

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

**THE TRAVANCORE-COCHIN  
APPROPRIATION BILL, 1956—  
continued**

SHRI KISHEN CHAND (Hyderabad) : Mr. Deputy Chairman, the hon. Minister, in introducing this Appropriation Bill, gave out a whole lot of figures and it is quite possible that in that series of figures, the important results arising from those figures may be lost sight of. At the outset I may point out that in this Budget, in a revenue expenditure of about Rs. 22 crores—it is Rs. 21-95 crores—the income is only Rs. 18.9 crores. This means that there is a deficit of three crores of rupees. I would like to know from the hon. Minister as to whether it is good budgeting to leave a deficit of three crores of rupees. I am sure that this is the common practice in the Finance Ministry now to go on introducing unnecessary items of expenditure so that the expenditure gets swollen up. Later on they come forward and say that because there is a deficit, new taxes should be imposed. Of course, so far, no suggestion for any new taxes to be imposed, has been brought forward but probably when the powers are delegated to the President, some new taxes will be imposed to cover up this huge deficit of three crores of rupees.

SHRI S. N. MAZUMDAR (West Bengal): There should be a tax on budgeting.

SHRI M. C. SHAH: Yes, that is right.

SHRI KISHEN CHAND: May I point out that in regard to this Appropriation Bill, my remarks on the Vote on Account Bill still continue to hold good and that items numbers 9, 10 and 11—expenditure on Ministers, State Legislature and elections—will probably be saved? These items alone amount to nearly Rs. 65 lakhs. Similarly, there are other items on which amounts will be saved. Even more alarming than this deficit of three

crores of rupees is when we come to the question of capital expenditure. The hon. Minister pointed out that Government have envisaged an expenditure of seventy crores of rupees in the Five Year Plan. I submit that this is small as compared with the population of Travancore-Cochin; that is another question and we will discuss it in detail when the second Five Year Plan is being discussed but here, as stated by the hon. Minister, they are going to spend seventy crores of rupees and in this Budget, they have made a provision of twelve crores of rupees for capital expenditure. Including the recurring revenue deficit, the total deficit is nearly of the order of nine crores of rupees. Even if we assume that two crores of rupees will be secured from the market in the shape of loans and *ad hoc* securities, there will still be a clear deficit of seven crores of rupees. The result will be that the Travancore-Cochin Government or the Adviser will come to the Centre and ask for a loan or subsidy of seven crores. I submit, Sir, that we are creating a bad precedent. We are encouraging the State Governments not to balance their Budgets but to go on demanding more and more money from the Centre. At least when the management of Travancore-Cochin is in the hands of the President and when Parliament is responsible for it, the Budget should have been so-framed as to balance the income and expenditure, so that there was no-need to give such a big loan from the Centre to Travancore-Cochin.

With these suggestions to the hon. Minister to somehow or other reduce expenditure and adjust capital expenditure in such a way that the Budget is balanced, I end my speech.

SHRI GOVINDAN NAIR (Travancore-Cochin): I shall not make a long speech.

SHRI M. C. SHAH: Thank you.

SHRI GOVINDAN NAIR: I will only say that the reply to our criticisms on the Budget was far from satisfactory.

While hearing the Deputy Finance Minister, I was reminded of an old story prevalent in our place. It is the story of a blind woman who was running a bread shop. Somehow, it so happened that all the loaves of bread *she* prepared were small. When she was questioned, she said, "I am blind. That is why it is like this". In the same way, the Deputy Minister found one excuse or the other for telling us that this industry or that industry cannot be started. When we spoke about the ship-building industry, we were told that it was a technical matter; when we spoke about heavy electrical equipment, we were told that it was a question of the climate. We talked about rubber but it has been given over to the private sector. If a factory were started for rubber goods in Travancore-Cochin, it can produce lot of goods and bring in a huge amount of profit to the Government itself.

Yesterday, I tried to make out the gravity of the unemployment situation amongst the educated people. The hon. Minister said that they were doing all they could in the matter. If you look at the figures which were given this morning during questions, you will realise how meagrely we have been treated. Let us see how money has been spent by the Central Government to relieve educated unemployment. Hyderabad got Rs. 73,63,991 in 1953-54, Rs. 10 lakhs in 1954-55 and Rs. 11 lakhs in 1955-56; West Bengal got Rs. 10 lakhs in 1953-54, Rs. 58 lakhs in 1954-55 and Rs. 74 lakhs in 1955-56; got Rs. 1,73,500 in 1953-54, Rs. 24 lakhs in 1954-55 and Rs. 26 lakhs in 1955-56. A whole set of figures is given there and then you come down to Travancore-Cochin. In 1953-54, we got nothing; in 1954-55 we got two lakhs of rupees and now, for the year 1955-56, the amount allotted is only Rs. 1,88,000. The problem of the educated unemployed is mounting in our State and this is admitted on all sides but when it comes to a question of allocation of funds to relieve that, the Central

i Government completely forgets that question and money is allocated in the way in which I have pointed out just now. This kind of a thing should not continue. That is my request.

The hon. Minister in the Ministry of Home Affairs, while speaking about police excesses in our State, said that Government will go into the matter. We had been representing to the Central Government about this during the last one year but nothing has so far come out of that and that is the reason why we made this demand that a Parliamentary committee should go into this matter. Now, the local Assembly is not there and so it is only proper on the part of this House and the Central Government to appoint this committee and I hope Government will look into this matter sympathetically.

SHRI M. C. SHAH: Sir, I have nothing more to add to what I have already stated. I heard the hon. Member from Hyderabad State saying something about overestimating the expenditure of Travancore-Cochin Budget and he said something about the deficit revenue Budget, that there should not be any deficit. I entirely agree with that, and the Government of India are always very keen to see that there are no deficits and we are always instructing the State Governments to see that there are no revenue deficits. However, when there are certain items of expenditure that account for the nation-building departments, like education, health and such other matters, expenditure goes up, and it is not possible for the Central Government at this stage to ask the Adviser to recast the whole Budget. We have already instructed the Adviser to see what items of expenditure can be cut down and also we have said already that they cannot count on Central assistance beyond the pattern of assistance that is to be given to the States in the Second Five Year Plan. I think therefore the hon. Member from Hyderabad will be satisfied that we are taking all possible measures to see that the expenditure is cut down and the Adviser has

[Shri M. C. Shah.] also promised that he will go into the matter very carefully and will try to bring down expenditure as much as possible consistent with the expenditure on nation-building departments.

Now, Sir, about that one item, about the Ministers, the elections and all those things, they are there. It is not possible to delete those items at present. One cannot foresee what will happen in the near future but, being an expert on this budgeting, he knows that if the sums are not spent, they will be surrendered or will be reappropriated towards other items, if necessary.

Now, Sir, another hon. Member spoke about the educated unemployment and he was not satisfied with the reply given by my colleague, but he must remember that that problem there is part of an integrated whole for the whole country. It cannot be tackled only with regard to one small State. Already there is a Study Group in the Planning Commission. Certain schemes from Travancore-Cochin as well as West Bengal Governments were received by the Planning Commission, and they have been given to the Study Group to just look into them, and in the Second Five Year Plan provision has been made to see that unemployment among the educated classes is brought down to a minimum. But it cannot be tackled in a single State when there are other States having the same problem. It is an integrated whole and it has to be tackled accordingly, but I can assure the hon. Member and the House that the Government are very keen to see that unemployment figures are brought down to the minimum as early as possible and I do not think I should go into that matter in detail because the Second Plan will be discussed very soon in this House and at that time all these matters will be discussed in detail. The hon. Member can raise that point then and perhaps he will get a fitting reply at that time too.

Sir, I do not think I have to say anything more. He said about industrialisation again and again and the answer has been given. It all depends upon so many factors. He complained about a shipbuilding yard. The reply was that that question will be considered on merits, that there are certain technical factors to be considered and other factors too, climate to be considered, whether there is labour which will be economical, whether by having a shipbuilding yard there it will be an economic proposition and whether it will be a successful one. All these things have to be considered and nobody on behalf of Government can reply without consulting the technical experts, and when it has been said that it will have to be considered on merits, I do not know how we can quarrel with that reply.

Now, Sir, about other factories too, I am sure they will come up if the climate is congenial, if labour is available at economic rates and if the labour is also minded to work well. And here I may say it was said in the other House by one Member coming from Travancore-Cochin that the Party to which the hon. Member belongs is rather responsible for the labour not working properly, thereby driving away those people who want to have those factories there. Therefore, Sir, if the climate is congenial and if economically a factory can be established, then certainly I am sure that there are so many entrepreneurs who will immediately go to Travancore-Cochin, but this is a matter to be considered on economic factors. Therefore, Sir, the reply given was quite satisfactory and ought to have satisfied him.

Those are the only points I wanted to make and I hope the hon. Member will agree with other hon. Members to pass this Appropriation Bill.

SHRI GOVIND AN NAIR: The hon. Minister did not reply to a particular question that I raised as to why this amount was reduced, why the amount which was allotted for relieving edu-

