invite the attention of the hon. Minister to the common saying in that area that though for purposes of construction of the Canal cement may not be available in adequate quantity or it may not be available for private individuals, if one likes to have cement, trucks and trucks can be easily got. You have heard of many reports of caravans of trucks on way to the Rajasthan Canal, dozens of them having disappeared and in their place sand bags were replaced. Though enquiries have been made, such enquiries do not go a long way. Recently, only a fortnight ago, I went to those parts to renew my knowledge of my old haunts where we used to go on horse-back, camels' back, on carts, on foot and in many other ways. There the question of shortage of cement cropped up. I expressed my concern about it to one of my friends who told me that if I agreed to go *incognito* with him he would get for me as many bags of cement as I liked from officers and from contractors at half the cost. Naturally I was very, very interested. I told him that I would certainly like to see such a thing because we saw so many stories appearing in the press of trucks and

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trucks disappearing. Therefore, I had to see to believe. And, Sir, it was the surprise of my life when I went in a jeep *incognito* to one of the places on the Rajasthan canal. We waited there for a short time and ten bags of cement were loaded in the jeep and we came back. And as I said a little while ago, I am under honour as a Rajput not to disclose the secret, I was a witness to this incident and I understand that hundreds of bags thus disappear every day. Therefore, my particular request to the Finance Minister and to the Minister of Irrigation and Power is that they should be pleased to take over control of the construction of the Rajasthan Canal both for the good of Rajasthan as well as of the country as a whole.

When a project of this magnitude is undertaken, one does not act piecemeal—finish one thing and then start another thing. In our own humble way, we also constructed in 1927 in Bikaner State, when it existed, a scheme by way of Gang Canal. It should not be confused with the Ganga Canal. It was named after the late Maharaja Ganga Singh. By His Highness's efforts, without taking any help, financial or otherwise, from anybody else this Gang Canal was constructed in 1927 from the Sutlej river. A blue-print was made as to where the railways had to go where the villages were to be located, where the mundies had to be located and where water channels had to go, etc. and in 5 or 6 years, the whole scheme was completed and the whole thing functioned in a proper, systematic way. Now, the canal is under construction but what is happening to the survey of the soil or about the site of the mundies or the villages or the railways? Nobody knows about them. If one were to see at close quarters the manner in which the construction of the canal is going on, one will feel sorry for it because again I submit—I am not blaming the Government of Rajasthan because it

is our Government—regional jealousies and interests come and therefore the national project is being harmed by these petty things. In this connection there is also one belief. Recently, during the last few months, there was a tremendous shortage of water in the Gang Canal itself and a fear was expressed that this was due to the Canal Treaty with Pakistan. This question was raised in the Lok Sabha by the representative of Bikaner, i.e., the Maharaja of Bikaner, and a categorical statement was made by the Minister of Irrigation and Power that the Treaty had nothing to do with it and he was good enough to send the literature and other information to all Members of Parliament giving the true facts. But the position is peculiar because there are very few people who believe in the statement issued by the Government. Even the engineers of the colony with whom we had discussions expressed the view that this was the result of the Treaty with Pakistan. They say that the water is being diverted and so how can we get water? Even the crops suffer and drinking water to that area is given from this canal; no water has been available for days and weeks and naturally the people feel that we will go to any extent to accommodate Pakistan and so this is the outcome of our pleasing Pakistan by giving water to them and depriving our territory of water.

Connected with this question is again the question of Rajasthan Canal. We would like to have a categorical assurance from the Government that this Canal Treaty with Pakistan will in no way affect the supply of water in this Rajasthan Canal. I know that some sort of assurance was given in the Lok Sabha by the Prime Minister as well as by the Minister of Irrigation and Power but we would like to see that they mean the assurance which they are giving to us and that they would kindly see that the works on the Rajasthan Canal are not hampered and the notion does

not go round in the country that it is because of the treaty with Pakistan that we have this difficulty.

Connected again is the question of floods from Ghaggar. Ghaggar is a historical river. In olden times it was known as Saraswati. On the banks of this river once civilisation flourished, as will be clear from the relics that we come across and which have been found by the Archaeological Department. This is not the first time when this thing has happened. Bikaner State was in existence for 500 years. We never faced such a calamity as we recently faced. Whenever we found that water in the Ghaggar river was coming beyond a certain distance, immediately the whole machinery of the State was put into action in olden times by contacting the Punjab, which was a province then, and some other States like Patiala, Nabha, etc. as well as the Centre and the water was not allowed to come beyond a certain distance till the whole machinery was set in motion. In living memory at least, a calamity like what happened recently never happened in the country. What happens now? It is nobody's responsibility. Let the water come and devastate anything but nobody takes any responsibility. Nobody would feel answerable for the misery of the poor people. Now the floods receded long time back. Today, after 3 or 4 months after it receded completely, the whole area is still inundated. Nobody takes any action. As I was submitting, these were our haunts in the olden times. Recently when I was there, I had to go from one place to the other, which was a distance of 3 miles and generally on horse-back I used to take not more than half an hour. Now to go for a distance of 3 miles, I had to make a detour of 18 miles. Wonderful fields with wheat crops of thousands of tons have been completely destroyed. The fields are even now inundated and according to press reports, the loss is not less than Rs 3 crores. For months on end the trains would not pass from

one end to the other. Of course, there was no question of going over those lands by road. Now, there is a proposal. Naturally this has brought very big calamity for a very large tract and we do not know what to do. We are knocking at the doors of the Rajasthan Government as well as that of the Centre but the machinery is moving at its convenient pace. The Ministry itself is a spoke in the wheel. It cannot be very effective. We made efforts and an expert view has been taken as to what is to be done. A scheme has been put up by the engineers of Rajasthan at a cost of Rs 2 crores to divert the waters of Ghaggar to the desert. I do not know when the Rajasthan Government or the Central Government is going to take any action. In this connection, I would like to mention that a call-attention motion was raised by the Maharaja of Bikaner in the Lok Sabha on 10-3-1961 regarding the damage caused by the Ghaggar floods, and the Minister of Irrigation and Power made a revealing statement which caused us great concern. The report of the extent of the damage caused was not available from the Rajasthan Government. From private sources we got our report and it is estimated that the damage is over Rs 3 crores. The Minister made the statement that the report was being awaited from the Rajasthan Government. We would be grateful to the hon. Minister if he would be pleased to give us the latest information regarding the damage because nobody seems to know the correct figures of the damage caused by these floods.

The Rajasthan Government set up a committee in November 1960 to formulate the measures necessary to control the floods in the Ghaggar basin, both on a short-term and on a long-term basis. And for the short-term measures, a sub-committee was appointed and this sub-committee submitted its report to the main committee. And the main committee is considering it. Now, the monsoon will start very soon and the same

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story will be repeated and again it will cause havoc both to the food production in the country and to the poor people there. Unless the Centre intervenes, we do not believe and we do not expect the Rajasthan Government will have the time to take this important matter into consideration. Therefore, there is all the more reason why the Centre should take interest in such matters which relate to the production of food and the prevention of such havoc in the various parts of the country.

Connected with this is another matter. In this area where the Rajasthan Canal will be constructed, there is a peculiar phenomenon. For something like a thousand square miles of tract the water is brackish. Not only is it brackish but in certain areas it is deadly poisonous and if in summer cattle drink this water to quench their full thirst, they will die like flies on the spot. So potable water is being brought from 20 or 30 miles off on camel back in the heat at 120 degrees. The poor cattle are given only this brackish water after three days or so and after they had drunk some quantity, the cattle are beaten to be driven away to prevent them from drinking more and dying on the spot. This is an extraordinary phenomenon there and this Rajasthan Canal will be passing close to this area. The people have clamoured and made representations to the Rajasthan Government that since the Rajasthan Canal will be there close-by potable water should be brought to this area by lift system. After long discussions, I am very happy to say the Minister of Irrigation and Power has been convinced that there is a good case for lifting water over to this area. I hope necessary steps will be taken in this matter, to bring water to this area from the Rajasthan Canal by lift system. As I said thousands of square miles are suffering for want of good water and the utter need for it can be appreciated only by seeing it. I wish the

hon. Minister of Irrigation and Power would be pleased to visit this area and see with his own eyes how the poor cattle suffer, cows, buffalos, sheep and goats are given water after three days and after they had quenched their quarter thirst they are mercilessly beaten up and driven away lest they should drink more and die. When he sees that on the spot, he will realise the seriousness of the situation and his heart will be moved and then I am sure he will give drinking water to this area from the Rajasthan Canal by lift.

Next, I would like to say a few words about our Defence Ministry and indirectly the matter is connected with the Irrigation and Power Ministry also. For some time now, the Ministry of Defence has been in search of a site for establishing an artillery range in the country. We do admit that it is a necessary thing. Now, we learn that the Defence Ministry is considering a site right in the middle of the Rajasthan Canal area and this site will be only some ten miles from the Bikaner city with a population of some two lakhs. It is a bit difficult to understand how this site has come to be selected. Before one undertakes a scheme of this magnitude, covering hundreds or even thousands of square miles, a wise man will consider all the pros and cons. It would be a sheer lunatic act not to see beyond the tip of one's nose and an artillery range is not a thing which can be shifted at will. In the next thirty or forty years the Rajasthan Canal will irrigate this entire area and this monstrosity will be there in the centre. It will be part of wisdom to give second thought to this question and before it is too late. The ideal thing would be to move the artillery range to the desert where there is no likelihood of the canal coming and irrigating the area and of any city developing near about. I request that the Defence Ministry and the Ministry of Irrigation and Power may kindly reconsider this question in the

light of these remarks and select a site in consultation with the Rajasthan Government or any other State Government where this artillery range may be more suitably located from all points of view.

There is another point connected with the Defence Ministry to which I would like to refer. In the Lok Sabha recently a big discussion took place on the morale of our defence forces. The Finance Minister naturally resented this reference to the question of morale and to a sensitive department like the Army and we all agree with the Finance Minister and the Prime Minister that there should not be too much of discussion on a subject like this. Therefore, I am not going into the details of this touchy question, this dangerous question. But at the same time, I am in duty bound to say that it is an open secret that the morale of the army is not what it should be and it is clear from the very fact that in a recent controversy concerning the Defence Minister and the Army Chief of Staff, the Prime Minister publicly condemned the Chief of Staff of the Army in favour of the Defence Minister. The sympathies of the officers and of the Army would be with their Chief. That is a fact which cannot be concealed. While on this subject I would only submit that we have got a substantial portion of our army in the Ladakh area and we know that in Ladakh area we have sent our men to fight the enemy, the aggressor, who has forcibly taken from us something like 12,000 square miles of our territory. We have to see that the aggressors vacate this area and our brave soldiers have been sent there. Now, there is another portion of the army and that is in NEFA and there we have sent our men to fight our own people—the Nagas who are helpless people, misguided though. They are armed more or less in an antiquated manner and they are no match to the modern weapons that are possessed by our Army. Now, see the difference between these two groups of people. In Ladakh we have sent our men to

fight an enemy. They have to stay at an altitude of over 14,000 feet. They have got no amenities. Mostly, these people have gone there from the plains. They are not properly acclimatised to stay at that height for any length of time. Their vision is affected. Stay there affects general health which cannot be detected now but will be felt some years later. There is loss of sleep. They live under severe cold conditions. There is deterioration in eye-sight. Even ordinary operations like "Appendicitis" cannot be performed in that area and if the weather does not clear, the unfortunate has to breath his last. They have no proper amenities like cinema or things like that. Even a 16 mm. projector has not been supplied to them. Our V.I.Ps. often visit them. Recently, the Deputy Defence Minister, Mr. Raghuramaiah, in company with the Deputy Finance Minister, Mr. Bhagat, visited them. Of course, they were given full publicity. They stayed there for a couple of hours. They went to Chusul when the weather was best and they returned by the same plane. They talked about the morale of our people which makes our people laugh. They were properly photographed by the Public Relations Officers with the background of China and what not. They have no right to speak about the morale of our men there or about the living conditions of the people. They have a right to speak only if they spend a day or a week or even a single night with them there. They go and stay there when the conditions are at the best. This kind of thing is resented by our people.

Contrast this with the position in NEFA. The Assam Rifles are fighting our own people, the Nagas, who are inadequately armed but the conditions of service of the Assam Rifles are far better than the conditions prevailing in respect of the people who have been sent to Ladakh to fight an enemy. The conditions are such as will tell on them in their later years. The officers of the Assam Rifles get an extra

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allowance of Rs. 150 per month for living there while nothing of the sort is given to the people living in Ladakh in the conditions existing as they are and the disadvantages that they will have to face in course of time. Further, the T.A. and D.A. that is admissible to the Assam Rifles within that area is not applicable in the case of troops stationed at Ladakh. That being the position, I am sorry to say that I do not agree with the views that are being expressed by the Prime Minister or the Defence Minister or, for the matter of that, by the Government of India as a whole, that the morale of the army is very high. It is only the sense of duty of our troops, a sense which they have inherited from time immemorial that they stand by the country, but they have surely grievances against the Government in regard to the manner in which they are being treated.

Lastly, Sir, I would like to join issue with my friend, Mr. Mani, who is not here at present, in regard to the point he raised about the right of the former princes to stand for elections and continue to have the privilege of privy purses without payment of income-tax. He raised a point in regard to the Maharaja of Bastar. Well, it is the privilege of the Government to make a mess of things. They have made a very good mess of the thing, and since it is a one-party Government, in a democracy, they can get away with anything.

Here, only one man has been victimised but even in regard to the interests of the country as a whole, even if they were to suffer because of the mess made by Government, they can get away because of the nature of the Government. Democracy is a very good thing but where there is only one party, it is worse than autocracy because, under the cloak of democracy, they can do many things and get away with. If, however, there are two parties, they cannot get away, and they will have to give place to the other party. Let us find out the *raison d'être* of the princes getting

privy purses. Is it a charity or a boon conferred on them by the Government? They have been given these privy purses for a very valuable consideration. They have willingly, maybe under the force of circumstances but with very good grace, parted with their political power, and because of that very valuable consideration, they have been given certain money on a diminishing pattern. The Nizam of Hyderabad is getting today fifty lakhs of rupees as the privy purse but his successor will get only ten lakhs of rupees per annum. At the time of the integration of the States, there was no condition that the princes should not enter into politics. Ever since then, the princes have been taking part in the elections in the country, both in the first and in the second general election and never did such a question arise. It may be that those who took part were in the Congress camp, and one or two princes who stood in the first general election, like the late Maharaja of Jodhpur, the Prime Minister, a man of such international repute, stooped down to threaten and say that the wider question of the privy purses would come up, but what is more important is this. Mr. Mani raised the point that if they enjoy privy purses free of income-tax, they should not enjoy political rights. The Constitution has provided that income-tax will not be levied on the privy purses, and I do hope that as long as the Congress Government is in the saddle, the plighted word will have more value than a few lakhs of rupees and that they will stand by the solemn promises and the agreements they have entered into with the princes. More important still, is the provision that has been made in the Constitution. Apart from all that, Sir, on the privy purse that they get they have to pay the gift-tax, the wealth-tax, the expenditure-tax, and so on. What is left amounts hardly to anything. I dare say, with full confidence and without any fear of contradiction, that the financial position of the vast majority of the princes is less sound than that of many people in the country.

SHRI M. S. GURUPADA SWAMY: But they spend a lot.

SHRI JASWANT SINGH: My friend says that they spend a lot, but I am sure my friend spends much more than many of the princes.

SHRI BHUPESH GUPTA: Than the Maharaja of Bikaner?

SHRI JASWANT SINGH: That is a different matter. The question was also raised that they spend money on race-horses. I want to throw a challenge. Excepting the Maharaja of Gwalior, who are the princes who spend money on horses? Apart from the Maharaja of Gwalior who is spending on race-horses from his other resources, who are the princes who spend money on horses? There are many friends like Mr. Gurupada Swamy who own race-horses.

SHRI M. S. GURUPADA SWAMY: I do not own any race-horse.

SHRI JASWANT SINGH: Like you, I said, not you because you have got to be a sportsman to run race-horses.

SHRI BHUPESH GUPTA: Unless you bring a good horse here, . . .

SHRI JASWANT SINGH: One has to be a sportsman to run race-horses. Excepting the Maharaja of Gwalior, no other ex-ruler is a race-horse owner. There is, of course, the Maharaja of Kashmir who does racing to some extent but I do not know whether on the allowance he pays any income-tax or not. That is a thing on which the Finance Minister is in a position to throw light. No other ruler is a race-horse owner. So, about this question of depriving them of political power, I would like to ask: which is more important? Is political power more important or is it more important to have more money? I should have appreciated if Mr. Mani and those who are in favour of this proposition would put a pro-

position before the House that any political party which is in a better position to yield greater power to influence the elections should vacate their seats . . .

SHRI BHUPESH GUPTA: And put the Maharajas there.

SHRI JASWANT SINGH: . . . and then fight the elections. That will make some sense. Just to say that certain people should be deprived of their political power because they have got some money does not carry any conviction to anybody.

SHRI VIJAY SINGH (Rajasthan): Mr. Deputy Chairman, I rise to support the Bill. Before I come to some of the observations that I would like to make, I would like to draw the attention of the House to what the previous speaker has said. He did a very right thing in pointing out to the Rajasthan Canal and the development that is going to take place in Rajasthan. The development of Rajasthan Canal will bring immense boon not only to the State of Rajasthan but to entire India. But may I point out to him that he is labouring under a misconception when he says that because of regional consideration adequate attention is not being paid by the Rajasthan Government to this project. As far as my knowledge goes, the Rajasthan Canal not only benefits the old Bikaner State or the Bikaner Division as he says but also benefits part of Jaisalmer. And then, if I am not wrong, the Minister in charge of this project in Rajasthan, Mr. Ramchandra Singh Chowdhury, comes from Bikaner and he deals with this. Therefore, to say that because of regional consideration the development of Rajasthan Canal is suffering is, I think, wrong. I can assure this House that the people in Rajasthan are doing all that they can to have as speedy a development of this Rajasthan Canal project as they can because it is not only going to increase our prosperity but it is also

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going to benefit the food production of India to a very great extent.

Another thing that the previous speaker said was about the morale in our Army. Year in and year out whenever we talk about the defence forces in this country, the question of morale is discussed. If we just look through the debates of the last eight or ten years, you will find that the question of morale has been discussed every time and I fail to understand how by discussing the question of morale in Parliament we can raise the morale of the army. The best way to raise the morale of the Army is not to discuss it in the House. We must also bear in mind that the defence forces of India are bearing a tremendous burden these days. During the time of the British Government the defence forces of India were meant to serve imperial interests. They had the limited responsibility of guarding the North-West frontier and maintaining internal law and order. Now, with the emergence of independence the responsibilities of the defence forces have increased ten-fold. Our frontier is much vaster than it was in the days of the British. Formerly, we had to post our forces only at the North-West frontier. Now, the whole Pakistan front is there. In the State of Rajasthan alone we have got a frontier of 750 miles right from Hindumalkote to Bakasar and to guard such a long frontier is a difficult problem. In addition to this long frontier that we have to guard against Pakistan the responsibility of guarding our northern frontiers against the threat from Chinese invaders is there. And then the defence forces of India are taking up another responsibility of going to outside countries. We are all very proud of them. Our forces went to many countries, to Korea and to the Suez area and now they are in the Congo. So the responsibilities that our defence forces are shouldering at this time are tremendous and the difficulties under which they are working are immense and therefore it behoves us all to give them unstinted

praise, rather than to discuss about their morale. There may be a difference of opinion between one or two persons and one or two individuals may make a case of that but we should not go into them because Parliament must consider what is going to be its effect upon the nation for the defence of the country is the primary consideration. The freedom that we have won after great labour is the dearest thing that we have to preserve. Therefore, in this connection to talk about the morale of the Army, I think, will not be right.

We must also see that so far as defence matters are concerned, we have made very good progress. Take the case of the ordnance factories. At the time of the British these ordnance factories were producing practically nothing and they were a source of burden. Now, under the present management the ordnance factories are giving very good results. Without taking undue time of the House I will read out a few extracts from the Annual Report of the Ministry this year:

"The target of value of production set up for Ordnance Factories for the year 1959-60 was Rs. 26 crores. The actual production has been Rs. 25.14 crores, the Ordnance Factories almost achieving the target set up. The value of total output of Ordnance Factories for Services as well as for civil consumption during the current financial year, viz., from April to November amounted to Rs. 17 crores. Targets laid for most of the items of arms, ammunition and other stores have been generally reached or surpassed. There have been shortfalls in a few cases due to delay in obtaining materials of imported origin but it is expected that targets set for the current year, viz., 29 crores will be achieved."

This is an achievement of which any Ministry can well be proud, and we should congratulate the Ministry for the work that they have done.

There is another point so far as the Defence Ministry is concerned which I would like to bring to the notice of this House. We all know that a lot of technical and scientific development is taking place in the world today and the problems of defence and the problems of the Army are not the problems that we used to face in olden days. More stress should be laid now on the development of modern techniques and modern scientific development in the Army. According to this Report they have made some provision for research but I think it is very inadequate. On page 33 they say here:

"In order to step up the expansion of Defence research and development activity, the Government has approved the following three schemes which are aimed at attracting young persons of ability with aptitude for scientific research."

They have said that a maximum of 50 fellowships were being offered every year but in this year they have been able to have only 40 people. They have made a provision for 50 fellowships but they could get only 40 people. This is a meagre provision and while considering defence problems more stress should be laid on scientific development and modern techniques which alone can really make our Army effective. Today the strength of the Russian Army is not because of the number. Of course, the number is there. The strength of the Russian Army lies in the modern techniques that they have been able to develop. Recently, I was reading that the expenditure on defence forces in Russia had gone down from 20 per cent. to 12 per cent. So quantitatively they have gone down. But so far as quality is concerned, they have far surpassed. Therefore, for us also it is very essential that we lay greater stress on scientific development in the defence forces. These were the two points that I was able to make out from the previous speaker.

Now, I would like to say some of the things which I have in mind. Several important things have happened this year. One of the most important things, which we must take note of, is democratic decentralisation. In the words of our Prime Minister it is, in fact, a real rural revolution. We are all talking here with certain figures and discussing high politics and everything else, but the impact that this democratic decentralisation has wrought on the minds of the people is tremendous. We have only to go to the villages and see, where this democratic decentralisation has been introduced and where we have recently conducted elections on the basis of adult franchise, to find out how much political consciousness has come about. In fact, I might say that the total effect that this democratic decentralisation has brought on the people is not fully reported. Now, take for instance the case of Rajasthan State which was the first to introduce democratic decentralisation. There are 7,383 panchayats and elections to all these bodies took place. Something like a lakh of people were elected and the voting in some places was cent per cent. and at an average it was nowhere less than 75 per cent. In Rajasthan, which was considered to be a comparatively backward State, political consciousness has penetrated to this extent that more than 75 to 80 per cent. of the people are voting. Not only that. We should also bear one more fact in our mind. In many places these elections have been unanimous. If we take the entire census, nearly 25 per cent. of the elections have taken place unanimously. It is, therefore, one of the most important developments taking place in our country. The Central Government has done well to advise all the State Governments to introduce panchayat raj in their respective States, but it has not been done so far. I will just read an extract from this publication "Digest on Panchayat Raj" to show what the condition is in the rest of India on this point. According to them, these States, viz., Rajas-

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than, Andhra Pradesh, Madras, Mysore and Assam have introduced the panchayat raj system. Orissa and Punjab are in the process of implementing the legislation. Legislation in Uttar Pradesh has already been passed by the Vidhan Sabha. In Madhya Pradesh the draft Bill is before the State Legislature. Bihar has already drafted a Bill. Maharashtra and Gujarat will do so after considering the report of the Committee on Democratic Decentralisation appointed by each State. Kerala has its own peculiar system of big-sized panchayats. West Bengal and Jammu and Kashmir are still to fall in line. What I want to stress is that this development should be uniform. The various Acts that we have in the States must be modelled on a uniform pattern. Otherwise, if we go by the local conditions, disparity will come about which it will be difficult for us to erase after some time. Therefore, this is my humble suggestion before the House. The Ministry of Community Development should examine this point and evolve a uniform pattern throughout the land. Also, we should urge upon the other States to fall in line with the States that have introduced this democratic decentralisation.

One more feature of the democratic decentralisation, which I want to bring before the House, is that as far as possible we should keep these local bodies away from the influence of political parties and political persons. We have observed this in Rajasthan and Andhra too. I do not know the system in Assam, but there the system of making MPs and MLAs as members of these bodies brings in political considerations. In order to ensure the best development of these bodies, MPs and MLAs should not be on these bodies. They can guide them. They can be there, but without voting power. The moment you introduce MLAs and MPs, you bring in political considerations. And once you take political considerations down to the village level, all the healthy work and good work

that these bodies want to do will suffer. We may not be able to see its consequences today, but after some time we will see it. There is too much of politics with us here, in the State Legislatures and in this Parliament. If they are to do really good work there, politics must be avoided. In fact, advanced thinking of some persons is that we must aim at a partyless democracy. This is the idea which is being propounded by many thinkers in this country. If we cannot achieve that we must at least lay down that Members of Parliament as well as Members of State Legislatures should have nothing to do with these bodies. I am not quite sure in my mind whether the great things in India are the big factories and big installations that we are erecting. But if we can activate the great human material that we have got, we shall go a long way in implementing our programmes. Democratic decentralisation aims at that, and we should push it forward with all the energy that is at our disposal.

One last point that I would like to bring before this House is about the development of backward States. In our two Five Year Plans, the First Five Year Plan and the Second Five Year Plan, some of us who come from comparatively backward States have painfully noted that the claims of backward States have not received as much attention as they ought to. One of the previous speakers, Mr. Purna Chandra Sharma from Assam, drew the attention of the House to this. I whole-heartedly agree and would like to urge that the claims of backward States like Rajasthan must also receive due consideration.

SHRI M. P. BHARGAVA: It is forward in many respects.

SHRI VIJAY SINGH: It may be forward in many respects, but we do require Central help. By calling us 'forward' do not try to deprive us of the aid that we are likely to get from the Centre.

SHRI M. P. BHARGAVA: It is making the great experiment of panchayat raj.

SHRI VIJAY SINGH: Are you jealous of that?

SHRI N. M. LINGAM: Why not?

SHRI VIJAY SINGH: Well, Sir, there are a lot of industries that are being set up in the public sector and some of the big States are getting them. A backward State like Rajasthan has not received any big industry in the public sector in the last two Five Year Plans. The hon. Finance Minister is here and nobody knows better than him about the conditions of the country. I urge upon him with all the force at my command that the claim of Rajasthan, and for that matter of all other backward States, must be considered sympathetically and extra efforts must be made to bring these States into line with the rest of the advanced States. Otherwise, the disparity between the various States would increase further. Then, the question will arise, in the best interests of the country, where we can get the best results. If the Centre is going to favour some of the States, which are already favoured, then the disparity will remain and we will not be able to derive as much benefit from these national enterprises as we can.

The State of Rajasthan has another claim also. We had our railway sys-

tem in Rajasthan. The railway system in Rajasthan was financed from the revenues of Rajasthan, from the revenues of the erstwhile princely States. We have railway systems in the former Part A States of India, for example, Uttar Pradesh or Bombay. Railways in those States were not built by the finances of those States. But here in Rajasthan the Centre inherited a railway system which was built from the revenues of Rajasthan. It was an asset worth crores and crores of rupees, and we gave away a running concern. Therefore, it is the duty of the Government to do good to Rajasthan at least for the assets they have surrendered.

AN HON. MEMBER: So is Mysore, so is Hyderabad.

SHRI VIJAY SINGH: I am pleading for everyone. If I have forgotten to mention them, I beg your pardon, Sir.

With these words I support the Bill, and I thank you, Sir, for allotting me the time.

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

The House then adjourned at five of the clock till eleven of the clock on Tuesday, the 25th April, 1961.