

THE MINISTER FOR FINANCE
(SHRI C. D. DESHMUKH):

(a) Nepal	36
Malaya	2
..		TOTAL	38

(b) Approximately Rs. 1,40,000.

जापान को कच्चे लोहे का निर्यात

१७५. श्री नवाब सिंह चौहान : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या भारत से जापान को कच्चा लोहा बड़े पैमाने पर निर्यात करने की कोई योजना सरकार ने बनाई है ; यदि हां, तो क्या उक्त योजना पर अमल शुरू हो गया है, और यदि उस पर अमल नहीं हुआ है तो वह कब तक शुरू होगा ;

(ख) इस योजना को चालू करने के लिये संयुक्त राज्य अमरीका से पूंजी उधार लेने के सम्बन्ध में क्या प्रगति हुई है ; और

(ग) भारत में प्रतिवर्ष कितना कच्चा लोहा जापान को निर्यात किया जायेगा और उस में से कितना फौलाद के रूप में जापान से वापिस आयेगा ?

†[EXPORT OF IRON ORE TO JAPAN

175. SHRI NAWAB SINGH CHAUHAN: Will the Minister for FINANCE be pleased to state:

(a) whether Government have any scheme for the export of iron ore to Japan on a large scale; and if so, whether implementation of that scheme has been started; and if not, the time by when its implementation will commence;

(b) the progress made in connection with the proposal to borrow

§Postponed from the 1st March 1956.

†English translation.

working capital for this scheme from the United States of America; and

(c) the quantity of iron ore to be exported every year to Japan and the portion thereof that will be received back from Japan in the shape of steel?]

वित्त मंत्री (श्री सी० डी० देशमुख) :

(क) से (ग). परिवहन सम्बन्धी अतिरिक्त सुविधाओं के सम्बन्ध में सरकार एक योजना पर विचार कर रही है। इन सुविधाओं की व्यवस्था होने पर जापान को और अधिक परिमाण में कच्चा लोहा भेजा जा सकेगा। अभी इस योजना को अन्तिम रूप नहीं दिया गया है।

†[THE MINISTER FOR FINANCE: (SHRI C. D. DESHMUKH): (a) to (c). The Government have under consideration a project for additional transport facilities which would enable export of larger quantities of iron ore to Japan. The project has not yet been finalised.]

PAPER LAID ON THE TABLE

MINISTRY OF HOME AFFAIRS NOTIFICATION PUBLISHING HIGH COURT JUDGES (PART A STATES) RULES, 1956.

THE MINISTER FOR THE MINISTRY OF HOME AFFAIRS (SHRI B. N. DATAR): Sir, I beg to lay on the Table, under sub-section (3) of section 24 of the High Court Judges (Conditions of Service) Act, 1954, a copy of the Ministry of Home Affairs Notification No. 11/39/54-Judl., dated the 24th January, 1956, publishing the High Court Judges (Part A States) Rules, 1956. [Placed in Library, See No. S-74/56.]

THE BUDGET (GENERAL), 1956-57
—GENERAL DISCUSSION—continued.

MR. CHAIRMAN: I have a large number of speakers. You have to sit through lunch. Mr. Parikh.

†English translation.

SHRI C. P. PARIKH (Bombay): Mr. Chairman, I would like to be very brief today, because I know the limitations of time. Although I have many points to speak on, I will not elucidate any points, but will only make a brief reference to them. First of all, with regard to the argument advanced by Mr. Bhupesh Gupta about foreign capital that it should be taken only in form of loans and not allowed to participate in equity capital, I think we cannot dictate to foreigners on what terms they should enter our market. We have tried to bargain and adjust in order that whatever capital we may be able to get may not be lost.

The second point raised is with regard to shipping, that the annual burden on us, in the matter of freight on foreign trade, is Rs. 150 crores. It will take this country ten years or more to have our own ships for the foreign trade and the resources that will be required for them are beyond our reach at present.

With regard to housing, Mr. Bhupesh Gupta raised the point that there is inadequate housing in urban areas also. That argument falls through because if we see urban housing at present, we find many people are using and enjoying fifty per cent more space—many of them—which they did not use to have in 1939. Indeed, our problem is very acute. One must have more space. But at least it has been alleviated to a great extent.

Then, Sir, points were raised about State trading corporations by Dr. Deshmukh, with regard to our export especially in textiles, that we must adopt the method of State trading corporation. I am quite aware of the fact with regard to textile and jute that they are earning foreign exchange to a large extent and we have to depend on them. But the measure advocated by him of resorting to State trading corporation is the last weapon and should be the last weapon to be used. There are regulatory measures; we have control measures; we have fiscal measures. And unless and until we have

exhausted all of them, we should not go in for State trading, because it will be very difficult for us and it may only recoil on our economy. We may not achieve the object. But we must impress on the Finance Minister that the Government must devise measures by which we do not export one yard less of jute or one yard less of textiles than we are exporting at present. That must be borne in mind.

Now, with regard to tax on wealth, the Minister for Revenue and Civil Expenditure said in the other House that he was examining the proposal. When he is examining the proposal, I have to bring to his notice that this is a very big problem and administrative difficulties may arise. And I suggest to him that if it is not administratively possible, he may have recourse to compulsory deposits on the basis of the income earned. With regard to that I will request him that he may have these deposits on the basis of ten-year certificates—repayable at the end of ten years—similar to the excess profits tax which we had in 1946. So, the capitalist class will not be unnerved on that account, because if he adopts any other methods, the initiative, efficiency and the enterprise in the private sector will be retarded to a great extent, and our industrial development may suffer.

THE MINISTER FOR REVENUE AND CIVIL EXPENDITURE (SHRI M. C. SHAH): Can we not study and examine it?

SHRI C. P. PARIKH: When you are examining it I am saying, these points have to be borne in mind.

SHRI RAJENDRA PRATAP SINHA (Bihar): If the administrative difficulties are removed, will the hon. Member agree to have the tax?

SHRI C. P. PARIKH: Now, Sir, with regard to the proposal which Mr. Bhupesh Gupta raised about the increase in estate duty, I say if the

percentage of estate duty is increased, there is not going to be any appreciable rise in the revenues. I still propose that a gift tax should be levied and I think if it is examined, you will have to levy it, if not next year, during the next Plan period. If you want to remove the disparity of wealth that is the only way. To collect estate duty in its correct form is the only way to remove the disparities that exist.

Sir, with regard to the point about the aggregate income of husband and wife, Mr. Bhupesh Gupta has forgotten that the Taxation Enquiry Commission has made that proposal. He has not said about the qualification in regard to that proposal. The qualification is that the family allowance should be granted while aggregating such incomes for the purpose of super-tax and that is very important.

Another question was: What will happen if the capital goes underground? In this respect, I may remind him and others also who may be of this opinion, that capital is not going underground and if it goes underground, that will be the death-knell of capitalism in this country. This Parliament and the hon. the Finance Minister have enough powers in their hands to bring capital over-ground and therefore, we must have no apprehension about it.

With regard to taxation on dividends, it is thought fit to couple it with the return on paid-up capital. That basis is, in my opinion, unfair and inequitable. Some concerns are under-capitalised and some are over-capitalised. When we are levying such a tax on excess dividends, we should consider paid-up capital as well as reserves, if we want to be just and equitable in regard to the proposal for this levy. I think that he will bear this point in mind next year, if he cannot make any change this year, because paid-up capital and reserves—I mean the free reserves—are the property of the shareholders. In whatever form they may exist, the

return should be calculated on that basis and that is very important.

DR. R. P. DUBE: What about the hidden income?

SHRI C. P. PARIKH: It will take some time to explain of hidden income.

With regard to taxation on accumulated profits on liquidation, I think that this requires great consideration on the part of the Government. We are taxing profits which have accrued for the last fifty years or more and it will not be reasonable, equitable or just if we tax profits in this way. Therefore, I say that, in order that there may be no hardship, this proposal may be examined thoroughly.

We are talking of nationalisation. I think that nationalisation should not be at a fast pace. We must first know how to regulate and control the private sector and unless and until we do so we shall not be able to run the private sector, by bringing it into the public sector. We know how our public sector is running and unless and until we are satisfied about the running of the public enterprise, we must think twice before we embark on nationalisation.

We are talking of industrial management. Without adequate and proper industrial management, we shall not be able to succeed in running private and public enterprises. We cannot have industrial management by only theoretical training at Kharagpur and other colleges. It also requires practical training for a number of years. You require five years of theoretical training and ten years of practical training if you want to have a concern managed in a very efficient and economical manner.

Now, I come to the question of equity capital. Whenever Government make advances of loans to any concern, they should participate in the equity capital of the concern if it is prosperous and that fact was lost sight

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of for so many years. We have advanced so many loans and even though they were for prosperous concerns, we do not participate in the equity capital. I think that this policy may be observed with greater care in future.

In regard to the exploitation of the mineral resources, I think that that is the hidden wealth of India and if we spend more and more during the next few years in this respect and if we succeed, our standard of living will rise fast and also our national wealth will go up. All efforts should be made to spare revenues to find out the hidden mineral wealth of our country, which is in a large quantity.

I come to vegetable oil excise. The excise is on non-essential oil. I request the hon. Finance Minister to examine about cotton seed being crushed by the oil crushing industry, because at present groundnut and mustard seed are crushed to the extent of 80 per cent. The Village Industries Board has recommended that more cotton seed should be crushed by the oil mills and that they should crush less groundnut. Therefore, there should not be any excise on cotton seed crushing. (*Interruptions.*) I do not want to lose my time.

In regard to unemployment problem, at present in spite of our remedies, 50 lakhs of persons will remain unemployed even at the end of the Plan period. Therefore, we have to see that the present recommendations of the Karve Committee should be implemented without any delay. In fact, we are not going into the matter of solving the unemployment problem in the way in which we should. Therefore, I suggest that we have to find out methods and we have to evolve the economic and industrial structure in such a way that every man in the country is able to earn eight to ten annas per day, if he is willing to work for eight hours a day. If this is not the position, then our democracy and our

whole progress may be exploded any day. If unemployment is not relieved in the country, we shall not be able to face it, because violence, the disturbances and resentment are on account of this problem. In a democracy, every man should have the right to work and earn. Therefore, the recommendations of the Karve Committee and all other measures which may relieve unemployment should be adopted without delay.

I come to the subject of decentralisation of production. That has not been examined to the required extent. It should have been put into operation fully, because many component parts can be manufactured by village industries, for which no steps have been taken so far. If sufficient attention is given in this regard, it will provide employment to many people in the country.

With regard to *Ambar Charkha*, we have taken six months to decide. But what has happened during the period? By this delay, about 15 lakhs of spindles have been ordered. The country will be self-sufficient by these 15 lakhs of spindles and the *Ambar Charkha* may then have no place unless we adopt a position to restrict the production by mills. Therefore, we have to see that maximum employment is provided by means of *Ambar Charkha*. It is the best remedy in our hand for solving the unemployment problem.

With regard to the other points which Mr. Bhupesh Gupta mentioned, I would say that the Government is not under the influence of the capitalists. If he reads the Budget proposals, he will find that the Budget is just the reverse. The capitalist cannot influence the present Government. The Budget proposals suggest that the Government are for evolving a society to which we shall all feel proud to belong.

My last point is with regard to deficit financing. We have to be very cautious in this respect and I request

the hon. the Finance Minister that deficit financing should be resorted to to the extent that the prices do not rise in the country, because there will be a serious calamity if prices rise. We must always observe a 'go-slow' policy. With these words, I support the Budget proposals.

12 NOON

श्री मैथिलीशरण गुप्त (नाम-निर्देशित) :
 पूज्य सभापति महोदय, मैं आभारी हूँ कि विगत वर्षों के समान इस वर्ष भी आप की आज्ञा पाकर माननीय वित्त मंत्री को उन के कार्य के लिये धन्यवाद दे सकूँ। उन के प्रति कृतज्ञता प्रकट कर सकूँ, क्षमा-याचना पूर्वक उन्हें कुछ उलाहना भी दे सकूँ और उन के सम्मुख एक आध सुझाव भी रख सकूँ। इस चेष्टा से और कुछ हो वा न हो, उन की एक नई पद्य रचना ही सुनने को मिल गई तो मेरे लिये वही बहुत होगी। मैं चाय पी कर आया हूँ, अतएव उसी के निर्यात-कर से आरम्भ करना चाहता हूँ।

धन्यवाद है धन-मंत्री को करे चाय सुख से प्रस्थान।

हम सब पानी ही पी लेंगे किन्तु खान पहले फिर पान ॥

मिट्टे मद्य-कर लोभ आप का अधिक आय का वह अभिशाप।

दे दे कर मद-मोह स्वयं ही फिर प्रबोध देते हैं आप ॥

कर लेते हैं आप, आपके गण लेते हैं धनयुत मान।

थाने क्या निज न्यायालय ही जा कर देखें दयानिधान ॥

खोलें एक विभाग आप तो यह धर्षण हो जावे ध्वस्त।

जांच करे अधिकारि वर्ग की गुप्त भाव मे वह विश्वस्त ॥

पहले ही था कठिन डाक से ग्रन्थों द्वारा ज्ञान-प्रसार।

पंजीकरण शुल्क बढ़कर अब रोक न दें विद्या का द्वार ॥

किन्तु, नहीं पोथी की विद्या पर कर गत धन-सी अनुदार।

साधु साधु ! श्रुति परम्परा का आप कर रहे हैं उदार ॥

सुनते थे उन्नत देशों में कुछ जन नंगे रहते हैं।

स्वस्थ तथा स्वाभाविक जीवन वे इस को ही कहते हैं ॥

नया वस्त्र-कर, देता है यदि आज यही संकेत हमें।

तो हम कृतज्ञता पूर्वक ही उसे किसी विध सहते हैं ॥

मक्खन लीजे, छाछ छोड़िये देश भक्ति यह सह लेगी।

पारण बिना, किन्तु जनता क्या व्रत करके ही रह लेगी ?

यह यथार्थ है, यत्न आप के हैं हम लोगों के ही अर्थ।

आह-कराह न उठने दे जो, शल्य वैद्य है वही समर्थ ॥

अन्त में,

लोगों को चिन्ता थी, आगे जीवन पर भी कर न लगे।

मरकर भी कर, जीकर भी कर, डरकर कोई कहां भगे ॥

एक जन्म-कर ही ऐमा है, जिस पर कुछ कुछ प्यार पगे।

और नहीं तो जन संख्या ही संभले, मंयम भाव जगे ॥

SHRI H. N. KUNZRU (Uttar Pradesh): Mr. Chairman, before I deal with the more important features of the Budget that has been presented to us, I should like to say a word about the character of the Budget Estimates during the last five years. Complaints on this score have been made nearly every year, but they have proved of

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no avail, and Government continues to go its own way regardless of the protests that have been made under this head.

Sir, the first wide departure of the Actuals from the Estimates took place at the end of the year 1951-52. According to the Budget Estimates the accounts were to close with a surplus of Rs. 25.6 crores while the Revised Estimates showed that the surplus would amount to Rs. 92.6 crores and the actual surplus amounted to as much as Rs. 128 crores. We were then told that there were special reasons for this discrepancy between the Budget Estimates and the Actuals. We, therefore, thought that the budgeting in the succeeding years might be better.

Now, let us examine for a moment how far the Budget Estimates of the next four years have been close to the Actuals. In the next year, that is, in 1952-53, we were told that there would be a deficit of Rs. 3.7 crores, but we learnt from the Revised Estimates that instead of a deficit of Rs. 3.7 crores there was likely to be a surplus of Rs. 3.8 crores and the Actuals showed a surplus as high as Rs. 38.7 crores. Then I come to the year 1953-54. It was to close with a surplus of half a crore of rupees according to Budget Estimates. According to the Revised Estimates there was to be a deficit of, I think, Rs. 17 crores, but the Actuals showed a surplus of Rs. 8½ crores. Then I come, Sir, to the year 1954-55. It was, according to the Budget Estimates, to end with a deficit of a little over Rs. 14 crores. The Revised Estimates reduced the deficit to Rs. 5 crores, and the Actuals showed that there was a surplus of Rs. 33½ crores. Now, when the Budget for 1955-56 was discussed, we were told that, notwithstanding the extra taxation, there would be a deficit of a little over Rs. 17 crores. But according to the revised figures we are to have a surplus of a little over Rs. 12 crores.

The Finance Minister, Sir, has taken the trouble to explain the reasons

for the serious divergence between the Estimates and the Actuals. But when we see, Sir, that fresh reasons have to be given every year for the same phenomenon, the reasons given by the Finance Minister cease to be convincing. What I have said, Sir, discloses a serious defect, it seems to me, in the machinery of the Government of India for making accurate estimates of income and expenditure. I hope that more regard will be paid to our complaints this year and that we shall not have to say next year that Government has again proved totally unresponsive to our criticisms. I do not charge the Finance Minister with having run away with all this money. It has no doubt been used for beneficent purposes. Surely the Finance Department exists not to get money from the public withholding accurate figures from it, but by asking it boldly to face as much taxation as may be necessary if the necessary progress is to be achieved. I do not plead for the time being for lowering of the burdens on the people. I only say that it should be possible for the Government to at least now frame its Estimates in such a way that they prove close to the Actuals.

SHRI J. S. BISHT (Uttar Pradesh): In a developing economy, it is not possible.

SHRI H. N. KUNZRU: He is going further than even the Finance Minister. Since we are bent on having an expanding economy, if my hon. friend is right, we should never be able to have accurate budgeting. I am sure such a position even the Finance Ministry will not be prepared to accept.

SHRI J. S. BISHT: So much supply of machinery does not arrive. So many contracts are not fulfilled.

SHRI H. N. KUNZRU: Although we have been asked to consider every Plan as only a step in our forward march, my hon. friend seems to regard every Five Year Plan as something that is complete by itself.

Now, I shall come to some other point that deserves the attention of the House. Since the Budgets of the last five years have been development Budgets, it was necessary that we should be given full information about the progress of the Plan expenditure in 1955-56 and also about the total expenditure likely to be incurred during the Plan period, but we have not been given any information so far as I can see on this point. Speaking from memory I feel inclined to say that more reticence has been shown by the Government on this point in the Budget under discussion than in any of the previous years. Why the information that should have been given to us has been withheld from us, I do not know, but we are certainly strong enough to face the truth if the progress of the expenditure during the Plan period has not been as satisfactory as we should have liked it to be. This fact should not deter the Government from telling us the truth.

Another question in which we are deeply interested is the question of deficit financing, but here again we have been left to make the necessary calculations ourselves. In previous years, we were told how much deficit financing was likely at the end of the year, but this year in the Finance Minister's speech there is no information on this point.

SHRI B. C. GHOSE (West Bengal): Rs. 390 crores.

SHRI H. N. KUNZRU: That is, I think, for 1956-57, but I am not speaking of the year 1956-57. I am speaking of the Plan period 1951-56.

SHRI J. S. BISHT: Rs. 240 crores.

SHRI H. N. KUNZRU: My hon. friend says that it is likely to be Rs. 240 crores. That is the figure given in one of the tables in the Explanatory Memorandum, but we should have been given some analysis of the progress of deficit financing. I shall come to this point a little later. For the present, I should like to continue

with this subject. I should like to repeat the same complaint with regard to the year 1956-57. It is true that the Table in the Explanatory Memorandum to which I have referred shows that the deficit financing in 1956-57 is likely to be of the order of Rs. 390 crores, but here again a few words from the Finance Minister would not have been altogether unnecessary. I think that the whole House would have welcomed more information on this point.

There is one other important point in this connection that I should like to refer to, and that is the fulfilment of their obligations by the States. We were told, I think when the Finance Minister wound up the Budget debate last year, that the Planning Commission or the Government would soon place in our hands information regarding the expenditure incurred on the progress of the Plan in the year 1954-55. We got a booklet which dealt with the first six months of the financial year 1954-55, and I understand that the figures in it were purely tentative. Notwithstanding that promise of the Finance Minister, we have not had that information that we expected to get in March, 1955. As the States have to play an important part in the fulfilment of the Plan, I think it was necessary to tell us to what extent, according to the information received by the Government hitherto, they had fulfilled the duties laid on their shoulders, but here again we are without any information. I have the same complaint with regard to the year 1956-57. We have not been given any information with regard to the expenditure that will be incurred on the carrying out of the Second Five Year Plan. I should like to say here that there is a statement in the Explanatory Memorandum, the number of which, I believe, is 9, which gives information regarding development expenditure, but we have had such tables in previous years and we have found that they did not necessarily correspond to the items on which money was to be spent in accordance

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with the Plan. I do not know whether the items given in the table this year are only those items on which expenditure in accordance with the Plan will be incurred. I should be very happy if it is so, but nothing has been said to indicate that the tables in the Explanatory Memorandum contain only those items on which expenditure will be incurred in accordance with the Plan. I suggest that in future we should be given such a table; that is to say, the contents in the table should correspond to the items on which extra expenditure will be incurred in connection with the progress of the Plan.

Now I come to the question of deficit financing. As a layman I have tried to make some calculations. I am not sure whether they are absolutely accurate, but I think that they are not wide of the mark so far as they go. In March 1951, that is, at the commencement of the Plan period our cash balances amounted to Rs. 162 crores and at the end of the current year they are expected to amount to about Rs. 50 crores. That is, we have reduced our cash balances by about Rs. 112 crores. Now, take the treasury bills and the sale of other securities. So far as these operations of the Reserve Bank of India are concerned, the securities including the treasury bills amounted, at the end of March 1951, to Rs. 586 crores and on the 17th February 1956 they amounted to Rs. 652 crores. Thus the difference between the two figures amounts to Rs. 66 crores. That is, this was the amount provided by the Reserve Bank to the Government of India. This should be regarded as a part of deficit financing. I do not regard the treasury bills held by the public as a form of deficit financing. That is really pure and simple borrowing and although money borrowed from the public may be used to fill up a gap, I do not think that the sense in which the expression 'deficit financing' is used would include loans from the public in whatever form they may be

made. The total amount of deficit finance, therefore, appears to be of the order of Rs. 180 crores. The figures for the week ending the 24th February are also available with regard to the securities held by the Reserve Bank of India and I find from those figures that the securities which include the treasury bills have not gone up. Then there remains a month during which extra expenditure may be incurred which would add to the deficit financing that has already taken place. Now it is expected that by the end of the year it would amount to Rs. 240 crores. I do not know whether it would actually be, but let us suppose that it would amount to as much as Rs. 240 crores. That is, the difference between Rs. 178 crores and Rs. 240 crores is only Rs. 62 crores and that sum may well be spent during this month. Let us see what the effect of this has been so far on prices. A little rise or fall in prices, I am sure, does not disturb anybody in the country. What most people would be concerned with would be definite signs of the existence of inflationary pressure. Now the Finance Minister has, in his speech, given us information with regard to the rise in the index of prices relating to the food articles and the raw materials. But the index which relates to food articles as a whole does not indicate the rise that has taken place in cereals and it is this, i.e., the rise in the price of rice and wheat and pulses, though pulses are not usually included in cereals, that is giving rise to anxiety. The Government view seems to be that the rise that has taken place is not much, that the index numbers stand where they were practically before the fall commenced, before May 1955 and that the rise since May 1955 has only re-established the prices that existed before the continuous fall began. That may be so; I believe it is so, but what is important to note here is that although Government at one stage tried to prevent the fall in prices, yet after a short time such a rise began that the efforts made by the Government by banning exports of certain

commodities and by releasing wheat from its own stocks, have not yet stopped the rise that began in May 1955. There is, I find from the latest bulletin of the Reserve Bank of India, a very informative article in it on the recent trends of prices in this country. This is what the writer of the article says on this subject:

"The moderate rise in prices during June-August specially of agricultural commodities, was not surprising since it was also seasonal. The continuation of the up trend during the last quarter of 1955 and the beginning of 1956 appeared to have been due mainly to expectation of lower production during the current harvesting season 1955-56 and due to drought in some parts of the country and flood damage in others which had a bullish effect on prices. Lately to a small extent, the much larger investment outlay and deficit financing envisaged under the Second Plan also seem to have been a contributory factor" etc.

The writer concludes her article with this observation:

"With the prospective acceleration of the tempo of developmental activity, however, it is unlikely that prices in general will show any marked downward trend, unless of course we were again to be favoured with a succession of bumper crops."

These quotations show that those who are collaborating with the Finance Ministry in investigating the circumstances that are affecting the changes in prices are also anxious lest the recent trend should not prove temporary. Since in the Second Plan a much greater amount of deficit financing will be resorted to than has been resorted to in the First Plan, I am sure it will not be considered alarmist on our part, if we feel somewhat anxious about the future. The Finance Minister has, no doubt, assured us that he has the support of the economists and that the situation will con-

tinue to be watched. I think on this particular point we can have no complaint against his policy during the last five years, that is to say, during the First Five Year Plan. But what causes anxiety at the present time is the order of deficit financing in the Second Plan which will be about five times what it is likely to be at the end of the First Plan period.

The next point that I would like to deal with is the private sector. I have been asking for some time that full information about the investment in the organised private sector should be given to us. I first referred to this matter. I think, in the Budget debate relating to the year 1953-54 and the Finance Minister was then good enough at that time to regard the point that I had raised as important. He therefore, said that this was a matter that the Planning Commission and the Government were considering seriously and that measures would be taken to get adequate information with regard to this matter. He cautioned us, however, against expecting early results. Well, we waited till March, 1955 and enquired again whether the ability of the Government to give us information on this point was greater than it was a year ago. But so far as I remember, no information was furnished on this point. I, therefore, have to ask the Finance Minister again, whether the measures which according to him, were going to be taken by the Planning Commission and the Government, had borne fruit.

Sir, when I say this, I do not forget the information given in the Draft Outline of the Second Five Year Plan on this point. The Commission says:

"As against the expected expenditure of Rs. 383 crores for new projects, replacements and modernisation, the actual expenditure was likely to be about Rs. 340 crores."

Sir, I do not think this information is adequate. Government, no doubt, remember that the private organised sector was expected to have at its

[Shri H. N. Kunzru.]

disposal Rs. 613 crores for certain purposes connected with the developments in the First Five Year Plan. This sum was divided as follows into four items: Working capital Rs. 150 crores, arrears of depreciation Rs. 80 crores, depreciation during the Plan period Rs. 150 crores and expenditure on new projects Rs. 233 crores. The Planning Commission has taken only the last two items into consideration. Surely, it should have taken arrears of depreciation, amounting to Rs. 80 crores, also into account. Besides, as the progress of the private sector depended on the amount of the working capital available, we should have been furnished some information on that point. So far as I can find out, the loans made by the scheduled banks to industries by March, 1951 amounted to Rs. 196 crores and by September 1955 to Rs. 316 crores. That is to say, there was only an addition of about Rs. 20 crores. In June 1955 so far as I remember—I had the figure with me, but I cannot find it just now—they amounted to, I think, Rs. 241 crores. Even then, the total new working capital obtained by the private industries from the scheduled banks amounted to not more than about Rs. 45 crores, I have not taken the figures from the non-scheduled banks into account because so far as I could see, the loans given by them were not of a substantial character. They amounted only to a few crores, say five, six or seven crores.

[MR. DEPUTY CHAIRMAN in the Chair]

I want to know whether the increase in the production that has taken place is due to expenditure on the new projects or to the utilisation of idle capacity and the expansion of existing capacity. As at least uptill now, organised private sector has to play an important part in the development of the country, I think we should be given as full information about it as we ought to have about the public sector.

I shall now say a few words about the Defence Services. Last year I

raised two points which the Finance Minister said on behalf of Government had been noted by the Defence Ministry. They related, Sir, to the establishment of an Army Council and the tenure of the senior officers, including the Chiefs of Staff, the Chief of Staff of the Army particularly. So far as I know, nothing has been done. Again I should say that the hon. Minister asked us to bear with the Government, because it would require some time to examine these suggestions. I have no doubt that the Government have examined these suggestions and found them either impracticable or unnecessary. But I should like to have definite information. If a Council for the Defence Services has not been established so far, I suggest again, with all the force at my command, that it should be established without further loss of time. I know that other committees exist, particularly committees of Ministers, to consider matters relating to these Services but they cannot take the place of a Council like that advocated by me last year. I repeat that this is an important matter and should receive the favourable consideration of the Government at a very early date. The question of the tenure of the highest officers too is of great importance. The effect of their tenure on the morale of the Services is well-known at any rate to those who have maintained any contact with the Defence Services and it is, therefore, necessary that the decision of the Government on that matter should be announced as early as possible.

Another matter to which I referred about two years ago, was the working of those officers who were connected with the supply of information about other countries to our Government so that it might act with full knowledge of the circumstances in which it was placed. The task of the Intelligence Service is to enable the country to adjust itself to the changes that may take place in the factors affecting our future peace and progress. We were told then, I think by Shri Satish Chandra who was the

then Deputy Minister in the Defence Ministry, that the Intelligence Services were functioning in the manner suggested by me, that is, as they were doing, generally speaking, in the United Kingdom and the United States of America; but so far as I know, their working even at the present time is not quite satisfactory. This is again a very important matter. I do not want to go into any details on this subject in a debate like this but, for that very reason, I suggest that Government should appoint a committee to go fully into this matter. Let it examine officers who can give evidence on this topic; let it associate with the membership of the committee people who are competent to take that wide view of the importance of its work which it deserves in view of the developments that have taken place during the last fifteen or sixteen years. I do not ask them, Sir, to make anything public; I do not even ask them to associate any non-official with it, but I do ask them sincerely to take the trouble of re-examining this question and making this branch of our Defence Services as efficient as possible. If Government feel that non-officials can be associated with the enquiry without any risk, they can include non-officials in the committee but if they feel that such a step would be fraught with risk, I do not insist on the committee being of a mixed character.

Lastly, Sir, I should like to draw attention to what the Government has done by its recent orders with regard to the salaries of the civilian officers of the National Defence Academy. The Readers are on a scale of Rs. 800-40-1200 and the Lecturers on a scale of, I think, Rs. 500-30-800. The scale of the Readers has been reduced to Rs. 500-800, I think. I thought I had the figures put down relating to the revised scales; anyway, the scales have been seriously reduced and the result is that in spite of the several safeguards contained in the scheme, if a Reader was getting a salary of Rs. 1000 he would, under the new scale, get Rs. 880 and no increments for

three years. A Lecturer who was getting Rs. 650 would, according to the new scale, get Rs. 610 and would again get no increments for three years. Now, Sir, it is true that the officers about whom I am speaking have not been made permanent, but when they were recruited, I understand, they were told that they would be made permanent. This was a matter on which the committee of which I was the Chairman, a committee which looked into the question of wastages in the various training institutions of the Defence Services, examined very carefully, and I think it recommended that these officers should be made permanent. Now Government, taking advantage of the fact that they have not been made permanent, have lowered their salaries. Technically, they have every right to do so, but their action will, I am sure, leave a great sense of injustice behind. I think nothing would have been lost if the existing incumbents had been allowed to continue on the present scales for as long as they were able to serve and the changes had been made only subsequently. There is need for economy in every direction; there is no doubt about it, but Government gave high salaries to officers chosen by it for the Defence Academy purposely in order to have a higher type of teacher than the schools can ordinarily have. Those who were on the old scales were asked either to accept the new scales, or have their services terminated. Naturally, they have agreed to the new scales or they will have to agree to the new scales, but I venture to say again that Government should have acted with greater consideration and with a greater sense of justice.

Now, Sir, I shall say a word about the new taxation proposals and I shall be very brief because we shall have an opportunity of considering this matter again in the near future. The two things that I want to refer to just now relate to the increase of postage on packets and the increase of the duty on imported liquid gold.

[Shri H. N. Kunzru.]

Now, so far as the first question is concerned, whatever the need of the Government for money, I do deprecate it. I think that nothing should be done merely to increase the postage on packets and other things of the same kind and literature useful to the public ought not to be taxed in this direct manner. I object to it for the very same reason for which I would regret an upward trend in the prices of books that the public wants. The sum that the Government will get will not be very much, but I think that their point of view will be better appreciated if they forego this increase.

Now the second point relates to the doubling of the duty on imported liquid gold. This has been done in order to give the indigenous industry a chance to make progress. This is desirable in itself, but, as this matter concerns the glass bangles industry with which my district, the district of Agra, is very closely connected, the Finance Ministry will pardon me if I draw their attention to this matter. I am not a businessman, Sir, and I have nothing to do with imported liquid gold, but I know that it is used in the manufacture of glass bangles, and the doubling of the duty, I think, will lead to an increase in the price of these bangles. It has already created great apprehension in Ferozabad, which is the centre of this glass bangles industry. I should, therefore, like to know what is the amount of liquid gold manufactured in the country and what is the quantity that is imported. If the quantity that is manufactured in the country is small, I think Government ought to consider whether the step that it has taken will be sufficient to give the indigenous industry such a fillip as to enable the country to become self-sufficient in the matter of the supply of liquid gold in the course of a few years. I should further want to know whether they think that when the country becomes self-sufficient the price will fall. I hope they do not envisage a permanent burden of the

kind that they have imposed on the industry to which I have already referred.

MR. DEPUTY CHAIRMAN: There are 27 speakers. We will sit through the lunch hour.

SHRI VIJAY SINGH (Rajasthan): Mr. Deputy Chairman, Sir, I rise to congratulate the Finance Minister for the Budget that he has presented. The Budget is a realistic one and it gives us hope and confidence to face the future.

Sir, this Budget ought to be viewed against the background of the past five Budgets and the next Five Year Plan that we are going to launch. As the Finance Minister has stated in his speech that "we have laid sound foundations for a more massive super-structure in building up the country's economy", I want to say that the present Budget is an important plank and if I say, Sir, that the present Budget is the key-stone of the arch that connects the First Five Year Plan with the Second Five Year Plan, I think I will not be wrong. Our economy has steadily progressed in these last five years. Our credit both at home and abroad is high. We should certainly be thankful to the Finance Minister for this and should congratulate him for the Budget that he has presented.

Sir, having said this I will now like to make a few observations regarding the agricultural sector and the allied problems that have been referred to in this speech of the hon. the Finance Minister. Sir, India is an agricultural country. Out of the population of 36 crores, 25 crores, of people directly depend upon agriculture and the remaining 11 crores indirectly depend upon what is produced by these agriculturists. No effective improvement in Indian economy is possible if we do not do something effectively for the agriculturists. We may talk about trade; we may talk about business; we may talk about transportation; we may talk about many other things, but

unless and until the lot of these agriculturists is improved, no effective improvement in Indian economy is possible.

Sir, we are living in an age when we talk in terms of figures and statistics. In a way it is good because that makes our thinking precise and definite. There is a story of a Greek philosopher that he had inscribed on the door of his house that no one, who did not know geometry or grammar, should enter, meaning thereby that he wanted the people to be exact in what they thought. But these ancient times are no more. Today there is so much jumble of facts and statistics that a layman is lost in that because it is not given to everyone of us to analyse these facts and figures and find out what is the truth. I will just cite the case of agriculturists in this connection. We say that the average *per capita* income in India is about Rs. 300 per year. This is perhaps the lowest figure in the world, if we leave aside the case of a few other countries, but if we care to examine that, even this low income of the average Indian is not to be found in the agricultural sector. On the basis of the Report of the National Income Committee I just calculated the income of the agriculturists, that is, of the 25 crores of people and I wanted to find out what their *per capita* income is. From the figures what I was able to find out is this that it is Rs. 191 or, say roughly Rs. 200. So we find a big gap in the income of these persons, 25 crores on the one hand and 11 crores on the other. 25 crores of people have an annual income worth Rs. 200 roughly and the average is Rs. 300. It means that 11 crore people have an income which is much more than Rs. 300. It may be Rs. 400, Rs. 500 or Rs. 600. Therefore, we see that there is a big gap in the income of agriculturists and the people who follow other avocations of life. We are on the eve of the Second Five Year Plan and this

Parliament, and this House will be failing in its duty if it did not bear in mind the sub-human state of affairs that is prevailing in our agricultural sector. This is the first point that I would like to put before the Government.

Sir, the problems of the agricultural sector can be divided into two parts, land reforms and agricultural development, and I would like to speak in brief in the few minutes that have been allotted to me on both these topics.

1 P.M.

I first take the question of land reform. This process of land reform or this process of the abolition of intermediaries has been going on in India since the last five or six years. The Congress Party had formulated its policy long ago on this question. We have been able to achieve this reform in India in a peaceful and democratic manner and that is a feather in our cap. By itself the reform has released a tremendous energy in rural India and to that extent we must congratulate the Government, but, Sir, this reform has brought about another state of affairs in our country and that is that it has accentuated the problem of unemployment. Today when we are thinking of planning and other things, we show increasing concern about the unemployment problem that is in our country. The figures that are given to us by the Employment Exchanges are daily rising. The Finance Minister has shown great concern in his speech about these unemployment figures. But have we cared to examine all these figures that cause us so much concern and to notice that they only relate to the urban sector of our life? The large number of people in the rural areas are not covered by these figures at all. There is chronic unemployment and under-employment in our rural areas and this chronic unemployment and under-employment in the rural areas has been accentuated by the abolition of these intermediaries. Apart from

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the fact that these persons were subsisting on their income, they all used to provide employment to many others, but today lakhs and lakhs of people have become unemployed. It was good to abolish the system, as I have just said myself, but it is now our duty to provide for the rehabilitation of all these people. We have got no proper figures regarding these people. Speaking about Rajasthan from where I come, I can tell this House that the number of people affected by this reform runs into lakhs and I think, Sir, the same must be the case in other parts of India also. We cannot ignore this vast human problem and if we do so we can only do it at our peril. As some speaker has said, all our plans will not succeed if we are not able to provide employment to our people. The other day we were reading in the papers that about 5,000 peasants demonstrated in Lucknow. There are such demonstrations going on in other parts of the country, as Rajasthan. We are not very much concerned about these demonstrators or what these people say or do, but we have to bear in mind the fact that there is a deep-seated economic distress in the rural side and if that deep-seated economic distress is not removed troubles are bound to arise here and there because it is a basic factor. So along with our plan for tackling urban unemployment, I would urge that we should also bear in mind the question of employment for the rural population.

Now, I come to another problem regarding land reform and it is the problem of ceiling. We have adopted socialist society as our goal. The gap between the income of the rich and the poor should be as narrow as possible. Society should not consist of tall oaks and short poppies as they say. From this point of view, ceiling is not only necessary but essential, but here again we have to view this problem in the context of the situation that is before us. And what is

that? Mere imposition of ceiling in agricultural sector will not do. We will have to think of imposing a ceiling on income in other sectors of our life as well. If we do not do that, the result will be that it will not only amount to injustice or discrimination as they say, but it will amount to a good deal of harm to our agricultural industry. People will not remain in this. Educated people or intelligent people in the rural areas will think of other avenues. Take my own case. If I do not get enough by cultivation to maintain my standard. I will take to other occupations. I will go to the city; I will start service or business or do something else. And there will be an influx of population to the urban areas from the rural areas. We can change the laws of the land, but we cannot change the economic laws that operate in the country. Along with this ceiling, Sir, we should bear one thing in mind and that is that a vast number of people in the country have not got even economic holdings or basic holdings as they call it. For them it is very difficult to make the two ends meet even if they make all possible improvements in agriculture. What are we going to do for them? We will have to provide subsidiary means of occupation or alternate occupation for them. And sometimes I feel that we must so plan that the pressure of population on agriculture is removed, and here I would like to remind the House about the economic history of our country of the last 200 years. Before 200 years as everyone of us knows the pressure of population on agriculture was not so much as we find today. The East India Company came to rule over here. They systematically destroyed the village industries and the village crafts in order to help the commerce and trade of England. The result was that more and more people began to take to agriculture and our country became increasingly poor. So if I say that there is an intimate connection between the poverty of India

and the pressure of population on agriculture, I will not be far wrong.

Here to support my contention I would like to give you a few facts about the agricultural life of other countries also. I am quoting from the Report of the Agricultural Tribunal of Investigation. Lord Balfour was its President. The relevant portion is as follows:

"In all countries even the most agricultural rural population has in last 50 years, become a constantly smaller proportion of the whole population. In Denmark between 1880 and 1921 it fell from 71 per cent. to 57 per cent. In France between 1875 and 1921 it fell from 67·6 per cent. to 53·6 per cent. In Germany between 1875 and 1921 it fell from 38·2 per cent. to 20·7 per cent. Even in Japan in 1873 the population was 78 per cent. and in 1924 it was only 43 per cent."

It is significant to note that America with only 13·5 per cent. of the people taking to agriculture can produce more than India can produce with 70 per cent. of her population taking to agriculture. Therefore, Sir, in our planning we must so plan that we reduce the pressure of population on agriculture and divert people from agriculture to other sectors of life. If this is not done, we will not be able to make our economy safe and sound.

This is about the land reforms, but all this is only one side of the picture. It mainly relates to what should be the relation of the owner to the plot of land that he owns. It may be a very important consideration, but from the nation's point of view it is not very important. The nation as a whole is interested in what is produced on the plot of land. We must see what effect the reform has on our agricultural production. The Finance Minister has stated in his speech—and we all know from the various reports—that our agricultural production has increased in the last four years. We must be thankful to the Government for that and we must certainly take pride on

this fact but even this agricultural production is not sufficient, is not according to our needs. Our consumption per capita is 16 ounces, but it mostly consists of cereals. The caloric value of the food that an average Indian takes is, I think, about 1,800 whereas the standard diet is one which gives a caloric value of 2,800 or 3,000. How can we have this caloric value? It cannot be done by merely increasing the cereals in our diet. We will have to supplement our diet with fruits, vegetables, milk, fish, meat, etc. Our production of these commodities is far below. And then the other factor is our increasing population. It is increasing every day. And, therefore, though we are glad that our food production has increased, it is not what is wanted. We have to make a long way there as yet. How can we achieve all this? For this I will just read a passage, to hint at as to what can be done, because the subject is too vast and time is rather limited. "To achieve this result,"—that means, to increase production—"we have to adopt new technique of cultivation, reform our management of ownership, provide more fertilizers to our crops, give greater facilities for irrigation, give better implements to our cultivators, provide credit facilities and advance knowledge to them and above all make them efficient and able citizens." All these things we will have to do.

Now, Sir, in the few minutes' time that is left to me, I will make two or three suggestions for the consideration of the Government. All this food production that we have been able to have in the course of the last four or five years, great credit for that goes to the big river valley projects and the great dams that have been constructed in the country. We have no idea how much our Government has done in these last four or five years. If we just take the figures, the area that has been brought or will be brought under irrigation by means of these schemes is equal to the area that was brought under irrigation during the time of the Britishers in

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one hundred years. Our country, therefore, has made substantial progress in this direction, but still in this connection also we have got to go a long way as yet. Planning, as the Finance Minister has said in his speech, does not consist in planning for five years or ten years. It is a continuous thing. It is spread over fifteen, thirty, forty, or fifty years. From this view-point we must have full data before us—what our available water resources are and what can be done. I suggest that we must have some kind of a water year book which can be in our hands, showing how much we can do in the first Plan, second Plan, third Plan, etc. This is very essential for us to do. Another thing is that due to these new schemes of irrigation, fresh lands have been brought under cultivation, but the cultivators do not know how to use these fresh lands, the fresh opportunities that are offered today. They have been following in their old ways. Now, new opportunities have come. We must show them the crop pattern they have to follow. This is not done as yet. The result is that there is a good deal of waste. When the Government is guiding other industries, I think, they should certainly guide the cultivators as well in this respect.

Then, Sir, I would like to speak about co-operative farming. Co-operative farming is very essential and, in fact, this is one of the ways by which we can remove the drawbacks in our agriculture. We have done a lot to improve co-operative farming in the country, but still I think if Government were to attend to their needs, we can do better in this respect also. And what are those? We have read the report of the Central Tractor Organisation. It has reclaimed lakhs of acres of land. Mostly it belongs to private individuals. A few acres of land may belong to the Government. Now, it can certainly be laid down that if people start co-operative farming, the Central Tractor Organisation will give so

much of concession. And thereby we can induce people to take to co-operative farming. In the same way distribution of fertilizers can also be linked up with this scheme, because the State is the sole producer of these fertilizers. They can also induce cultivators to take to co-operative farming.

Then, Sir, there is the case of mechanical farming. Machinery worth crores of rupees have been purchased by people throughout the country. Much of it is lying waste. Why? Because the wrong type of machinery was purchased by some of them. No guidance was given to them. Spare parts are not available. There are no workshops. In that way capital worth crores of rupees is lying waste in the country. We must plan for that. I would suggest that a census of all these things must be taken and we must arrange to give proper guidance to these persons as to what sort of machinery is to be purchased. Those dealers who have supplied this machinery must be held responsible if they are not supplying spare parts. Facilities for workshops, etc., have to be provided. If this is done, capital worth crores of rupees, that has already been invested will be useful and that will also help in our food production.

I am thankful to you, Sir, for the time that you have given me. In the few minutes that were at my disposal, I have rather hinted at the problem. This is a very vast subject and a very vast problem. I can only end by saying that prosperity will flow from the fields to the city and not from the city to the fields. If we improve our agriculture, we are safe; if we do not then we are nowhere. Thank you, Sir.

SHRI H. P. SAKSENA (Uttar Pradesh): Sir, the Finance Minister of the Union Government, who is the Kuber of the Government has launched a *yagna* which shall continue to last for full five years. It is a stupendous task which he has undertaken. And in this big enterprise he

has invited the co-operation of all the 360 million people residing in this ancient, sacred and great land of ours. We are now a free nation and it is up to us to show to the world at large that freedom for us is not just an empty phrase. We mean what we are by showing in our actions that we are able to shape our own destiny and make this large population of ours—of the rise of which year after year I am not at all afraid—live a prosperous and happy life. I am concerned only with one main and major proposition and that is this. I would like the Finance Minister to give us an assurance, a definite, categorical and unequivocal assurance, that there will be no rise in the prices of the essentials of life. This is an assurance that I would beg of him to give, because it concerns the poor and the common people whom I have the honour and the privilege to represent. Sir, I would also request him to see that when in the coming month of May the wheat crop is gathered and the prices show a downward tendency and the champions and supporters of agriculturists—of whom I also count myself as one—come forward to the Government to fix a price for wheat, the Government will also see that the price fixed is not lower than four seers a rupee, that is Rs. 10 a maund, it should also see that wheat will not in any case at any time sell more than Rs. 11 per maund. That is, the fluctuation should be confined between four seers and three-and-a-half seers per rupee. It should not go down to two seers or 2½ seers as it did during the last two or three months. That gives a tremendous shock to the people, majority of whom live from hand to mouth. As we all know, we are not planning for the sake of the very few rich people inhabiting this land. This planning is intended to remove poverty, unemployment, starvation in some cases and disease. So, when the rise in prices of foodgrains and other necessities of life after a little fall becomes very abnormal, it hits the common people most unexpectedly and their budgets are totally upset.

So, we have to see that this price level is maintained at a particular equilibrium and is not violently disturbed.

I am also very much concerned about unemployment among the educated sections of the people. On the one hand, we cannot cry halt to our measures for the spread of education. The doors of universities and colleges are not going to be shut against young men seeking admission and at the same time we cannot ignore their frustration which is, thanks to their faculties of patience and tolerance, kept down so long, but it is just possible that a time may come when their frustration may prove dreadful and disastrous for the country as a whole. So, that factor has got to be taken into account and guarded against while there is yet time. Imagine, Sir, hundreds of thousands of young men roaming about from one place to another and getting no employment. Not that there is the question of choosing between one employment and another or one being more lucrative and the other less lucrative. Nothing like that. They do not get any employment at all and it is for none of their fault that they are not getting employment. So, while I congratulate the galaxy of men sitting in my front in the Official Gallery, I also feel very greatly concerned, with pity and compassion, for the thousands upon thousands of young men who are found in each and every big city and even in towns and in rural areas, because that one tendency of the rural population to migrate to big towns, to get educated and then give up altogether the roots in their rural areas is nothing to be proud of. It is leading to very unhealthy results and I think that some steps should be taken to put this tendency to a stop.

My friend, Shri Bhupesh Gupta with whose speech my hon. friend, Shri Parikh has dealt extensively, talked of the closure of foreign capital. He would like foreign capital and more particularly British capital to be stopped altogether. It is no

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pleasure to anybody here in this House to be receiving foreign capital unless it is necessary for our developmental purposes. We are receiving enormous moneys in the shape of loans and grants and in other forms from foreign countries to which our Finance Minister has very rightly offered his thanks. But we cannot have recourse to the stoppage of the inflow of foreign capital in our country so long as our needs remain as they are today. If I were he, I would simply say that this Budget for the year 1956-57 is a picture of deficit Budgets for most of the important States. That is one of its aspects and the other aspect is that it is a Budget of increased and increasing taxation.

Now, after having analysed the Budget in this way, our task is not finished. The picture of the second Five Year Plan, on the Budget of the first year of which I am speaking, is before us. It is our firm resolve, it is our determined intention to implement this Five Year Plan even more successfully than we did the first. With this object in view, we cannot shut out any money that voluntarily or without any strings comes to our country.

Now, Sir, experts and economists tell us that there has been a rise in the national income up to the tune of 18 per cent. Well, I am not in a position to prove by facts and figures that this estimate is wrong. But I am surprised that we see no visible signs of this increase in the national income to the tune of 18 per cent. Where is it? Is it so invisible that we do not see any symptoms of it in our day to day life? The poor are getting poorer—that is established beyond doubt—and the rich are getting richer. There is no symbol, there is no indication and there is no sign of any improvement in the national income. If the future rise in the national income is going to remain as invisible as it is today, I am sorry, Sir, there will be a gross dissatisfaction in the country.

So far as unemployment is concerned, the problem has got to be grappled with and solved as early as practicable. I am particularly concerned, as I said, with the rise in the unemployment of the educated youth because it is a dangerous factor. It can do anything it likes because youth is full of vigour. Youth, as I know to my regret, is a very great privilege which once lost is never regained.

SHRI B. K. P. SINHA (Bihar): There are some who maintain it for the whole of their life.

SHRI H. P. SAKSENA: I congratulate them whosoever they may be. Probably, my friend, Shri Sinha is one of them.

Sir, there is again the old story on which my friend, Shri Bhupesh Gupta hammered and hammered that the wealth of the country is inequitably distributed. It is admitted on all hands that it is so. But I may remind him and others of his way of thinking that the fortunate men who are possessing wealth in our country are so few in number that even if the wealth of each one of them were to be taken possession of and distributed among the have-nots, the share per capita will be very very small and it will not do any good to deprive those few fortunate individuals who are possessing wealth today, by taking possession of it. There are ways and means by which it is being done, and in a very short period of time, this inequality, this disparity, will vanish and it will, I am positive, become a thing of the past.

People think that if we take financial assistance from foreign countries, it brings economic dependence and that our miseries and troubles are due mostly to the existence of foreign capital in our country. Our economic dependence is a heritage from the British regime. It is not so easy to wipe it off by a magic wand. We will have to make continuous, unceasing and Herculean efforts to remove it. It will be removed, there is no doubt about it, but as all good

things take time to ripen, this thing will also fructify in due course. The process has started; the commencement has been made, things are brightening, and improvements are in progress, and although there is no limit to progress and improvement, normal way of life will soon be achieved, and the conditions in the country will, I am hopeful, change beyond recognition much sooner than many people anticipate. If it is not there in the second Five Year Plan which is going to begin shortly, it will be at the outermost in the Plan coming after it. Beyond that, it is not going to take, and as soon as we start our fourth Plan, our country will also be treated as one of the most prosperous countries of the world, although I would like to remind the hon. Members of this House that our way of life is more spiritual than materialistic. Just as the Foreign Secretary of the U.K. said the other day, we do not live only for material things. It is something spiritual, and we should not forsake that, which is our rich heritage, traditional gift, and our choicest blessing. Having that before our eyes, let us proceed on the way in which we have been proceeding. Let us all do our level best to contribute towards the achievement of our goal, which is the establishment of a welfare State based on the socialist pattern of society. The socialist pattern is there already in action. The measures of the Government, the laws that we enact—the Company Law, the nationalisation of insurance business, the nationalisation of the Imperial Bank and so many other things, which are too many to enumerate—are all directed towards the achievement of that goal. There is no despondency in my mind. I see a bright future for my country. There is no sense of complacency either. We are all vigilant, we are all watching, and we are all contributing our little mite towards that end.

Now, there are certain points which, even though they come from our friends on the Opposition

Benches, do not become bad because they emanate from them. Nothing of the sort. I am not a believer in that sort of philosophy. I think that a good thing remains good even if it comes from our opponents. The point is that we have got to take active measures and consider seriously what we should do in regard to our industries, our major industries, for instance the tea industry. The tea plantations have been in the possession of foreigners for a very long time. Tea is one of our best foreign exchange earners. So, we do not like this industry to remain in the hands of foreign capitalists who have no other purpose behind their work but to pile up huge profits and despatch them to their country. We want this money to be earned by our people here, who are unemployed, who are poor, and whose needs are greater than those of the people who do not even reside in our country, who are simply here for the sake of the money that is there in the tea plantations, in the manufacture of rubber goods, in the exploration of mineral oils and in so many untapped resources of the country. I appeal to the Finance Minister to give this his careful attention. Active steps, as suggested, should be taken in that direction.

There is a feeling that we have got a tendency to favour the foreigners who are known as the Western Powers and that we have got a sort of antipathy towards the countries behind the Iron Curtain—I mean the U.S.S.R. That is a chronic complaint, which is untrue and has no foundation. Our doors are open to all those who want to deal with us as friends deal with one another. Similarly, as we have entered into trade relations with the Western countries, we are also trying to enter into trade relations with the Eastern countries. So, we do not differentiate, we do not discriminate. The only point that we bear in mind is that there are no strings attached to those dealings and transactions and that the whole thing is in our national interests. This is an acid test by which we judge these things.

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I have also to point out that one of our industries—a major industry—which is being sadly ignored is the shipping industry to which greater attention has got to be paid than has been paid till now. I know, I admit, that something has been done, and is being done and my only point is that greater steps, more active steps should be taken because it is not only an industry that brings money but this shipping industry is the second line of defence. In spite of our being a very peaceful and peace-loving nation, defence is a matter with which we cannot trifle and about which we have got to be very watchful because the enemy is knocking at the door. It is no good having an enemy. As a matter of fact, all enemies reside in one's own bosom and breast and yet there are enemies about whom we have got to be very careful and very watchful. I am not afraid of the military aid which some countries are providing to some of our neighbours. Nothing of the sort. Let them, therefore, be dealt with on the nation-to-nation basis by diplomatic methods, but I must admit that we should be self-contained so far as our defence is concerned. As we all know, more than half or about half of our revenues we are spending on our defence. But the shipping industry is a thing which should be given priority and we should make our shipping industry worth the country that is ours. Our coastal shipping trade has improved to a certain extent, but all foreign trade is in the hands of foreigners and it is to be replaced very soon by indigenous ships. It is an industry which can absorb hundreds and thousands of people and it can provide employment to a very large number of persons. So, with that end in view, it is the first and foremost duty of the Government to devote greater attention, greater funds and greater resources to the rehabilitation of the shipping industry of our country.

Now, I am in entire agreement with my friend Mr. Parikh when he suggested that all the recommendations of the Karve Committee should be fully implemented. It is one of the measures by which we can, to a very considerable extent, remove the unemployment which is glaring us in the face. I don't want employment bringing Rs. 5,000 per month or so to the average people. All that we need is to provide them sufficient bread for their maintenance and that can be done only by bringing about tremendous improvement in the small-scale and village industries with the *Ambar Charkha* as the pivot, as the signal, for our paying great attention to the resurrection of the village industries and small scale industries. There is ample provision there. One thing should not be lost sight of and it is this that these recommendations will, I am sure, be implemented, but then, we will be faced with another difficulty and it is the difficulty of over-production. From now on, we should think of marketing that increased production otherwise there will be slump, there will be cheapness, there will be the consequential stoppage of production and the result will be that our efforts will be reduced to nothing. Therefore, these relative measures have got to be carefully analysed and taken in hand. I hold very strong views about the Ministries of Education and Health at the level of the Centre. It is best for me to remain silent because I am perfectly conscious of the fact that these two subjects are being very carefully looked after and dealt with at the States level by very competent men. Therefore, the best thing for the Government of the Indian Union would be to have a stout heart and to announce the abolition of the Ministries of Education and Health at the Central level because on the one hand, it will save a lot of money that is not, I am positive, being properly used and on the other, this division of responsibility between the States and the Centre will go and more vigour, more

attention, more care and more solid work will be forthcoming at the State level and these two important departments of our national life—public health and education—will, I am of opinion, in no way suffer by the step that I am suggesting.

MR. DEPUTY CHAIRMAN: You have taken more than half an hour.

SHRI H. P. SAKSENA: Sir, I was only talking. I was not, I thought, taking an unusually long time. I will remind this House about the set-up of administration which the Father of the Nation had always in view and that was based on the old saying, 'Simple living and high thinking'. I am not afraid of the increase in the numerical strength of the staff about which some of my friends frequently complain. I believe that this is essential; as long as our development continues at a fast speed, it is but natural that our staff will increase. But there is one thing which is known as 'Top-heavy Administration'. Scores of Secretaries, Joint Secretaries, Deputy Secretaries, Under Secretaries and so many names and so many titles which are making the Administration top-heavy are there and top-heavy things sometimes, Sir, I shudder to think, topple down. Therefore, I would not like the administration of my country to become so top-heavy as to be in danger of one day toppling down.

With these words, Sir, I congratulate the Finance Minister for the very able Budget proposals that he has propounded and I hope that the Finance Minister will succeed in his plans and the deficit financing which he is going to have recourse to will not in any case result in inflationary processes and there will be no rise in the prices of the necessities of life.

SHRI B. K. P. SINHA: Mr. Deputy Chairman, while rising to address this great and numerous assembly it shall be my endeavour not to traverse the ground already traversed by Pandit Kunzru, Mr. Parikh and some other speakers. They have delved

into the economic and financial aspects of this Budget and I cannot profitably add anything to what they have said. I will, therefore, confine myself to some popular aspects of this Budget.

Sir, this year, 1956-57, is thrice momentous for us. It is momentous because we are in this year celebrating the twenty-fifth centenary of the *Maha Parinirvana* of Lord Buddha. Secondly, it is momentous because we are going to put the seal of approval to the Second Five Year Plan and finally, it is momentous because the pattern of the States of this Union is going to be finalised this year. The work of consolidation started by Sardar Patel, will be carried further and we shall have travelled on the road to consolidation and travelled one mile further.

I find and find it with pleasure that the Government of India have sanctioned a sum of Rs. 15 lakhs for the celebration of the coming Buddha Centenary. They have sanctioned other amounts for development of centres of Buddhist importance and centres of pilgrimage. Sir, our thoughts, the ancient Indian thought, the Aryan thought, found its highest expression in the philosophy of the Vedanta and the ethical teachings of Lord Buddha. The great teachings of Buddha have a special importance for us today. Our Prime Minister rightly pointed out some months back in one of his speeches, that the world today is faced with two alternatives—the Atom or Asoka. We have to choose between the two. If human civilisation and all that human civilisation has achieved in the course of all these centuries are not to be destroyed, we have to make the right choice and the choice can be nothing else than Asoka. And Asoka was nothing but the embodiment of Buddha, the teachings of Buddha. Sir, Asoka's period was the most glorious period of Indian history. And during that glorious period, our cultural influence spread beyond the seven seas. While the teachings of Buddha have disappeared from the

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land where they had their origin, they are still a living force in the countries to which they spread, to which the message of Buddha was carried by devout and missionary Indians. I feel today while we are trying to build up the unity of Asia, the unity of Africa and the unity of the world, in that very big area, this influence of Buddhism can be a unifying force and I feel that no amount of expenditure would be enough for this. And it is my earnest hope and desire that even after this century, in future, our Government should not stint spending in this direction.

Sir, the teachings of Buddha form the foundations on which we have developed the great principles of *Panch Shila*. While the Buddha's teachings were meant for the individuals, while his teachings operated on the individual plane, our Prime Minister has projected those teachings on the national and international planes. Today it has been quite rightly pointed out that either there is going to be co-existence or co-destruction. That is the basis on which we have developed the principles of *Panch Shila*. These have found a sympathetic echo in the hearts of many a statesman of the world. The area of *Panch Shila* is ever widening. But this has also raised suspicions and discordant notes in the hearts of many a statesman of the world, statesmen who are guiding the destinies of important and powerful nations. Sir, those statesmen have misunderstood our efforts at peace. Today peace is necessary, necessary for the world, and more necessary for India. Every nation which embarks on the adventure of development and reconstruction must have a period of peace. The United States of America needed a period of peace and that is why for more than a century and a half they kept aloof from all world entanglements. The Union of Soviet Socialist Republics also needed a period of peace and they formulated

policies which strengthened peace in the world. Today we are in the same situation. We have achieved our independence after centuries of enslavement and during all that long period, our development had been suppressed. Today, for our economic, social, moral and other spheres of development, we require peace. How are we to achieve that peace? Can we achieve that peace by drawing ourselves into our own shells, by cutting ourselves from the world, as it were? That is not possible, because the world is one and it is now one in a sense in which it has never been before. Any small happening, any small incident, in one part of the world has its repercussions on other parts, on very distant parts as well. We may possibly keep out of a conflagration. But if a conflagration is there, then all our development projects will come to naught, they shall be hampered and hampered successfully. Therefore, our very situation requires that instead of drawing ourselves into our own shell, in pursuit of peace, we should pursue a positive policy of extending the area of peace and that is what we have been doing by advocating the adoption of the principles of *Panch Shila*.

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As I have already said, some of the statesmen have misunderstood us. They take this effort of ours as a symbol of our enmity which it is not. Sir, the great Lenin always used to say, "He who is not with us is against us". After forty years of hazardous living, while the leaders of the Soviet Union have come to a different conclusion and are crying from the house-tops that "He who is not against us is with us", several other statesmen are basing their actions on the principle enunciated by Lenin forty years ago and now given up by his worthy successors. In their suspicion and in their distrust, they have been pursuing policies which have brought the cold war to our doors, to the Indian continent itself. They have given their support to a most vicious system of colonial-

ism in Goa. They have been arming a neighbour, the utterances of whose statesmen make us suspicious of their intentions. Sir, the statesmen of the West tell us that those armaments have a different purpose, that they are for purposes of defence only, but when you arm a nation, when you arm a man, you cannot be sure that the armaments shall be used specifically for the purpose for which they were given. If you arm a man to shoot A, it is just possible that he may shoot B, shoot C, shoot D and so on. Even though they say that the purpose is different, these armaments and arms build-ups work out differently and pose a danger to us. The ring that they have built around the U.S.S.R. is equally a ring around us. This fact, I am glad to find, has not escaped the attention of the framers of the Budget and they have put a sizable sum, I think more than two hundred crores of rupees, for the Defence Budget. I feel, Sir, that this is a step in the right direction. We must, while spending on armaments, also take steps to build up our defence industries. We are, so far, only producing small arms; it should be our endeavour to be self-sufficient in the production of armaments. The establishment of the Iron and Steel Ministry is a step in the right direction if considered from this point of view. So far, we have not been producing high quality steel required for the armaments, but it should be our endeavour to produce all the high quality steel required in the shortest possible time. Otherwise, we can never have a sense of security and build up our defence industries. The building up of our defence industries, I feel, will not conflict with the fundamental approach of the Second Five Year Plan. The Second Five Year Plan lays emphasis on basic industries. Now, these basic industries are basic not only for civilian purposes but basic also for defence purposes. Therefore, I do not see any conflict between the needs of defence and the basic postulates of the Second Five Year Plan and, in the absence of a

conflict, we should go ahead with building up our defence industries. In this connection, I would like to point out our dependence on only one bloc in the matter of armaments. For historical reasons, our armaments are patterned on only one way. The training of our Army, Navy and the Air Force personnel is also patterned in a particular way. In our search for peace, we realise that peace or non-alignment would not be effective unless our economic activities were distributed evenly between the two blocs, unless our economic associations with the two blocs were of the same intimate and deep nature. During the last two years, we have made conscious efforts to diversify our trade and other economic associations. I put in a plea for earnest and consistent efforts to diversify our armaments as well because too much dependence, monopolistic or absolute, on a bloc in the matter of armaments may pose a danger to us in the future. At any time of crisis, the people from whom we are getting our arms supply may decide not to oblige us and then we would be placed in a very tight corner. Moreover, armies cannot be trained in a day; the same applies to the Navy and the Air Force. The wielding of arms now has itself become a highly technical business and unless we take time by the forelock and start the training of our Armed Forces on a different pattern with the help of other countries who do not misunderstand us, times may come when we may find ourselves in danger. I would, therefore, urge that we should diversify our armaments and also diversify the training of our Army, Navy and the Air Force personnel as well.

While there should be emphasis on the basic or heavy industries, I feel that we should not neglect cottage and small-scale industries. These industries must have their proper place in the scheme of things. But they should not have any over-riding importance. Some of my hon. friends, especially Shri Parikh and Shri Saksena, put forth a plea for

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the adoption of the Karve Committee's Report *in toto*. That is good, as far as it goes, but I find that we are giving almost over-riding importance to small-scale industries now. We start as it were with some handicap, with certain pre-conceived notions and prejudices in this matter. During the course of our struggle, we popularised a certain economic pattern, an economic pattern which was dear to the Father of the Nation, but that economic pattern had its validity only in a particular context. We are operating now, Sir, in a different context and I feel that in this different context to adopt all that we preached during the period of our struggle would not be in the interest of the nation. Sir, the symbol of this small industry today is the *Ambar Charkha*. I have nothing against the *Ambar Charkha* as such. It is a good thing. I myself ply *charkha* very often, of course a simpler type of *charkha*, but *Ambar Charkha* has become almost the symbol today of a fight between two economic conceptions, the decentralised conception and the centralised conception. We can look at the question of the problem posed by the *Ambar Charkha* in two ways, either as a permanent feature of our economy or as a stop-gap arrangement to alleviate our big problem of unemployment. Sir, I need not remind you that the *Ambar Charkha*, though a new discovery, is economically and mechanically a thing of the past. It is a form, old and obsolete, though a new discovery, and old and obsolete forms cannot be maintained unless we are constantly vigilant, unless we devise constant and contemporaneous steps at every stage to prop them up. To put the *Ambar Charkha* permanently on the economic scene will mean.....

AN HON. MEMBER: Not permanently.

SHRI B. K. P. SINHA: I am coming to the temporary phase. As I was saying, it will mean that we have to spend a lot of our time, energy and

money over this. Also it has been my experience and the experience of so many Members of this House that people do not very easily and readily take to these obsolete economic forms, to these weak economic forms. They may take them up in a period of enthusiasm, and when that enthusiasm wanes, that obsolete thing disappears altogether. I am afraid the *Ambar Charkha* will meet the same fate when the period of enthusiasm is over. I would go further and say that I feel that the *Ambar Charkha* is a still-born child. There is no future for it in this country. My friends remind me of its immediate economic advantages. If it cannot have a permanent place in our economy, I do not see how we can interpose it for a period of, say, five years or ten years. I have already said that these obsolete form are not easily adopted; it is difficult to adopt them. At the most we can assume that for ten years, by virtue of our powers of State and because of our enthusiasm we can successfully put it on the economic scene. For that too I find that it is still in the experimental stage and I think the experiment will take at least three years.

SHRI M. C. SHAH: Within a month and a half.

SHRI B. K. P. SINHA: That may be your calculation. My calculation is that the experiment will take no less than 2 to 3 years, and then, after the experiments, you will try to implement them and by the time they are implemented, the Third Five Year Plan would come and we would find that we could relieve unemployment on the modern mechanised plane and all the money, labour, time and effort that we had put on the *Ambar Charkha* is wasted. I therefore, feel, Sir, that we should try to relieve unemployment on the modern mechanised plane. It is no use going to these obsolete forms. They are not going to solve our problems either in the short period and definitely not in the long period. I must give due praise to the Commerce and Industry Minister, Mr. T. T. Kri amachari,

ho has been almost swimming against the current of public opinion, public opinion which, I feel, is not very well informed. He has been fighting a brave battle, a battle in which I suppose the Finance Minister has been extending him brave support.

SHRI M. C. SHAH: No, no.

SHRI B. K. P. SINHA: But if he is fighting alone, he needs all the more our support.

SHRI M. C. SHAH: You may give support; I have no objection.

SHRI B. K. P. SINHA: The Finance Minister once told us that to prop up the *Ambar Charkha* means a subsidy of Rs. 30 crores. I take this statement as a support for the stand of Mr. T. T. Krishnamachari. That is why I said that he was extending his support to the Commerce and Industry Minister.

Now, Sir, coming to the Home Ministry, I should say the Home Ministry has been doing a good job of work. It needs praise, but only a few days back I read in some newspaper that, when our Prime Minister went to Bombay last time, about two weeks back or ten days back, he was warned by the Chinese intelligence in India that he should be well guarded there. I do not know whether this information is correct. It may be correct; it may not be correct, but so far there has no official denial in any newspaper or even on the radio, Sir, this is No. 1. This indicates that there is something like a Chinese intelligence operating in this country. It is rather sad that a country, which is so close to us and which is so friendly to us, should have its intelligence in this country. No. 2, this shows that our intelligence is not very efficient when about the safety of our Prime Minister himself we have to get information from other quarters. I would, therefore, request the hon. the Home Minister to build up an efficient intelligence service and an effective intelligence service.

Then, Sir, I would urge on him the necessity of considering whether it is not proper now to have a national police force. Law and order being a State subject, every State has its own police force. The Union has its police force which maintains law and order in the Union area, but during the last three months there have been incidents in the country which emphasise the necessity for a national police force. There were incidents in Bombay and the Bombay police could not of itself cope with those disturbances. There were disturbances in Orissa, and while the police of the States behaved remarkably well, situations can be envisaged, Sir, in which the police of the area is also affected by the popular currents of thought there. It was my experience in Bihar that at many critical moments the police could not remain unaffected by the thoughts and feelings and prejudices of that area. I, therefore, feel that the Union Home Ministry should build up a national police force and this police force should be made available to the States in times of emergency. I recently read in some newspaper that Britain was contemplating to build up some sort of a semi-military force for the colonial areas. On a smaller scale we should do the same thing in India.

MR. DEPUTY CHAIRMAN: You must close now, Mr. Sinha.

SHRI B. K. P. SINHA: Just in two minutes, Sir.

MR. DEPUTY CHAIRMAN: You have already taken half an hour.

SHRI B. K. P. SINHA: I shall take only two minutes. Also there are not many speakers, Sir.

MR. DEPUTY CHAIRMAN: There is a large number of speakers still.

SHRI B. K. P. SINHA: Only two minutes.

Sir, I would again emphasize on the Home Minister the necessity of having a Police Commission. We had a Police Commission more than half a

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century back and the Police administration in India is based on the Report of that Commission. Since then so many changes have taken place and we have become free. Our conception of State has changed. The police require a different sort of training, a different pattern of organisation and a different psychological and mental approach to the various problems with which they are faced in the course of their duties and, therefore, it is necessary that a Police Commission on an all-India scale should be appointed. Pandit Pant, I understand, when he was Chief Minister of U.P., appointed a Commission on these lines for the State. Now, it can be done on an all-India scale.

Sir, that is all I have to say. I have taken much of your time. Thank you.

SHRI R. C. GUPTA (Uttar Pradesh): Sir, the Budget that has been presented to the House is, in my opinion, a well-considered Budget. The duty of the Finance Minister is really a very difficult one. He has to find ways and means to see that the economic development of the country continues and for that purpose he has to tax something or the other, but the criterion to judge whether a Budget is satisfactory or not is whether the burden that is being cast by the Budget has been properly distributed. From this standpoint I consider that this Budget is really a very balanced Budget. The Finance Minister in his speech has very rightly made this observation which I think will bear repetition:

"The burdens that the Plan imposes upon the people are by no means light nor can their weight be mitigated by any assurance that they are temporary. On the other hand, our people stand, so to say, on the threshold of a golden age; we have to build well and truly for them; and we have to raise, ungrudgingly and unhesitatingly, all the moneys necessary therefor.

Money is, after all, mainly measure of effort; and the success of our monetary calculations whether for our taxation measures or for our deficit financing, or anything else for the matter that, depends vitally upon the measure of productive effort put forth in the community."

From this angle of vision if we look at the Budget we will find it to be very satisfactory Budget. It is very easy to criticise a few clauses here and there, but if we take an overall picture of the new taxation proposals in this Budget, I find that there is not much to complain. In the year 1947 when the country gained independence we really inherited a completely destroyed and ruined economy. We had to build the country anew and for that purpose it was necessary to find money. The First Five Year Plan was then ushered in and after the completion of the first five years we can now look back with pride and find that a sound foundation has been laid for a massive super-structure of the country's economy. We can now safely embark on the Second Five Year Plan. The Second Plan is really an ambitious plan and it involves an expenditure of something like Rs. 4,800 crores. And by the end of the next five years we hope that the country will be well on the road to progress and we will not be sorry for the taxation that the country would be called upon to bear. So far as the Budget proposals are concerned, I regard them to be quite satisfactory.

I would now make a few other observations on certain aspects of the Budget. I find that so far as the Ministry of Education is concerned, the allotment has been reduced by about Rs. 3 crores. In paragraph 37 of his speech the hon. the Finance Minister says:

"The expenditure on displaced persons has increased by about Rs. 3 crores over the budget figure of Rs. 10.37 crores. On the other hand, expenditure under Education

shows a short-fall of Rs. 3 crores due to slower progress of schemes, particularly the Centrally assisted State schemes, and there are similar savings of Rs. 1 crore each in grants to the Central Social Welfare Board and for village and small-scale industries."

I cannot understand why there has been a smaller grant so far as education is concerned. It is a very important subject and it requires considerable expenditure. I find, Sir, from the Budget that technical education has been practically neglected. On the one hand we find increasing unemployment among the educated classes. This can only be prevented, in my opinion, if we can prevent the flow to universities. Unless we do that, it is not possible to find employment for all the educated people being turned out by the universities all over the country. How can this be done? This can only be done by starting technical, professional and vocational institutions all over the country. The growth of such institutions during the First Five Year Plan has been very very slow indeed. Therefore, I do not see any reason why a substantial grant has not been made for the purpose of technical education in the country. In fact, the Budget for technical education should have been much higher than what it is. I feel that this aspect has not been properly appreciated and I submit that the hon. Minister should consider it on merits and give a substantial grant to the various States for imparting technical education in their institutions so that the flow to the universities of educated people could be stopped. This will reduce very considerably the number of educated unemployed.

Then, Sir, I would like to make one other suggestion. Hindi is the national language. There is no doubt about it and there is also no doubt that in the South there is some sort of opposition to it. Various schemes have been propagated, but I would venture to make one suggestion. If in the South where Hindi has not made much headway scholarships at

the lower stages are awarded to each student who takes up Hindi as his second language, I think it will be very easy to propagate it and Hindi would become a real national language within a very short time. This will not involve very heavy expenditure; it will certainly involve quite a lot of money, but it will be worth spending. That is one of the suggestions that I would like to make for the consideration of the hon. the Finance Minister.

[THE VICE-CHAIRMAN (DR. P. SUBBARAYAN) in the Chair]

So far as the various new taxes that have been mentioned in the Budget are concerned, I would draw the attention of the hon. the Finance Minister to one aspect of the case. On liquid gold there has been a substantial increase in tax. Liquid gold is used for the manufacture of bangles. The proposed tax is practically double of what it is today. From 31 per cent. it has gone up to 62 per cent. or so. So, the tax has been doubled so far as liquid gold is concerned. Liquid gold, as I said, is used only in the manufacture of glass bangles. This industry is confined to my State of Uttar Pradesh, and not only to the State of Uttar Pradesh, but to one district or rather one town. The town of Firozabad supplies bangles all over the country. It is a cottage industry and it employs thousands and thousands of persons. This tax would fall very heavily on the manufacturers of glass bangles. There have already been protests all over the area affected and they have resented this imposition. I am sure that the tax under this head would not bring any very substantial amount of income. Only a few lakhs of rupees would be the outcome of this taxation. But it will certainly kill a very important industry, a cottage industry in which thousands and thousands of persons are employed. Therefore, I would make an earnest appeal to the Finance Minister to consider this aspect of the case. If it is possible to keep the old rate, it would be much better. But if it is not possible, the rate should be substantially reduced.

[Shri R. C. Gupta.]

Then, Sir, the tax on diesel oil seems to me also a very heavy burden. I do not mind if this tax on diesel oil is imposed on those who do not require it for agricultural operations; but diesel oil is also used for agricultural operations. And this tax of four annas would be a very heavy tax on the poor agriculturist. This point also requires a little consideration at the hands of the Government.

I congratulate the Government so far as the nationalisation of insurance business is concerned. I hope that the Government will find ample money to finance the Second Five Year Plan under the scheme. The Government has done the only right thing in nationalising it. There has been complete satisfaction all over the country so far as this measure is concerned. I am sure that a large amount of money which will come into the coffers of the Government, by the nationalisation of insurance business, would meet, to a very great extent, the needs of financing the Second Five Year Plan.

I also find that a considerable amount has been reduced on defence. About 18 crores is the saving under the Defence Services estimates. Under Defence Services, the Revised Estimates show a net decrease of Rs. 17.61 crores. They say this is mainly because the expenditure on stores was less than anticipated owing to difficulty in procurement of supplies. I do not know whether this would be a wise economy. If the border raids are a matter of every day occurrence,—we are afraid of these raids on two borders, Goa and Pakistan—would it be necessary to increase the expenditure under this head or to decrease it? In the days when the Britishers were here, of course, we used to complain so far as the expenditure on defence was concerned. But now, I think, we must revise our opinions. It is necessary for the security of the country that there should be proper expenditure on defence. It is not wise economy not

to keep stores and not to have a proper balance of armaments so far as the defence of the country is concerned. Our Navy is absolutely in infancy. It requires considerable expansion. It has not got a single aircraft carrier and all that. Now, money should be spent on these. We should not be complacent about it. The question of Kashmir and the question of Goa are looming large. We are also receiving complaints of people coming from East Bengal. In February 1956 the newspaper reports are that 45,000 people have come to this country. Now, the minorities are being squeezed out from East Bengal in such large proportions. We may have to face some sort of a serious conflict with Pakistan. We must be ready for it. There are indications of such a conflict and, therefore, I think it would be much wiser for us to be ready for this. Not that we should go and fight anybody or we should make a raid, but we should be prepared to meet any raid that we might have to face in the near future. If the exodus is not stopped our economy is likely to be disturbed. The Government has taken all sorts of measures to prevent this exodus at Government-level, but it has not succeeded. The exodus is increasing. The number is increasing and our economy is being disturbed. The number of raids on our borders is also increasing. Therefore, I feel that it would be wiser that we should make a little more contribution towards defence and train our personnel, purchase more materials, more stores, more arms and keep ourselves ready to meet any emergency.

Then, Sir, I would like to make one other suggestion, that is, the law and order situation in the country is not very satisfactory. In spite of the best efforts of the Home Ministry the situation remains alarming. Recently I read in a paper that from Madhya Bharat the dacoits kidnapped one sub-inspector of police and two constables from the police station itself. You may have also read in the news-

papers that the dacoits have now changed their old strategy. They now go and surround the whole village, and loot practically the entire village. Previously they used to kidnap certain persons, hold them to ransom, get the money and release them. But now they have changed that strategy. They go and surround the entire village and loot practically the whole of the village and then they run away with the looted property. These are alarming conditions. Something has to be done and unless strict measures are taken, I am afraid the law and order situation in at least the three States of Madhya Bharat, Rajasthan and Uttar Pradesh is likely to deteriorate further. Stringent measures are absolutely essential. Either the Preventive Detention Act should be resorted to or some other measures should be adopted, but this situation must be brought under control. Unless this is done, the life and property in those areas are not safe and no progress is possible.

I would end by making one more suggestion with regard to university education. University education requires complete overhauling. Our ideas must change. We must train young men to meet the growing needs of the country. Every university is teaching practically every subject with the result that the standard of education has gone down and the graduates who appear before the Public Service Commissions do not inspire any confidence in them. This can be done only if the entire university education is reorganised. This can be done if certain universities are asked to teach only certain subjects and specialise in them and they should be given all possible financial and other assistance. Unless this is done, we are not going to improve the university education and a number of graduates coming out from the universities would not compare favourably with their compatriots in other countries. Therefore, it is necessary that we must reorganise the university education and see that

proper education is given to them, so that after passing out of the portals of the university they become good citizens of the country and serve it in the best possible manner.

I have already said something about educated unemployment. I consider that this is also a stupendous problem before the country and this should be tackled bravely and properly. The present Budget Estimate does not hold out any good hope. Even the Second Five Year Plan does not hold out very great prospects. The *Ambar Charkha* and all these small-scale and cottage industries are not going to solve this problem. The Government have got to consider this problem from a wider angle and unless this is done, I am sure that the discontent that is prevailing in the country now will increase. Therefore, something should be done so that this discontent disappears at an early date. Otherwise, these young educated men will become more dangerous to society than any other element in the country.

SHRI KISHEN CHAND (Hyderabad): Mr. Vice-Chairman, Sir, in considering the Budget and Budget proposals, the hon. the Finance Minister has very properly considered the economic background prevalent in the country and in the neighbouring countries. Any Budget proposals can only be based after a proper assessment of these conditions. But before I consider them, I would like to point out at the present time, no Budget Estimates can be very accurate because a very large part of the Budget income is derived from import duty, export duty and the various excises. In a fluctuating market, in a world market where the demand goes up and goes down very rapidly, it is not possible to forecast the situation that may occur in the world in the coming year. Therefore, I do not mind very much the large variations that have taken place in the Budget Estimates during the last five years. But I would certainly suggest to the hon. the Finance Minister that when there is a possible

[Shri Kishen Chand.]

deficit, he should not impose duties, only to cover up the deficit. He must say that in the greater interest of the country, it is essential to impose certain duties, but not say that the duties are being imposed to cover up the deficit, later on, to find that there is a huge surplus at the end of the year in Actuals. I think it really weakens the contention of the hon. the Finance Minister. Therefore, I would suggest that he should boldly announce that he is imposing certain duties in the interest of the country.

Then I come to the second point. The hon. Shri Parikh tried to defend the Finance Minister more than he probably will defend himself. I may point out one fundamental thing in the matter of foreign investment in our country. I submit that the condition of India at the present moment is far better industrially than what was the case of, say, Italy just after the Second World War in 1945; it is even better than of West Germany immediately after the Second World War. And what do you find? In a period of 10 years, these two countries have built up their economy. Industrially they have made up all the losses that they had incurred in the Second World War. All this has been achieved not by permitting foreign capital to come in as equity capital and establish industries in their countries, but they have borrowed freely from foreign countries. They have taken loans from the International Bank; they have taken financial aid from the U.S.A., U.K. and from other countries, but they have not permitted foreign investment in their countries. Sir, what we, on this side, have been suggesting year after year in this House at the time of the Budget discussion is that if you take the investment of foreigners in our country and indigenous capital and compare the positions, you will find that the ratio of foreign capital is almost equal to the indigenous investment in industry. That means that 50 per cent. of the

industries in our country are owned by the foreigners. The demand has been that we do not want to confiscate the foreign capital; but if possible to nationalise those industries. I submit that it is very essential in the interest of our economy.

SHRI LALCHAND HIRACHAND DOSHI (Bombay): West Germany and Italy work under private enterprise and they have made substantial progress.

SHRI KISHEN CHAND: Just now we are only discussing the point whether foreigners should be permitted to invest in our country or we should take loans.

I may point out in particular that we have got sterling balances of Rs. 734 crores. You know that the bank rate in England has been raised to $5\frac{1}{2}$ per cent. Is it not possible for our Government when the bank rate has been increased to $5\frac{1}{2}$ per cent. that they should demand from England at least 5 per cent. interest on these sterling balances? We are getting a very low rate of interest on our sterling balances from the Bank of England. I submit that it should be linked up with the bank rate prevalent in England. It may be half a per cent. less than the bank rate. In England people are borrowing from the Bank of England at $5\frac{1}{2}$ per cent. on the best possible security. What is the justification for India not getting a higher rate of interest on the sterling balances?

SHRI C. P. PARIKH: Previous agreement.

SHRI KISHEN CHAND: The agreement should have been linked with the prevailing bank rate. When advances are made by any banks, a stipulation is made that the rate of interest will be two per cent. above the bank rate or one per cent. above the bank rate. Similarly, if we had concluded an agreement in which it was stipulated that the rate of interest given to India would be half a per cent. below the bank rate, well, according to the agreement we would

ave got five per cent. The point becomes important when we see that in an investment of Rs. 730 crores we get about two per cent, while on a smaller investment of Rs. 450 crores by foreigners in our country, they get much higher profits, and, therefore, it is very essential that these foreign concerns should be nationalised.

An hon. Member just now said that because of private enterprise, Italy and West Germany and other European countries had advanced much faster. I do not want to make any comparison, but if we compare ourselves with China and Russia, we must admit that they have made more progress. They are not capitalistic countries. The hon. Member will turn round and say that ours is a democracy, while these countries have adopted totalitarian methods and, therefore, in our country that sort of progress is not possible. We cannot make the progress that either the totalitarian countries or the democratic countries of Europe are making. I submit that in our country, although we have a democracy, there is such a large majority of the Congress Party that they can pass any laws and regulations and that virtually our Government should have the advantage of both a dictatorship and a democracy. We should really do much better than either the capitalistic countries or the totalitarian countries. The trouble is that our Finance Minister is adhering to too much conservatism. In his long speech he has touched on every point. There is no point which he has not mentioned, and in every case he has been apologetic. I submit that his first sentence is that the progress made under the First Five Year Plan has been satisfactory. The total national income has gone up by 18 per cent. He considers it to be very satisfactory. He should realise that during this period the population has increased by 7 per cent. Therefore, the increase in the national income

per capita is only 11 per cent. The hon. the Finance Minister knows that the income of the rural population is very low, exceedingly low, and if there has been a 11 per cent. increase in the per capita income in a period of five years, then at this rate it will take nearly fifty years to double the per capita income of the rural population. The hon. the Prime Minister says that this is an atomic age, that this is an age of technological advances and that the country must progress rapidly, must progress very fast, but here comes the hon. the Finance Minister who says that he is quite satisfied with an increase of 11 per cent. in the national income. Sir, it is a question of judgment, of opinion, and no amount of argument can convince if a person is satisfied with this amount of progress. For the Second Five Year Plan, he thinks that an expenditure of Rs. 4,800 crores is very big and that it is an ambitious Plan. On the contrary, I submit that it is not bold enough, that the hon. the Finance Minister should have made a bolder Plan of Rs. 6,000 crores. It will take a very long time if I go into the details, and there will be another opportunity for this when we shall be discussing the Second Five Year Plan. The First Plan has not solved and the Second Plan will not solve the crying need of the country. This problem has been referred to by the Finance Minister. He says that unemployment is growing in our country. I do not refer only to the unemployment of the educated people; I refer to the general unemployment in our country both in the educated sector and the uneducated sector, in the rural as well as in the urban areas. By some sort of calculation it was first said that the Second Five Year Plan would provide employment for 12 million people, and then it was brought down to 10 million, and now 8 million is the figure accepted by the Planning Commission. The point is that there is an extreme form of under-employment and unemployment in the rural areas. When such is the case, I do not see

how the Finance Minister feels satisfied with the Second Five Year Plan and considers it to be an ambitious Plan. He has based his Budget on the basis of the Second Plan. I think that the hon. Member who spoke first on the Budget drew the attention of the House to the utter lack of housing in the rural areas. Has the Finance Minister in his Budget or in the Plan provided anything for rural housing?

SHRI H. C. DASAPPA (Mysore): Yes, Rs. 75 lakhs.

SHRI KISHEN CHAND: Yes, Rs. 75 lakhs has been provided for about five lakh villages. It means Rs. 15 per village. If the hon. Member and the Finance Minister feel that Rs. 75 lakhs is enough for rural housing.....

(Shri H. C. Dasappa rose.)

THE VICE-CHAIRMAN (DR. P. SUBBARAYAN): Order, order.

SHRI H. C. DASAPPA: He cannot make a wrong statement.

THE VICE-CHAIRMAN (DR. P. SUBBARAYAN): You may correct it when your turn comes.

SHRI KISHEN CHAND: The hon. Member himself said that it was Rs. 75 lakhs. I did not say that. There is no provision for rural housing. There is a difference between urban housing and rural housing. I know that there is some provision for urban housing. I was referring only to rural housing, and he has confused and misunderstood the issue.

Does the Finance Minister realise that building houses in the rural areas is the best way of giving employment to the people of the rural areas? There is a continuous trek from the rural areas to the urban areas, and this is adding to unemployment. If living conditions in the rural areas are improved, you will see that it will make a great deal of difference. If the rural areas get proper housing, if they get supply of good water, if they get electricity, you will change the whole out-look in the rural areas.

My biggest charge against the Finance Minister is that neither in his Budget nor in the Second Five Year Plan has he really thought of the rural areas. An hon. Member today criticised the *Ambar Charkha* as an out-dated thing. For want of a better thing, we have to adopt it. If the hon. Member had suggested a better way of relieving unemployment, the whole country would have welcomed it. I know that it is not a panacea for all evils. It is just one step in relieving unemployment. As long as we continue to base village industries on human labour, whether it is the handloom or spinning on the *charkha*, you cannot help adopting the *Ambar Charkha*. A day may come when the *Ambar Charkha* may be run by power and will become just like any other spinning mill. If an ordinary spinning mill has units of 100 spindles, this may have seven or eight spindles. My point is that some sort of distribution or dispersal of industry in the village areas is very essential.

3 P.M.

Then there is the question of educated unemployed. The educated unemployed have a vast field if proper schools are opened in the rural areas. Just now the rural areas have got schools but they are one-teacher schools and the salary paid to a teacher is about Rs. 25 to Rs. 30. You cannot expect educated urban people to go to villages and live in mud houses getting a salary of Rs. 25 per month. It is not possible. But if we change the shape of rural areas if you urbanise them, if you supply proper houses, proper electricity and water, and open schools with 4 or 5 teachers, then it is possible that you will have sufficient jobs for all these educated unemployed in the rural areas.

For two items of expenditure, the hon. the Finance Minister has indicated at two places that there is a high-power committee of the Cabinet to go into the expenditure and try to make economies there. I submit that in the matter of civil expenditure,

we find that so many items have been added up into it that it is difficult to find out what is being actually spent on civil administration and what on development expenditure. I refer to item 'civil administration' on page 3 of the Budget. Here it is said, in the accounts of 1954-55 it was Rs. 75 crores. The Budget Estimate of 1955-56 was Rs. 111 crores and the Revised Estimates are Rs. 105 crores. Now it is Rs. 135 crores. I admit that a large part out of this additional expenditure is for education and for various other developmental expenditure, but if the hon. the Finance Minister is really sincere to bring down the expenditure on the civil administration, he should have shown clearly from year to year, from 1947 to 1955 or 1956, what the expenditure on civil administration is apart from any development expenditure. By mixing the development expenditure with expenditure on the civil administration, it is very difficult for any critic to really build up a case. The moment he points out that the expenditure has gone up from Rs. 105 crores to Rs. 135 crores, the hon. Minister will come forward and say, "Well it includes the extra expenditure on education". But my contention is that the civil expenditure is going up by leaps and bounds, that during the last 7 or 8 years, it has increased by 50 per cent. Just to pay lip sympathy, the hon. Minister has said that a Cabinet Committee is going into this expenditure and possibly after a great deal of effort they will reduce one or two clerks or one or two Under Secretaries and probably make a saving of a few lakhs—that is not commensurate with the increase in expenditure that is going on in the country. Then the hon. the Finance Minister says that in the Second Five Year Plan we are going to spend Rs. 4,800 crores and in the First Plan we have spent nearly Rs. 2,200 crores. Is he sure that the nation has got full money's worth out of it? Is he sure that out of this Rs. 2,200 crores which were spent in the First Plan of which about Rs. 300

crores were spent on irrigation projects, a good deal of money, even up to 20 to 25 per cent., was not wasted and did not leak out? The story of Hirakud, the story of Damodar Valley and the revision of estimates are going on and on—the first estimate of Hirakud and the last estimate of Hirakud do not bear any comparison.

SHRI H. P. SAKSENA: The story of Chittaranjan, the story of Sindri and the stories of so many others?

SHRI KISHEN CHAND: I would like to know the relation between them. I am telling that the hon. Minister himself says that we are going to set up a committee of enquiry and we are going to have a high-power committee and an advisory committee which will go round the whole country. I am only repeating his words and I am only saying that he should have really done this thing two or three years back. An hon. Member says that there is the story of Sindri. Nobody denies that Sindri is really a very great achievement of our country, but the hon. Minister does not say and I don't think the hon. Member who criticised can aver, that the Rs. 25 crores spent on the Sindri Fertilizer Factory could not have been reduced to some extent. The Finance Minister never says that the full Rs. 25 crores spent on the Sindri Fertilizer Factory is really properly spent. Similarly about the other activities. What we are saying is that we must build up these things. We must have Hirakud, we must have Damodar Valley, we must have Bhakra-Nangal, but we should be sure that the money spent by the nation is not wasted and does not leak out. We don't want to spend on Bhakra-Nangal Rs. 150 crores we could manage it in Rs. 125 crore. That Rs. 25 crores has been wasted. Therefore, I think the hon. Minister should immediately take steps to see that it is very carefully scrutinised and that the expenditure is not wasted. On the question of Kosi project it is only two or three days back in the newspapers have asserted that the cost on that project has gone up.

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another Rs. 12 crores—from Rs. 25
crores to Rs. 37 crores.

Then, I whole-heartedly welcome the nationalisation of the Imperial Bank and the nationalisation of the life insurance business and I maintain that this nationalisation of life insurance is going to give plenty of funds. If it leads to more insurance, if the security offered by the Government funds can encourage more people to insure, it will benefit the country in two ways. Not only it will give capital to the Government, but it will take away the surplus purchasing power from the common man. You see the danger of inflation lies in the fact that with all this developmental expenditure, more money is in the hands of the people and with this money they want to purchase things and if there is a scarcity of goods, naturally it will lead to inflation. Instead of raising the prices of articles by excise or by indirectly curbing the purchasing power of the people, it is very good that the Finance Minister has nationalised the life insurance and now if active steps are taken for making life insurance more popular with the middle classes and with the poorer class of people and with everybody, all the surplus savings will be diverted into it. I am glad that every effort is being made to encourage national savings. Therefore, from the national savings and from this life insurance premiums the Government will have large fund for all the developmental expenditure. Some hon. Members have expressed doubts that deficit financing of the order of Rs. 1200 crores may lead to inflation and they have tried to build up a case by suggesting that during the last five years the price of some foodstuffs have increased by small percentages. I maintain that in a big country with an expanding economy, it is essential that there will be small variations in the price of foodgrains and manufactured articles, but on the whole there is absolutely no inflation and with the other steps taken to

mop up the surplus purchasing power, I do not think that a deficit financing of the scale of Rs. 1200 crores is impossible. I am one of those who think that even a deficit financing of Rs. 1500 crores is quite possible in our country, and if we are going to build up a bigger Second Five Year Plan with a target of Rs. 6,000 crores, that will be essential.

SHRI J. S. BISHT: That is the case of all capitalists.

SHRI KISHEN CHAND: I don't see any connection, in the remark of the hon. Member, between capitalism and deficit financing. The hon. the Finance Minister has suggested a certain level of deficit financing—Rs. 1200 crores—with a Second Five Year Plan of Rs. 4800 crores. If the hon. Minister had been bolder, he might have suggested Rs. 1500 crores deficit financing and a Plan of Rs. 6,000 crores, but I don't feel how this degree of caution and degree of boldness affects really the principle of capitalism or any other 'ism'.

SHRI J. S. BISHT: Because it means increase in profits.

THE VICE-CHAIRMAN (DR. P. SUBBARAYAN): You should not interrupt, Mr. Bisht.

SHRI KISHEN CHAND: I am afraid the hon. Member does not understand what he is saying. How does it inflate the profits? It is a question of public sector. It is not a question of private sector at all.

Then, I come to the defence expenditure. Sir, the President was kind enough to refer to the growing dangers to India's security on account of the SEATO and the Baghdad Pact. I greatly welcome the increased expenditure on defence suggested by the hon. the Finance Minister. But while I welcome it, I have to point out that a great part of this expenditure is being spent on the purchase of equipments from foreign countries. I would have liked that the ordnance factories and other defence factories in our country were reorganised so as

to produce more arms in our own country. We cannot permanently be dependent on foreign countries for the supply of arms. But what we actually see in our land is the reverse of this process. The ordnance factories and the military or defence factories are being converted for producing articles of civil consumption. I submit that with the danger of our neighbouring countries being armed by the U.S.A. and other countries, it is very essential that we should increase our expenditure on defence and produce more armaments in our own country. And here, may I point out that out of this sum of Rs. 203 crores, only Rs. 83 crores go towards the salaries of the service personnel? I think, Sir, our Army and our Defence Personnel deserve a little better treatment. I do not want to go into the details, but I may point out that a *jawan* is recruited at the age of eighteen or nineteen and he serves for about twelve years. Then he is transferred to the Reserve where he does not get any pay or pension or anything else. That means a young man joining the Army at the age of eighteen retires at the age of thirty or so and then he gets nothing, no support and no help. So, I suggest that in these days we should reorganise our Army. The Army has become a profession and we should not leave these men at the age of thirty or so without anything, to go back to their villages, probably to share the small area of land that the man's forefathers had left. That would be most unfair. So I feel that if you want a really first-rate Army, it is very essential that we reorganise our ideas of our Defence Forces. Between the *jawan* and the officers, there is a whole cadre of Non-commissioned Officers, and various names are given to them, like Lance Naik, Havildar, Havildar Major, etc. All these are not fully satisfied at the present time. I do hope that the Finance Minister will provide suitable funds so that our Defence Minister may be able to fully meet the requirements of the Army.

Sir, next I come to the question of the new taxes that are proposed now. There is increase in the corporation tax and in income-tax. I agree with my hon. friend Mr. Parikh that the levy on dividends is a very good thing. But I do not agree with him that the rebate given, the rebate of one anna on the part of the profit which was kept apart for reserve fund, is not proper. Our objective is to lower the rate of dividends. But we want more money to be ploughed back into the industry and when the hon. the Finance Minister very properly imposes a tax on bonus shares, there is no danger that at a subsequent date this profit which is ploughed back into the industry will reappear in the shape of bonus shares. So, while I welcome the tax on dividends in excess of 6 per cent. and 10 per cent., and I welcome the tax on bonus shares, I do not think that the rebate of one anna which was allowed on the profit that was not distributed but was added on to the reserve fund should not be withdrawn. That rebate of one anna should continue so that we encourage more funds being ploughed back into industries. Some hon. Members have taken objection to the levy of the excise duties. Well, this is a fundamental question. In any country excise duties are bound to be imposed. If we go on nationalising industries; and nationalising other sources of income, the result will be that the income from income-tax will go down and something has got to take its place. I think it is right and proper that some sort of excise duty be levied. During the discussions on the Second Five Year Plan, a large number of hon. Members had suggested even higher excise duties, and they even suggested higher turnover taxes. We do not want to depend on foreign sources. We want to depend on ourselves and it is very essential that money should come only in the shape of taxes. If the income-tax could be increased I would welcome it very much. Some people complain that there is a levy of 92 per cent., leaving out only 8 per cent. Probably the

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Finance Minister will come forward next year with a levy of 95 per cent. which is the rate in England where the level is as high as 19 shillings in the pound. But if we go to that limit, it would only bring in about five to six crores as additional income-tax. If we want to spend as much as Rs. 6,000 crores on our Second Plan it is very essential that we should levy excise duties and we should be prepared for it. I do not think we should shirk levying excise duties if we are to complete the big Second Five Year Plan.

One more point, Sir, and that relates to the Export Corporation. There has been an incessant demand that in the matter of exports we hold monopolies in certain articles, like jute and tea, and when this export trade is carried on by individual merchants, it sometimes leads to diversion of the trade to other countries because of the poor quality of the stuff supplied by our traders. But if this export trade is carried on by the Government, by the establishment of an export trading corporation, we can be sure of the quality of the stuff sent abroad and thus be sure of retaining the foreign markets. The export trade is bringing in a lot of money to our country and if this export trade is carried on by the Government, all the profits will accrue to the State and this will help in the financing of the Second Five Year Plan.

In conclusion I would say, Sir, that though the Budget is good on the whole, it is not good enough to create enthusiasm in the country. It has not solved any of our major problems. It is just a Budget to carry on from year to year—a normal, conservative Budget. Therefore, I would end by requesting the hon. the Finance Minister to adopt a more bold policy.

SHRI SHRIYANS PRASAD JAIN (Bombay): Mr. Vice-Chairman, Sir, the present Budget is a planned Budget, has very deep implications and has been conceived of very shrewdly.

The Finance Minister's speech on the Budget proposals is clearly indicative of the small beginning and of the things that are to come in the next year or in the coming years of the Second Five Year Plan. The Finance Minister, in an article he contributed to the Economic Journal of the A.I.C.C., has indicated the fiscal policy of the Government both from the ideological as well as the implementation of the Second Five Year Plan points of view. I think it will be interesting to quote his words:

"The most important desideratum in an under-developed economy—as ours is—is, of course, the creation of greater wealth and its more equitable distribution."

This means increased industrialisation of the country at a rapid rate and the expansion, side by side, of the public and the private sectors. He further says:

"Necessary stimulus will, therefore, have to be given to the development of the indigenous industry by the removal of handicaps in the way of their development and also by the provision of positive incentives".

Sir, we have to examine the present Budget to find out whether the philosophy that he has indicated and the objectives that he has put forward in the article that I referred to has been reflected in it. I shall deal with that subject when I come to the Budget proposals. We have to consider and analyse the Budget in terms of the Second Five Year Plan. The country will be launching the Second Five Year Plan in the next month. Before I deal with the Plan, it would be appropriate if I were to give my assessment of the country's progress and the achievements during the First Five Year Plan, particularly, the part played by the business community. There is no denying the fact that our economy now is on a much sounder basis than it was when the First Plan was launched. I appreciate this. The index figure relating to industrial pro-

duction has moved from 117·2 in 1951 to 146·6 in 1954. During 1955, there has been a further improvement and the index figure now stands at about 160. What is more important is that a large number of new undertakings are coming up. In the course of 1955 alone, as many as 563 new licences were issued for substantial expansion and for new industries. The production target had been achieved not only in respect of the consumer goods like textiles and sugar but also in respect of important industries like cement, paper, soda ash, caustic soda and other chemicals, rayon, bicycles and many others. The production in respect of sugar and textiles is far in excess of the targets. The business community has played the part allotted to it; as I said, in some cases, the targets have not only been fulfilled but have been exceeded. If the suitable climate is continued, I am sure the business community will contribute more fully to the development of this country. The plan should not be rigid; it should be flexible. There should not be the precise demarcation between the private and the public sector. The most important need of the hour is to improve production and rapidly industrialise the country without bringing much of an ideological factor. There are laws and regulations to control and direct the private sector and when the private sector goes wrong, these could be enforced. The most important thing is, as the Finance Minister in his article has said, that enterprise and initiative which are responsible for the success of the private sector should remain with it with adequate incentives added on. Not only that; along with the proper atmosphere, sufficient resources must be left with the private sector to perform the allotted tasks. If this is done, I am confident that the private sector will deliver the goods and will greatly satisfy the need of the country. Therefore, it is necessary and very necessary that the economic and taxation policies of the Government should be such that the private sector may carry on its responsibilities and the expansion of new undertakings

may take place smoothly and rapidly. Some of the critics have suggested—and it is being argued in the House also—that the Industrial Finance Corporation and other semi-Government financial institutions are financing the industries. Such assistance can only supplement the resources of the existing industries. Unless there is saving in the private sector itself or the private sector is able to raise funds from the market, the development will remain static. At present, there is no saving in the hands of the individuals because of the taxation policy of the Government. All the accumulated resources of corporations have already been utilised for the purpose of development and rehabilitation in the First Plan period. Much rehabilitation has been done and almost all the resources have already been exhausted. Therefore, it is necessary that sufficient money must be left with the companies to go ahead with their schemes.

All the developments which we are expecting in the public and the private sectors will increase the pressure on railway transport. As a matter of fact, the present position is very unsatisfactory and no development can take place unless adequate transport facilities can be afforded. In fact, development of transport should be ahead of industrial development. The Railway Administration requires to be strengthened so as to enable it to fulfil its obligations. Development of transport would also assist widespread expansion of industry. For this purpose, new routes are to be opened up and lines are to be reconstructed.

In my speech on the last year's Budget, I drew the attention of the Finance Minister to the position regarding over-estimation of expenditure and under-estimation of revenue. What I said last year is borne out by the figures. The deficit of Rs. 17·35 crores has turned into a surplus of Rs. 12·13 crores. This is his fifth Budget and it is very interesting to note that the Finance Minister is always erring on the side of caution

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and prudence. I shall read out, for the benefit of the House, the figures which make interesting reading. In the year 1948-49, it was estimated that there will be a deficit of Rs. 2.13 crores, but actually, when the actual figures came to us, there was a surplus of Rs. 50.84 crores. In 1949-50, while it was estimated that there would be a deficit of Rs. 45 lakhs, the actual figures turned out to be a surplus of Rs. 33.27 crores. In 1950-51 the story is repeated again. A small surplus was indicated by the Budget Estimates, Rs. .71 lakhs, but when the actual figures came, there was a surplus of Rs. 59.22 crores. From 1951-52, the year in which the present Finance Minister took charge, the figures are as follows. The 1951-52 Budget Estimates indicated a surplus of Rs. 26.10 crores while actually the surplus came to Rs. 128.09 crores. Something may be said that this may be due to the Korean War, but the facts remain that there was no proportion between the estimates and the actual figures. The 1952-53 Budget estimates indicated a surplus of Rs. 3.73 crores, but actually the surplus came to Rs. 38.93 crores. In 1953-54 Budget Estimates, a small surplus was indicated, .45 lakhs but the actual figures came to Rs. 8.5 crores. In 1954-55 the deficit was estimated at Rs. 14.21 crores, but when the actual figures were received, it turned into a surplus of Rs. 33.51 crores. In 1955-56, Sir, as I have already said, according to the original estimates there was to be a deficit of Rs. 17.35 crores and when the final figures came it turned into a surplus of Rs. 12.31 crores, and I have no doubt, even during this year, when the final figures would come, this will also be turned into a surplus.

The Finance Minister has earmarked Rs. 800 crores from taxation to finance the Second Plan. He estimates Rs. 350 crores at the current rates of taxation, and I am sure he can extract more than Rs. 350 crores even at the present level of taxation with the increase in production. For the balance

of Rs. 450 crores for which he wants to levy new taxation I think the Union Government's allocation is Rs. 225 crores and Rs. 225 crores are from the States. On this basis an average of Rs. 45 crores a year is to come to the Union Government's coffers from this new levy. Though the Finance Minister has assessed it at about Rs. 35 crores this year from the new taxation proposals, I am sure and confident that this new impost will yield much more than what he has estimated. Therefore, he could have afforded to some extent not to levy direct taxation and could have left some more money in the hands of the private sector and to the individual to finance their schemes more rapidly and effectively, which could bring more money in due course of time.

Sir, according to me the main considerations and the principal objectives of the taxation policies are four: (1) There should be all-round development of the country so that the maximum number of people are employed. (2) The disparity in wealth and income amongst the people should be reduced. (3) Sufficient capital should be formed so that it can be ploughed back for the purpose of development. (4) The inflationary tendencies should be minimised. Now we have to examine whether the entire proposals will achieve these objectives. I have already said that the resources will dry up and capital formation will be more and more difficult. If all the taxation proposals are put into effect, the new development and expansion programmes will have a set-back, and the result will be that you will not be able to give employment to our people to the extent we all desire or as estimated by the Planning Commission. Therefore, I would submit to the Finance Minister to reconsider and modify the proposals as far as he possibly can.

Now, Sir, I will deal directly with the proposal itself and show what will be its effect on the economy of the country. The rebate of one anna on undistributed profits of the companies, which do not come within the

mischievousness of section 23A, has been withdrawn. This was a wholesome feature, Sir. It was a sort of an incentive to conserve your resources as much as you can.

Now, look at the proposal to levy an additional super-tax, on dividends above 6 per cent. up to 10 per cent., at the rate of 2 annas in the rupee and on dividends above 10 per cent. at the rate of 3 annas in the rupee. The philosophy underlying this proposal seems to me that the money must not be allowed to be freely distributed but encouraged to be ploughed back. Before I comment on this proposal you will find that the withdrawal of the one anna rebate is contrary to this objective. If it is really the intention of the Finance Minister that sufficient resources may remain in the hands of the corporate sector, then this withdrawal of the concession of one anna is not justified. May I request the Finance Minister to reconsider this proposal in the light of his own budget scheme?

Now, coming to the second proposal of a levy on the distribution of dividends, I welcome this in the sense that the corporation tax has not been increased on the whole profits. It has been left to the discretion of the companies or to the managements that they may pay the super-tax to the extent they declare dividends over 6 per cent. This problem should be looked at from this point of view also that the purpose in view is likely to be defeated if by restricting dividends no attraction is left to the prospective investor. We have to bear in mind that we should foster the present and fresh investments too. The scheme is more likely to discourage rather than encourage the prospective investor. As I have said before, there are, of course, some advantages, and, therefore, we have to strike a balance between the two. One must not forget that the anticipated profit of a corporation is normally less mobile than individual savings. These cannot be invested in the same free manner as personal savings. There are so many restrictions, under the new Companies Act,

for the investment of corporate savings. Secondly, it may be possible that the particular industry may not need the fund and the other industry might be starving. If the fund would have gone into the hands of the investor, he might have put his money in those companies which are in need of funds.

Now coming to section 23A companies. Sir, wherein a company is obliged to distribute 60 per cent. dividend or 100 per cent. dividend as the case may be, the position will be like this that they have to distribute the profit, and over and above that they will be compelled to pay the levy on its distribution. It will be more fitting and proper if it is done in this way that either they may not be compelled to distribute this dividend or this new levy may not be imposed on these companies. This goes contrary to the philosophy of the new proposal. When, Sir, by restricting the dividends it has been thought that more and more funds may remain in the company, why should we compel the section 23A companies to pay more dividends?

I would like to say one word with regard to section 34A of the Income-tax Act. Clause 18 of the Finance Bill amends section 34 of the Income-tax Act withdrawing the time-limit of eight years, that is, there will be no time-limit for completion of assessment or reassessment proceedings. This is a source of great harassment to the assessee. This provision has been amended twice earlier, that is to say, in 1948 the period for reopening a case was extended to eight years. In 1954 there was another amendment. So I say there should be some finality about assessment proceedings. Many changes might take place in the set-up of the assessee and the new persons may be asked to furnish information of which they have little knowledge or no knowledge.

So far as concealment is concerned I would rather like to suggest to the Finance Minister that he should put the specific word "fraud" in the Finance Bill instead of merely saying "reason to believe" etc. A particular

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 officer or a particular person can be harassed by the enquiring officer and he can say, "I have reasons to believe that the particular income has been concealed" and rope him in. What I say is that there should be a *prima facie* case to show whether any concealment has taken place or not. If it is a question of "fraud" then I have no objection, but the provision made gives very large and wide powers to the officers and it will be a source of harassment to the people, and there will be no finality anywhere.

[MR. DEPUTY CHAIRMAN in the Chair.]

The acts of omission and commission of the assesses may not descend to their sons. In any case it should be re-opened only in the case of fraud.

Sir, I would also like to say something about initial depreciation. Last year the Finance Minister was good enough to introduce a scheme of development rebate. It was a very welcome move and it is really in the interests of industries. When the development rebate was introduced he withdrew the concession of the initial depreciation. I have nothing to say on that but he allowed the continuance of the concession of initial depreciation in the case of buildings and machinery which did not come under the benefit arising out of the development rebate. Now, after a year I do not know what has prompted the Finance Minister to withdraw this concession which was very helpful to the companies. As a matter of fact, the Government does not lose anything. On the other hand the companies were getting some initial advantages in the beginning when they need more funds for establishing and running the industries. I would, therefore, request the Finance Minister to reconsider this question, particularly in the case of new companies as it would be very advantageous and beneficial in the formative stage to have this sort of a concession and it will help in the formation of more and more companies.

Sir, I want to say a word about excise. I welcome the proposals relating to excise which have been brought forward by the Government in this Budget. As a matter of fact, every section of the society must have to bear the burden of the Second Five Year Plan. People were really expecting much more excise duties this year but the proposals made have not been to the extent that the people had expected. The criterion for the imposition of excise duty should be whether a particular industry is hampered in its development. If its development is not hindered, then excise duties may be imposed instead of resorting to direct taxation. I would, therefore, suggest that in future there should be more and more emphasis on excise rather than on direct taxation.

Sir, I welcome the appointment of the high-powered committee referred to in the speech of the Finance Minister. As a matter of fact, it is long overdue and I hope that this committee will minimise the wasteful expenditure and delays and inefficiency. Sir, during the past seven or eight years the administrative expenses have gone up by about 50 per cent. When we need more money for the purpose of development, it is very necessary to have every possible scrutiny so that waste may be avoided and the money saved may be channelled for the more beneficial purpose.

I would also like to say a word about the defence budget. Sir, the President indicated in his Address this year that our defence position is very delicate. Because of the military aid to Pakistan from U.S.A. and because of the Baghdad Pact, the position of the Pakistan Army has been very much strengthened. When partition took place the position of military strength of the two countries was three to one in all the three wings, Army, Navy and the Air Force. Now, it appears that they have not only equalled us but perhaps even exceeded us. Therefore, it is very necessary to have more provision for defence so that the security and safety of the

country may be ensured. Sir, what is the good of all this development if the very security of the country itself is in danger? The full amount allotted for defence last year has not been made use of. A sum of Rs. 17.60 crores has not been spent because stores were not available. I would like to know from the Government as to why these stores could not be purchased. If U.K. was not in a position to make these stores available to us because they wanted to give under the Baghdad Pact to somebody else, could we not have gone to some other country and bought these stores?

Then, Sir, there was recently a news item that we were going to purchase an aircraft carrier at a cost of nearly Rs. 30 crores. Quite recently our Prime Minister went to Bombay to see the air-craft carrier. Sir, I am not an expert in this line, but from what little I know I doubt whether this aircraft carrier will be of much use to us. Moreover what significance will this one aircraft carrier have? Our naval strength is not much and we have a huge sea coast. Therefore, there will not be much use for this aircraft carrier. Instead I would suggest that we put up and develop ammunitions factories, aircraft factories and other factories so that in times to come we may be self-sufficient and we may not have to depend on foreign supplies. It is very important and desirable, in the situation in which we are placed today, that we should be more and more self-sufficient in the matter of defence.

With these words, Sir, I welcome this Budget.

DR. NALINAKSHA DUTT (West Bengal): Sir, yesterday we listened to two very interesting speeches. One hon. Member disapproved the financial policy of the Finance Minister while another hon. Member over-approved his policy. In fact, one painted him as an evil genius and the other painted him as an angel. I do not think that either of these two is correct. I want to take a *via media* course.

10 R.S.D.—5.

Sir, in fact before the Budget came out we were frightened by many announcements coming out from responsible members of the Planning Commission of which the Finance Minister is also a member, that there would be a ceiling on income, that there would be a tax on total wealth, that there would be an increase in the rate of estate duty and so on. In this way we were given a shock treatment and we were all apprehending that a limitation would be placed on income at Rs. 30,000. Some said that after great persuasion the Finance Minister agreed to raise it to Rs. 50,000. In this way we were told several things from different responsible quarters. But I should say that the Finance Minister started on his socialist policy last year. Last year he already taxed the highest income at the rate of 88 per cent. This year he has raised it to 92 per cent. That means from last year he has already started putting a ceiling on income. Nobody can earn more than Rs. 70,000. Now, after the tax on Rs. 70,000, it leaves us only Rs. 38,000. The highest slab is above Rs. 1,50,000, after tax it leaves only Rs. 51,000. If you calculate all these figures, you will find that practically a ceiling has been imposed and whatever earning we may have we can keep only Rs. 6,000 as against an increase of Rs. 50,000. So, if this is not a ceiling, then what is a ceiling? Only it is not a definite, fixed ceiling. But our socialist policy was anticipated by the U.K. The U.K. introduced this taxation even in 1954-55. They also charged for £5000 nine shillings and six pence; for £10,000 twelve shillings and seven pence. For every pound over £15,000 the tax rate is nineteen shillings in the pound. Therefore, it is apparent that the U.K. goes ahead of us in following the socialistic policy and the credit does not go wholly to our Finance Minister. It has become the rule of the day that a limitation should be fixed on the highest incomes.

In the Budget I do not think that the Finance Minister has taken any credit for the back duty. In every

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country where the taxation is heavy, there is always an attempt for allowable evasions. I do not mean illegal evasions. In the United Kingdom Report of the Public Accounts Committee for 1951, they state that there were 80,000 traders who escaped from paying the full quota of taxes, specially several small traders who deal on cash basis. In 1952-53, the collection of back duty in England was £11 million; and the collection of back duty in 1953-54 was £20 million. So, I think, in a similar way, now the Finance Minister is attempting by lifting the time-limit of going to the back incomes, that he would also realise some amount, as collected in England. The previous speaker has already pointed out that this causes a great deal of irritation. Every assessee is continually under suspicion and he has no rest. Any time an officer can come and call for his return of income for a number of back years. So, it was a good policy that there should be a limitation. An eight-year limitation was quite long enough. The evasion in other countries is also very great. In France evasion is 25 per cent. of traders whose turnover is over £2 lakhs; 30 per cent. of those below £2 lakhs; and 65 per cent. of those below £20,000.

Now, our Finance Minister is actually strengthening the Directorate of Inspection. This is really a frightening thing, for our inspectorate generally recruit men who are not noted for their high integrity. These inspectors collect incorrect information and cause irritation to the assessees. Also, they cause waste of time, money and energy to the tax-payer as well as to the Revenue Department and it is not also compatible with free economy. Hence we are afraid that the Finance Minister is also taking the same undesirable line of action, as the U.K., of strengthening his inspectorate. What I would suggest is that our Finance Ministry should try to rope in more assessees. There are only eight lakh assessees in this country of 36

crores; whereas there are twenty million assessees in the U.K. I admit that the national income of U.K. is much higher than that of ours, but in any case, with an increase in our national income we do expect that the number of assessees should also increase. If you cast your net wider and put the rope around a larger number of people naturally the honest assessees will be saved from further taxation. And, therefore, instead of increasing the inspectorate, I would request the Finance Minister to engage men to find out new assessees so that our income can increase; at the same time the honest assessees may be saved from repeated irritation. At present our total tax, including that of the States, does not exceed ten per cent. of the national income, whereas it is forty per cent. in the U.K. twenty-nine per cent. in France and nineteen per cent. in Italy. I think from this ratio also we can expect some more assessees and some more income from taxes. If there are some rules laid down for introducing some uniformity in maintaining the accounts of the small traders or medium traders, if they insist on their audited accounts, perhaps the Finance Minister without much difficulty will be able to rope in more assessees and make a good earning out of his income-tax. And this, I think, is a more desirable course than strengthening the inspectorate.

Sir, the Finance Minister has tried to take the policy of expenditure assessment. On page 11 of the Memorandum he has tried to stop inflation of expense account. At the present moment, the Income-tax Officers do scrutinise the general charges and, therefore, if there is extra expenditure, it is checked there. Now, if the department asks them also to go into the question of buildings, motor car expenses, and such other expenses, it will cause a lot of irritation and more trouble to the honest assessee. Therefore, this expense account theory has not been accepted in U.K. This is a very latest theory and I should say that our Finance Minister should wait until this expenditure assessment is

accepted by the economists of the world.

Now, I want to touch this corporation tax. Many previous speakers have already touched it, that is, withdrawing the rebate which was allowed on undistributed profits. This was really a healthy system which ploughed back some profits for the benefit of the companies and by this withdrawal the companies are losing some benefit, by way of ploughing back of profits. And also he has withdrawn the initial depreciation. Over and above this he is introducing a two-anna tax on those companies which pay dividend from 6 per cent. to 10 per cent. He has not taken into account the fact that the dividend the share holders derive, is not there from the time of the investment. For the first five or ten years they do not get any return. And, therefore, if they get a return after four or five years of six per cent—if you calculate on that basis—it will not even come to two or three per cent. Therefore, I think six per cent. is a very low level of return on the investment in limited companies. Therefore, if he wants at all to penalise by a higher tax, let it be above ten per cent. and not between six and ten per cent. I do not mind if he taxes three annas, if it is above ten per cent. But in any case the shareholders should not be deprived of their six per cent by this two annas. This will cause a lot of hardship to the shareholders. All shareholders are not rich people. Many shareholders consider the shares in limited companies as their future investment, as their future insurance. For them I plead that dividend between six and ten per cent should not be taxed. I do not want that any penalty should be imposed. If at all it is to be imposed, let it be above ten per cent.

Another handicap that the Finance Minister has introduced is of not allowing rebate on income-tax certificates. So long, the custom has been that the limited companies deduct income-tax from dividends and

deposit it in the Income-tax Department and the shareholders get rebate by showing the certificates. The Finance Minister has raised this question. Well, how can the Government pay back before the companies pay? I do not think that this is very logical. Well, sometimes, the delay is caused by the Department and for this, why should the poor shareholder suffer? Then again, there are some new companies who do not pay actually any income-tax for the first few years. They show profits in balance sheets; they declare dividends. But in the income-tax account, they carry a loss on account of development rebate and other depreciation. For the first two or three years, if they issue dividends and dividend certificates, naturally the shareholders will be deprived of that benefit. The Government will get the money in the long run after four or five or six years. But it is only a time lag. But why should the Government stop payment of the rebate to these poor shareholders? He has not taken this into consideration when he asks: "When Government has not received payment, how can it pay back?" But in hundreds of cases, Government does not pay it back. I know some shareholders who have dividends and rebate, certificates but they do not know how to correspond, where to go and how to get back the rebate on income-tax. You will find that crores of rupees have been collected; the Government have received the money, but have not paid it back to those who are entitled to it. Hence, his argument of not paying the rebate on income-tax certificate is not justified.

I come to excise duty on cloth. Some of the previous speakers have already pointed out that every year the Finance Minister comes out with a deficit Budget, but in the revised Budget, he shows a surplus. Naturally our country is having an expanding economy. In this expanding economy, it is very likely that income will go up and there will be no deficit. Hence, last year the Government imposed a

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 duty on cloth from lineal yard to square yard and also made it one anna per square yard. Then after many protests, the Finance Minister reduced it to six pies. He has pointed that out. Now, he has again raised the duty to one anna. If he gets duty at the rate of one anna, you can well imagine how much surplus there will be. He had a surplus of Rs. 12½ crores. If he raised that, it will be some crores more. Another matter that I want to point out is that the Finance Minister has levied a flat rate increase of 6 pies per sq. yard on all varieties of cloth—super fine, fine, medium and coarse, except, of course, coarse dhoties and saris. There are cotton blankets, cotton chaddars and various other varieties which are used by the common people. Therefore, practically he is levying a duty of 6 pies on all varieties of cloth from coarse to fine. This works out to 25 per cent. in super fine, 40 per cent. in fine and 100 per cent. in coarse and medium varieties. Is that proper? I would appeal to him to reconsider this point and reduce 100 per cent. to 50 per cent. Let the excise duty be increased on coarse and medium cloth by three pies and not six pies and that will not touch his Budget really. He will still have a surplus Budget next year.

Along with this, I have got to point out that there should not be any duty on mustard oil. It is treated as a non-essential vegetable oil. But mustard oil is used in our part of the country, Orissa and some of the eastern States by every family. If you tax this oil, it will affect all the poor people in these parts of the country. It is not realised in other parts of the country what importance mustard oil has in Bengal and Orissa, where it has got a particular importance. Therefore, I would appeal to the Finance Minister not to impose any duty on mustard oil.

There is another point to which I would like to draw the attention of the Finance Minister. It is sales tax. In every state, there is sales tax on cloth which amounts to 3 or 4 pice per

rupee. This sales tax is also charged on the excise duty, which is not exempted. Therefore, practically the excise duty has got a surcharge in the States. So, in this way, every consumer of cloth has got to pay one to two rupees higher per pair of cloth.

I now come to the question of export. We are obliged to the Government for organising the Export Promotion Council and export credit and making all possible attempts to spread the export market. It is very good on the part of the Finance Minister to speak of modernisation and rationalisation. But I do not know whether, in the present situation, this is feasible with a strong feeling against rationalisation. The oppositionists still believe that the Amber Charkha will solve the question of unemployment. But if this is the belief of a large section, I do not think that modernisation or rationalisation of the mills will materialise, and the mills will be able to secure export markets. All that we need now to develop the export market is restraint on the trade unions to prevent them pressing for higher wages, and efforts of employers to push sales in the export market. That should be done along with the budgetary and economic policy. So, in order to secure export markets, it is indispensable that we must modernise and rationalise the industry. Unless this is done, there is little hope of competing with Japan.

The Finance Minister has extended some allowance to tea. But, unfortunately, he has limited it to the higher class of tea ranging in price from Rs. 3¼/- to Rs. 4 per lb. Now, in the Assam, Cachar and Bengal tea, the lower class is not fetching even Rs. 2½ per lb. Therefore, it is also desirable that that concession which has been given to higher priced tea should be extended to the lower class of tea of Rs. 2½ a lb. For, the present price prevailing in Cachar is about Rs. 2¼ per lb. and it is an unproductive price. Therefore, it will be fair if the Finance Minister extends this concession of two annas to tea

Rs. 2½ per lb. and four annas to those varieties selling at Rs. 3¼ per lb.

Another point which I wish to refer to is the export duty on cotton waste. Last time, cotton waste earned Rs. 2,70,00,000. This duty is high and cotton waste is not exported in full. It is high time that he should give some attention to this aspect and reduce the duty and help its exports, so that the mills can reduce their productive cost by getting some money in the value of cotton waste.

Now, I come to the question of unemployment.

In this Budget speech of the Finance Minister, it is found that his optimism has been replaced by pessimism. He has said:

"Notwithstanding the progress achieved in different sectors of the economy, the employment situation in the country remains a matter of concern The number of persons on the live registers at the various Employment Exchanges rose from 6.1 lakhs at the beginning of the year to 6.92 lakhs at the end....."

In January, there were fresh registrations of 1,42,000 as against 1,47,000 in December.

The total number of persons seeking employment through the various Exchanges in January 1956 is 71,73,456, an increase of 25,387 from the December 1955 figure. The number of displaced persons seeking employment is 46,470, an increase of 4,471 in one month. This particularly affects West Bengal. Government has issued circulars to the effect that displaced persons should be given preference in the matter of employment, but effect is given to this only in Bengal and not outside Bengal. The responsibility of providing employment to the displaced persons rests with all the State Governments. It is, therefore, desirable that some steps should be taken from the Centre to see that all the States give preference to displaced persons, as West Bengal does, in giving

employment. Now, by the concentration of displaced persons in West Bengal, the non-displaced persons are getting more and more unemployed. In fact, during the last few years, whatever vacancies were there were filled up by displaced persons and, therefore, the persons who were originally in that part of West Bengal could not get any job. This is increasing unemployment and we are not giving any attention to this. If you mean to bring about a socialistic pattern of society, if you mean to put a ceiling on income, etc., we have no objection, so long as it is possible for the Government to give full employment. Without giving full employment, it is futile to speak of ceiling on income or to speak of 92 per cent. in taxes, etc. This is a grave problem, and I appeal that our Ministers should give their whole-hearted attention to this aspect of the situation, especially to the employment displaced persons.

Then, I want to mention one new point which is generally not touched by others, i.e., the celebration of the 2,500th anniversary of Buddha. I find that in the Budget Rs. 15 lakhs have been provided for this celebration, and some more money has been provided for the repairs of roads to places which are sacred to the memory of Buddha. At the same time, some money is to be spent on converting Nagarjuna Kund into Nagarjuna Sagar. On one side you speak of celebrating the 2,500th anniversary of the Buddha and on the other side you are filling with water a very important site which has been important from the palaeolithic period and which was of great importance during the Buddhist period as the whole of South East Asian culture emanated from this Nagarjuna Kund and not from North India or any other part of India. It was Andhra who spread our culture in South East Asia, and if you want to develop cultural contacts with those countries by celebrating the 2,500th anniversary of the Buddha or by some such thing, I should say you should pay more attention to this site of Nagarjuna Kund and develop it, to establish a university there and

[Dr. Nalinaksha Dutt.]

make it of permanent importance, and not cover it with water. There are engineers in India, I am certain, who can suggest other ways and means of diverting water to some other place. Let us not spend any money on converting Nagarjuna Kund into Nagarjuna Sagar and thus do justice to the Buddha Jayanti. I should say that this site is even more important than even Nalanda or Taxila.

The hon. the Finance Minister seems to think that the rural sector is developing. At least I do not feel like that. Sugarcane prices are fixed at Rs. 1.5. Jute prices are down. Cotton prices are this time a little improved. There is some increase in the price of rice and wheat, but there is no increase in the price of other cereals. Therefore, how can you say that the rural sector is better off now? I don't think we have done anything so far by way of rural credit. This scheme is only on paper and the agriculturists have not got any benefit out of it. I would, therefore, request the Finance Minister to expedite this scheme and give relief to the rural sector and also see that the prices of agricultural products increase within a short time. With these few words, I support the Budget.

SHRI N. D. M. PRASADARAO (Andhra): Sir, with the little time at my disposal, I would confine myself only to one or two points. The speech of the Finance Minister as well as the summary report that was supplied to us give us more or less a complacent picture about the economic situation. I will refer only to the situation in the agricultural sector. We find from the Finance Minister's speech and also from the Report of the Food and Agriculture Ministry that the food situation has improved, that production is going up, that prices are being maintained and that the Government is watching the situation. I want the Government to say what they mean by saying that the economic situation is improved. Do they mean the country as an abstract proposition or do they refer to the people who are living

in our rural areas? If you think that the rural people, especially the peasants and the agricultural labourers, have benefited by this so-called improvement in the economic situation, then I respectfully submit that it is not true. Last year, the Government was agitated about the fall in prices. They appointed a Committee to go into the fluctuations in prices and make recommendations. It is still deliberating, and the prices are today shooting up. I come from the rural side, and I will give you instances. Last year the price of paddy per bag was Rs. 13 at the time of the harvest. This year within one and a half months of the harvest, it is Rs. 21 per bag. Similarly the price of red gram which was selling at Rs. 18 per bag last year, is Rs. 40 per bag this year. Green gram which was Rs. 18 per bag last year, is Rs. 47 per bag this year. In this way, prices are shooting up. What is the Government doing? Does it think that this is a satisfactory state of affairs for the rural people, the poor peasants and agricultural labourers who have to buy these things? Similarly about the increase in food production. I do not deny that there has been some increase. But increase in what? Government is taking some year, when production was at the lowest ebb, as the base year, and says that production is going up. If we really want to see whether there has been any increase in production or not, we must take the peak production in our country at any time and then compare. I will quote the Government's own figures. Here is their magazine "Food Production in India", from which we find that the estimated availability of foodgrains per day per adult was 16.3 ounces during the pre-war period. But today when we claim that the agricultural production has gone up tremendously, we find that it is only 14.8 ounces. So this is not a matter of pride and we need not be complacent about it. Similarly about the production also, if we want to see, we have to compare with our peak production. If we compare it with the peak production once again, then the index figures read like this.

If the base period was taken as 1938-39, the index for rice in 1943-44 was 105 out today, in 1954-55, it is only 105. This is again not a matter of pride for us. The same thing applies for other crops like cotton. It was 107 at one time and today it is 106. Groundnut, another commercial crop, was at one time 125 and now it is 122 in 1954-55. So in this way you will find when you compare the figures, we need not be satisfied with the position. Of course if we compare with some famine year or when crops had failed completely, then of course production has increased, but we should not be satisfied with that. I am only making these remarks because in the Budget speech and in the reports we get a complacent picture that everything is all right and, therefore, we need not worry about anything at all. Similarly the Summary Report of the Food and Agriculture Ministry says that because of the improved techniques used, the production has gone up. But I would request the Government itself to be accurate in such statements. In 1953-54 the food production has reached its highest level. Then the Government was modest enough in estimating that. They said that because of favourable seasonal conditions and better statistical coverage, there was that large production. and that the production increase was mainly to these conditions, but now, or last year—when the food production was not at that level of 1953-54 and it has gone down, but still, compared to 1949-50 it is high—what do the Government say? They say that it is not because of favourable season but because of the Japanese method of rice cultivation. But how much rise has it come to? The Government in their report say that about 1.3 million acres of land was cultivated by the Japanese method and per acre the increase in yield was about half a ton. It comes to 7 lakh tons more. How is it that in rice itself we find that 32 lakh tons were less this year than during last year. Therefore, in estimating these yields and giving a picture, we should be very accurate and not boast that because we have

used technical methods in a small part of our country the whole production has gone up. That is not the correct estimate of it. Similarly, if you take up the rural side, then the agrarian debt is very great. The Rural Credit Survey Committee itself has said that in the year of their investigation the rural indebtedness was the highest in the last 10 years. So this is not a matter of complacency or pride for us. Rural indebtedness is growing up every year and Government neither at the Centre nor in the States as well as the Committee which has made this report.....

SHRI LALCHAND HIRACHAND DOSHI: Can you give any figures?

SHRI N. D. M. PRASADARAO: They have given about Rs. 750 crores. But it may be a very very modest figure also. Therefore, this rural indebtedness has not decreased. On the other hand it is growing and we need not be very complacent about that as well.

SHRI LALCHAND HIRACHAND DOSHI: How much was it in 1950-51?

SHRI N. D. M. PRASADARAO: Nobody has given that.

SHRI LALCHAND HIRACHAND DOSHI: How do you say then that it is increasing?

SHRI N. D. M. PRASADARAO: Because Government themselves in their report say that. If you want I will read that. This is from "Trend in indebtedness since 1929-30". This is the passage from that Report—first part.

"Some enquiries on debt were conducted in the post-War period in West Bengal and Bombay. The Bengal enquiry which covers part of the War and post-War period indicates a rising trend in indebtedness. The evidence contained in the data available for Bombay points to a similar conclusion. This is not surprising in view of the fact that all debt contracted for current purposes in the post-War period would

[Shri N. D. M. Prasadarao]

be at steadily higher levels because of the continuing increase in the prices etc.

The year of the Survey saw, for the first time in a period of over 10 years, a sharp decline in agricultural prices and it also probably recorded on that account a higher increase in debt than in any previous year for a long time past." (Rural Credit Survey, Vol. I, p. 20)

This is from the Rural Credit Survey Committee Report itself.

Then about the condition of the tenants. It is far from being satisfactory and the Planning Commission itself in the draft outline of the Second Plan has admitted that "invariably the intentions of land reforms legislation have not been fulfilled to the extent hoped for." This is a very modest estimate of how the land reforms and the tenancy laws in the various States are working. Only if we go and see in the villages we will find a very very horrible picture. Various State Governments have submitted their reports. They have investigated into how these land reforms are working. The Hyderabad Government says that in the course of 3 to 4 years, 57 per cent of the tenants have been evicted from land and that too from 59 per cent of the lands held by the tenants. In fact they were given protection by the tenancy laws and the tenancy law in Hyderabad was perhaps the most progressive legislation of all the tenancy legislations in India and was passed in 1950 itself and still after that legislation has been passed, the Government has come out with this report last year. They have also said how it has happened. They say that 77 per cent of that has been through voluntary surrender and they have also said what those voluntary surrenders are. They are involuntary surrenders and they are forced surrenders. Similarly so many Governments have reported. The Bombay Government have said

that 20 per cent. of tenants have been evicted from 18 per cent of lands. Same thing has happened in other States also. So, this is what is happening and when this is happening you cannot say that the economic situation is very bright. Similarly about the other conditions of the tenants. About rents, in most of the States the maximum rents have also been fixed, but in no state are these legal rents being implemented. Invariably in almost all the States, the usual rents, the customary rents are being collected even today and this too, very openly. This is all happening because of so many loopholes in the legislations. Not only that. Though not plainly, the draft outline of the Plan itself has admitted that there is no proper administrative machinery to implement all these things. Therefore there is this lag. Therefore, this is what is happening in the rural side.

Similarly, let us consider what is the condition of agricultural labour. In the South, this agricultural labour forms nearly fifty per cent of the rural population. What is happening to them? There is no attempt to fix the minimum wage, at least the law in this respect is not being implemented. And in the State of Andhra only in the last minute have they attempted to enforce the Minimum Wages Act and that too only in fourteen villages. These villages are mostly in the agency areas where only the tribals live and where there is no wage labour. And two of these villages are in areas where there is no agricultural labour and the area is barren. Was it the intention to prove that the Minimum Wages Act had failed? Otherwise there is no reason why it should be sought to be implemented only in these fourteen villages. In this way, this Act which has been there on the Statute Book for the past seven years had not been implemented properly and we find the wages going down under conditions when the prices are shooting up. As for tackling the problem of unemployment and relieving unemployment in the rural areas, there is no proper

action taken so far. I do not want now to go at length into this subject of unemployment.

The next point which I want to raise within the short time at my disposal is the one relating to the land records. In the Summary Report of the Food and Agricultural Ministry it is said:

"Steps for the improvement of land records and agricultural statistics were continued to be taken during the year."

I do not know what are these steps that are being taken for improvement of these land records. I can from my practical experience say how this work is going on. In the U.P. when the land records were examined, they detected innumerable mistakes and there was a huge agitation. Lakhs and lakhs of these mistakes were found and the Government was forced to order correction of these records. What happened after that? Again, even after these corrections of the records lakhs and lakhs of these mistakes were detected. To give only one example, in the tehsil of Unao Sadar—and there the consolidation of holdings is going on—15,000 mistakes were detected in one taluka only. And in some 235 villages in respect of 3,16,000 plots of land a total of 1,10,000 mistakes were found. And so this is how these land records are being kept and corrected. In Purnea district in Bihar where the work of survey and settlement is going on, they found thousands and thousands of mistakes in each taluka. When the peasants themselves attempted to get these mistakes corrected, when they approached the Survey Department officials, then the landlords intervened and within the course of some two months, Sir,—and this I speak from very very reliable information gathered from the topmost Congress leaders in that State—more than twenty murders of tenants had taken place, just because the tenants wanted to prove their possessions and get themselves recorded properly. What is that State doing? I am very sorry to say that very big persons in the State

are suspected to have had a hand in these murders; they are also directly connected with them. But still we find that not even a single landlord has been arrested, even though some cases are going on. What is the Government doing? What is the police doing? Are they giving protection to the tenants who are trying to get their names recorded? Nothing of that sort. In many places, in these cases where the tenants were murdered, even the tenants are being prosecuted.

MR. DEPUTY CHAIRMAN: The time is up. You have already taken five more minutes.

SHRI N. D. M. PRASADARAO: I am winding up, Sir. So what I want to point out is that the economic condition in the villages should not be judged merely from the fact that food production had gone up or that the prices were going up or going down. You have to take the real picture into account and see what actually is going on in the villages, study the life of the rural masses, the peasants, the agricultural labourers and other toilers in the villages. Only then can we get a real and correct picture. I say all this, because the Finance Minister and the Central Government are asking the people to make more and more sacrifices in fulfilling the targets of the Second Five Year Plan. Of course, the people will do that. But at the same time the Authorities should take into consideration the condition of these masses when they impose their taxes. Otherwise they would only be getting a lopsided picture and the actions of the Government would result in hitting still further these very people who are already suffering.

श्रीमती चन्द्रावती लखनपाल (उत्तर प्रदेश) : उपसभापति महोदय, इस वर्ष के बजट के बारे में लोग बहुत चिंतित थे। इस वर्ष का बजट द्वितीय पंचवर्षीय योजना के पहले वर्ष का बजट है। लोग सोच रहे थे कि न जाने किस प्रकार श्रियुत देशमुख एक हजार करोड़ की अतिरिक्त रकम को

[श्रीमती चन्द्रावती लखनपाल]

पूरा करेंगे, न जाने किस प्रकार कहां-कहां फावड़ा चला कर वे एक हजार करोड़ की वह रकम खोद कर निकालेंगे। हर एक को चिन्ता थी कि इस बार बजट के प्रहार से कोई भी बचने वाला नहीं है। बीड़ी और तम्बाकू के व्यापारी लगातार दाम बढ़ाते जा रहे थे और बीड़ी और तम्बाकू पीने वाले लोग यह सोचने लगे थे कि अब शायद उन का बीड़ी पीना ही मुश्किल हो जायेगा। इसी प्रकार से कागज के दाम भी लगातार बढ़ते चले जा रहे थे। कपड़े का स्टॉक कपड़े के व्यापारियों ने भरना शुरू कर दिया था। एक बेचारे चीनी के व्यापारी ने, जिस ने यह सोच कर कि चीनी की कीमत बजट के बाद बढ़ जायगी, पचास हजार रुपये की चीनी का स्टॉक कर लिया था, उसे बजट के बाद बीस हजार रुपये का नुकसान उठाना पड़ा। श्रीमन्, इस वर्ष के बजट से स्पेकुलेटर्स को, सट्टेबाजों को, मुह की खानी पड़ी और जनता के ऊपर जो प्रभाव पड़ा वह आश्चर्य का प्रभाव था, प्रसन्नता का प्रभाव था। जनता ने और व्यापारियों ने एक राहत की, रिलीफ की, संतोष की और विश्वास की सांस ली। जनता के ऊपर और देशवासियों के ऊपर बजट की सन्तोषप्रद प्रतिक्रिया हुई—इस से बढ़ कर बजट के ऊपर और क्या टिप्पणी हो सकती है। श्रीमन्, मुझे तो माननीय अर्थ मंत्री जी को एक और बात के लिये भी बधाई देनी है और वह यह है कि इस बार, सब से पहली बार, बजट के प्रस्तावों को हिन्दी में छपाया गया है और इस से राष्ट्र-भाषा का सम्मान बढ़ा है।

श्रीमन्, हमारा बजट एक प्रकार से हमारे देश के द्वारा चारों दिशाओं में की जाने वाली उन्नति का प्रतिबिम्ब है, वह एक दर्पण है। हम बड़ी तेजी से, बहुत सी दिशाओं में आगे बढ़ रहे हैं लेकिन एक ऐसी दिशा है जिस में हम आगे बढ़ने के बजाय पीछे को जा रहे हैं। वह दिशा शिक्षा-सम्बन्धी नहीं है।

मैं इस समय अपने देश की एकता के सम्बन्ध में कहने जा रही हूं। श्रीमन्, हमारी राष्ट्रीयता इस समय खतरे में है। हमारी एकता खतरे में है। हमारी राष्ट्रीयता इस समय शून्य के बिन्दु पर जा पहुंची है। स्वतंत्रता के पहले हमारे देश में मुसलमान अपनी स्वतंत्र सत्ता माना करते थे। और आज स्वतंत्रता के बाद हमारे देश में हर एक प्रान्त अपने आप को स्वतंत्र मानने लगा है, स्वतंत्र सत्ता की परिभाषा में वह सोचने लगा है। आज देश के अन्दर एक नहीं अनेक पाकिस्तान बनने के आसार नज़र आते जा रहे हैं। यह प्रवृत्ति भयानक है, यह मनोवृत्ति देश के लिये वास्तव में घातक है। श्रीमन्, हम सब कुछ बर्दाश्त कर सकते हैं, सब कुछ कुर्बान कर सकते हैं, लेकिन देश की एकता को कुर्बान नहीं कर सकते। राष्ट्र की एकता किसी भी राष्ट्र के लिये, चाहे वह कितना ही साधन-सम्पन्न राष्ट्र क्यों न हो, जीवन और मरण का प्रश्न है। कोई भी राष्ट्र एकता के बिना ज़िन्दा नहीं रह सकता। इसलिये देश की एकता का प्रश्न देश के लिये एक महत्वपूर्ण प्रश्न है। लेकिन ऐसा होते हुए भी हम ने इस ओर ध्यान नहीं दिया। हम ने बड़ी-बड़ी योजनाएँ बताई, पंचवर्षीय और दूसरी प्रकार की योजनाएँ, समाज का आर्थिक ढांचा बदलने की योजना; बड़े-बड़े आदर्श और लक्ष्य अपने सामने रखे, लेकिन देश की एकता का बुनियादी प्रश्न हमारी आंखों से कुछ ओझल सा ही रहा।

हमारा देश एक बड़ा विचित्र देश है, एक बड़ा विशाल देश है और इस के अन्दर हर प्रान्त यूरोप के एक समूचे देश के बराबर है। यह विभिन्नताओं का देश है। यह विविधताओं का देश है। हमारे देश के हर एक प्रान्त की भाषा अलग है, लिपि अलग है, धर्म अलग है और वेषभूषा तक अलग है। यूरोप के अन्दर तो ये सभी बातें एक सी हैं। उन का धर्म एक है, लिपि एक है। हां,

भाषा तो एक नहीं है। इस प्रकार उन का रहन सहन एक है, बहुत कुछ एक है, लेकिन इतनी एक सी बातें होते हुए भी यूरोप के देश आज एक नहीं हो सके। हमारे अन्दर इतनी असमानतायें और विविधतायें होते हुए भी हम ने यह मोच लिया कि हमें एकता की ओर ध्यान देने की जरूरत नहीं है। हम बड़े बड़े काम करते चले गये, हम राष्ट्र की इमारत तैयार करने में लगे। लेकिन जो आधार था, जो नींव थी, उस की ओर हम ने ध्यान नहीं दिया। श्रीमन्, आज हमारी पंचवर्षीय योजनायें और आज हमारे ऊंचे-ऊंचे लक्ष्य ठीक उसी प्रकार से हैं जैसे एक ऊंची इमारत बिना किसी आधार-शिला के खड़ी हो। आज हमारे इस प्रकार से आगे बढ़ते जाने का परिणाम बड़ी हुंफ्रा जो होना था। हमारे राष्ट्र की इमारत आज ढगमगाती नजर आ रही है। बम्बई और उड़ीसा की घटनाओं ने यह साफ़ जाहिर कर दिया है, खतरे की घंटी बजा दी है और हमें यह बतला दिया है कि हम एकता की दृष्टि से कितने उथले पानी में हैं।

लेकिन हमारे देश में विविधतायें होते हुए भी हमारे देश के अन्दर एकता रही है। हमारे देश के लोग, हमारे पूर्वज सदा इस देश के अन्दर इन विभिन्नताओं के बीच एक आन्तरिक एकता स्थापित करने का प्रयास करते रहे हैं और उन प्रयासों के परिणामस्वरूप आज भी हमारे देश में एकता की एक अखण्ड धारा बह रही है। उत्तर से दक्षिण तक, पूर्व से पश्चिम तक आप कहीं चले जाइये आप यह देखेंगे कि हमारे देश के अन्दर एक प्रकार की आन्तरिक एकता, सांस्कृतिक एकता विद्यमान है। यह बात जरूर है कि आज समय के प्रहार से, बीच में विदेशी शासन और विदेशी लोगों के आक्रमण से वह एकता उतनी मजबूत नहीं रह पाई, उस के अन्दर काफी व्यवधान आ गया है। लेकिन फिर भी आज हमारे अन्दर एकता के काफी सूत्र मिल रहे हैं।

उन एकता के शिथिल पड़ते हुये सूत्रों को मजबूत बनाना और उन को मजबूत ही नहीं बनाना बल्कि एकता के नये साधनों का निर्माण करना आज हमारा सब से प्रमुख कार्य है।

श्रीमन्, देश की एकता के प्रश्न का एक ही उत्तर है और वह यह है कि हम देश का सांस्कृतिक पुनर्स्थान, कल्चरल रिकॉन्स्ट्रक्शन करें। एकता को स्थापित करने का सब से बड़ा साधन हमारा सांस्कृतिक पुनर्स्थान होगा, हमारा कल्चरल रिकॉन्स्ट्रक्शन होगा। इसी प्रकार हम आज अपनी मनोवृत्ति को बदल सकते हैं। आज हमारे देश के अन्दर जो एक मनोवृत्ति दिखलाई पड़ रही है कि हर एक प्रान्त ने “अपनी भाषा” और “अपनी कल्चर” की परिभाषा में मोचना शुरू कर दिया है उस के लिये हमें उन को सिखाना है कि वे अलग अलग किस्ती में नहीं बैठे हैं, हम आज एक ही रास्ते के राही हैं, एक ही पथ के पथिक हैं, हम सब की एक ही किस्ती है। अगर वह किस्ती डूब जाती है तो हम सभी डूब जाते हैं और अगर वह बचती है तो हम सब बचते हैं। आज हर एक प्रान्त में हमें ऐसा लगता है कि हर प्रान्त के व्यक्ति अपना-अपना राग अलग-अलग गा रहे हैं, अपनी-अपनी ठपली और अपना-अपना राग है। आवश्यकता इस बात की है कि उन भिन्न-भिन्न रागों को एक बड़े राग में मिला दिया जाय। हमारी राष्ट्रपति वीणा से जो राग निकले वह ऐसा राग हो जिस के अन्दर भिन्न-भिन्न प्रान्तों का राग विलीन हो जाय। इस के लिये मेरा यह प्रस्ताव है कि यह कल्चरल रिकॉन्स्ट्रक्शन का कार्य इतना महत्वपूर्ण है, इतना विशाल है कि इस को करने के लिये हमें एक अलग विभाग की आवश्यकता पड़ेगी, एक अलग मंत्रालय की आवश्यकता पड़ेगी। हम समझते यह है कि शिक्षा मंत्रालय इस कार्य को पूरा कर लेगा। लेकिन मैं यह कहती हूं कि शिक्षा मंत्रालय के पास न तो इतना समय है और न उन के पास इतनी

[श्रीमती चन्द्रावती लखनपाल]

शक्ति है और न उन के पास वह अर्न्तदृष्टि है कि वे इस सांस्कृतिक पुनरुत्थान के कार्य को, इस सांस्कृतिक निर्माण के कार्य को अच्छी तरह से, ठीक ढंग से पूरा कर सकें। इस के लिये तो हमें एक अलग विभाग, एक अलग मंत्रालय का निर्माण करना पड़ेगा।

श्रीमन्, यह सांस्कृतिक पुनर्निर्माण की बात जो मैं कहती हूँ तो मैं हवा में बात नहीं करती। मेरे सामने एक बड़ी योजना, एक बड़ा प्लान, एक ठोस कार्य-क्रम है जिस की रूप-रेखा मोटे रूप से मैं आपके सामने रख देना चाहती हूँ। हम चाहते हैं कि हमारे देश में सांस्कृतिक एकता उत्पन्न हो। मैं यह कहना चाहती हूँ कि सांस्कृतिक एकता के द्वारा ही हम वास्तव में देश के भिन्न-भिन्न अंगों को एक बन्धन में बांध सकते हैं। आज जो अलग-अलग बिखरे हुए, असंगठित और अव्यवस्थित हमारे सूत्र हैं और हमारे राष्ट्र के अंग हैं उन सब को हम एक संस्कृति से बांध कर ही एकता के सूत्र में बांध सकते हैं। इसलिये मैं यह कहना चाहती हूँ कि इस मंत्रालय का कार्य यह होगा कि वह सब से पहले देश के अन्दर एक राष्ट्रव्यापी आन्दोलन, एक बहुमुखी आन्दोलन इस बात का चलाये कि देश के अन्दर एक राष्ट्रीयता की चेतना का प्रादुर्भाव हो। इस के लिये हमें विशाल रूप से जो हमारे त्योहार हैं, जो हमारे राष्ट्रीय पर्व हैं उन की ओर ध्यान देना होगा। उदाहरण के तौर पर आज हमारा कुम्भ का मेला केवल उत्तरी भारत में होता है, लेकिन उसी प्रकार से हमारे सांस्कृतिक मेले देश के प्रत्येक कोने में होने चाहियें। कुम्भ के मेलों को ही सांस्कृतिक रूप दिया जा सकता है और वे कभी उत्तर में, कभी दक्षिण में, कभी पूर्व में और कभी पश्चिम में हुआ करें। ठीक इसी प्रकार से राम, कृष्ण और दूसरे जितने हमारे महान पुरुष हुए हैं उन के जन्म-दिवस मनाये जाया करें जैसे कि इस वर्ष महात्मा बुद्ध की जयन्ती मनाई जाने वाली है। इस प्रकार

अपने महान पुरुषों की याद करने से और अपने महान पर्वों के मानने से देश के अन्दर एक राष्ट्रीयता की भावना पैदा होगी जिस की आज बड़ी आवश्यकता है।

इस के अतिरिक्त हमारी संस्कृत भाषा, जिस के अन्दर हमारा कल्चरल और स्पिरिचुअल हेरिटेज छिपा है, जिस के अन्दर हमारी सारी आध्यात्मिक और सांस्कृतिक सम्पत्ति छिपी है, जो हमारे सारे ऊँचे विचारों और ऊँचे आदर्शों का कोष है, उस संस्कृत भाषा का हमें पुनरुद्धार करना पड़ेगा। और हमें कोई ऐसी व्यवस्था करनी पड़ेगी जिस से कि उस के अन्दर छिपा हुआ ज्ञान, वेदों और उपनिषदों का ज्ञान, गीता और दर्शन का ज्ञान, हमारा जो जीवन का दार्शनिक दृष्टिकोण है उस का ज्ञान, हमारे बच्चों को, हमारे देशवासियों को सुलभ हो सके, सरल हो सके।

श्रीमन्, हिन्दी हमारी राष्ट्रभाषा है। इस में तो कोई शक ही नहीं है कि हमारे देश को एकता के सूत्र में बांधने वाली यदि कोई चीज है तो वह सारे देश के लिये एक भाषा का होना है। इस बात को हम ने मान लिया है कि देश के अन्दर एक राष्ट्र-भाषा होनी चाहिये, लेकिन हमें हिन्दी को न केवल राज-भाषा बनाना है बल्कि इसे देश की जनता की भाषा बनाना है, जन-जन की भाषा बनाना है। हम को इसे एक ऐसा स्वरूप देना है जिस से कि यह सारे देश के लिये एक "कामन लैंग्वेज" बन सके, सारे देश के लिये एक समान भाषा बन सके और हर एक यह अनुभव करे कि हिन्दी हमारी भाषा है। इस को ऐसा रूप देने के लिये हमें हिन्दी भाषा के अन्दर और प्रादेशिक भाषाओं के अन्दर एक साम्य पैदा करना होगा। इस का इस प्रकार से विकास करना होगा जिस से कि संस्कृत और प्रादेशिक भाषायें इस के समीप आ जायें। दस वर्ष के अन्दर हमें एक ऐसा व्यापक कार्य-क्रम बनाना पड़ेगा जिस से कि देश का हर एक बच्चा हिन्दी सीख

जाय और यह कोई कठिन बात नहीं है । जब दस वर्ष के अन्दर हमारे बच्चे विदेशी भाषा के विद्वान बन सकते हैं तो क्या हिन्दी के ऊपर वे अधिकार प्राप्त नहीं कर सकते जोकि उन को प्रादेशिक भाषाओं से कहीं ज्यादा मिलती हुई है, जोकि एक आसान सी भाषा है और जोकि अपनी भाषा है ? मुझे इस में जरा भी सन्देह नहीं है कि दस साल का समय ऐसा है जिस के अन्दर, यदि इस कार्य-क्रम को ठीक तरह से चलाया जाय तो हमारे देश का एक-एक बच्चा हिन्दी का ज्ञान प्राप्त कर सकता है । इस के अतिरिक्त, श्रीमन्, प्रादेशिक भाषाओं के विकास की दिशा को भी एक निश्चित दिशा की ओर निर्धारित करना पड़ेगा । हमें ऐसा नहीं करना है कि प्रादेशिक भाषायें अलग-अलग दिशा में अपने अपने ढंग से और अलग-अलग ढंग से अपना विकास करती चली जायें । हमें यह देखना होगा कि हर एक प्रादेशिक भाषा एक दूसरे के समीप आती जाय, हमें इस प्रकार से उन का विकास करना पड़ेगा और ऐसे साधन निकालने पड़ेंगे । एक बार श्री भूपेश गुप्ता बोल रहे थे तो उन्होंने प्रादेशिक भाषाओं के सम्बन्ध में कहा था कि जिस तरह से तरह-तरह की नदियां देश को सम्पन्न और समृद्ध बनाती हैं उसी प्रकार से हमारे यहां जो भिन्न-भिन्न भाषायें हैं वे देश को सम्पन्न बनायेंगी और देश की संस्कृति को ऊंचा करेंगी । मैं यह कहना चाहता हूं कि वह और आगे नहीं बढ़े । अगर वह आगे बढ़ते तो वह देखते कि देश की जो भिन्न-भिन्न नदियां हैं वे आगे जा कर एक विशाल समुद्र के अन्दर विलीन हो जाती हैं । वे अपनी अलग सत्ता को, अपनी पृथक् सत्ता को भूल जाती हैं और समुद्र के अन्दर मिल कर समुद्र का रूप ले लेती हैं । ठीक इसी प्रकार से हमारी जो प्रादेशिक भाषायें हैं वे प्रान्त के स्तर पर प्रादेशिक भाषायें रहेंगी लेकिन उन्हें आगे चल कर राष्ट्रीय स्तर पर अपने को एक विशाल समुद्र के अन्दर, राष्ट्रभाषा के अन्दर,

विलीन कर देना पड़ेगा और अपनी पृथक् सत्ता को खो देना पड़ेगा ।

श्रीमन्, इस के लिये मैं एक दो सुझाव सदन के विचार के लिये रखती हूं । कुछ दिन पहले इस सदन में एक सुझाव मैंने दिया था जिस से कि प्रादेशिक भाषायें आपस में एक दूसरे के समीप आतीं और वह सुझाव यह था कि हर वर्ष प्रादेशिक भाषाओं की जो दस सर्वश्रेष्ठ पुस्तकें हैं उन का हिन्दी में अनुवाद हुआ करे और हिन्दी की जो दस सर्वश्रेष्ठ पुस्तकें हैं उन का प्रान्तीय भाषाओं में अनुवाद हुआ करे । इस सुझाव को उस वक्त सब ने पसन्द किया था । डाक्टर काटजू साहब भी उस वक्त यहां बैठे हुए थे और उन्होंने भी उस को बहुत पसन्द किया था लेकिन मुझे दुःख के साथ कहना पड़ता है कि शिक्षा मंत्रालय ने इस अच्छे सुझाव पर कोई कार्य नहीं किया । इस को आज तक अमल में नहीं लाया गया है और इसीलिये मैं कहती हूं कि इन सब बातों के लिये एक अलग सचिवालय की, एक अलग मंत्रालय की आवश्यकता पड़ेगी । श्रीमन्, इसी प्रकार से एक लिपि के होने का भी सवाल है । यदि सारी प्रादेशिक भाषाओं की एक लिपि हो जाय तो आप समझ सकते हैं कि कई प्रादेशिक भाषाओं का पढ़ना हर एक बच्चे के लिये कितना आसान हो जायगा । हम कितना चाहते हैं कि हमारे देश के बच्चे न केवल हिन्दी का ही ज्ञान प्राप्त करें बल्कि हर एक बच्चे को कम से कम तीन प्रादेशिक भाषाओं का ज्ञान अवश्य ही होना चाहिये और देश की एकता के लिये यह बहुत जरूरी भी है लेकिन भिन्न-भिन्न भाषाओं और भिन्न-भिन्न लिपियों का सीखना कोई साधारण सा काम नहीं है । इस दृष्टि से यह कितना महत्वपूर्ण है कि सारी प्रादेशिक भाषाओं की लिपि एक हो । इस पर हमें गम्भीरतापूर्वक विचार करना पड़ेगा । श्रीमन्, आज अपने देश में एक नई पारिभाषिक शब्दावली, एक नई टेकनिकल टर्मनालाजी बन रही है ।

[श्रीमती चन्द्रावती लखनपाल]

हर एक प्रान्त अपनी-अपनी टर्मनालाजी बना रहे हैं। क्या यह वेस्ट आफ टाइम, वेस्ट आफ इनर्जी, समय और शक्ति का दुरुपयोग नहीं है? क्या यह अच्छा नहीं होगा कि सारी भाषाओं की एक ही पारिभाषिक शब्दावली हो? इस प्रकार से हम एक दूसरे के कितने नज़दीक आ जायेंगे!

श्रीमन्, आज इस सांस्कृतिक पुनरुत्थान के आयोजन की ओर हमें अपने देश की दृष्टि मोड़नी होगी। आज हमारी दृष्टि अपनी विभिन्नताओं पर, अपनी असमानताओं पर टिकी हुई है। हम आज यह सोच रहे हैं कि हमारा अपना क्या है। हमारी संस्कृति, हमारी भाषा, हमारी लिपि, हमारा कल्चर, इस परिभाषा में हम आज सोच रहे हैं। इस परिभाषा में सोचना हमें बन्द करना पड़ेगा और हमें यह देखना पड़ेगा कि हमारे अंदर कौन सी समानतायें हैं। हमारी नज़र समानताओं के ऊपर टिकनी चाहिये विभिन्नताओं के ऊपर नहीं और तभी कल्चरल रिकॉन्स्ट्रक्शन, सांस्कृतिक पुनरुत्थान, के यज्ञ का कार्य पूर्ण हो सकता है। मैं समझती हूँ कि इस के लिये एक नये सचिवालय की स्थापना करना ज़रूरी है। मैं माननीय वित्त मंत्री जी से कहना चाहती हूँ कि इस योजना के लिये, इस प्रस्ताव के लिये, चाहे अलग सचिवालय खोला जाय, चाहे इस काम को शिक्षा मंत्रालय द्वारा कराया जाय या चाहे किसी और एजेंसी द्वारा कराया जाय लेकिन यह कार्य इतना ज़रूरी है कि इस के बिना देश की प्रगति असंभव है उन की सारी पंच-वर्षीय योजनायें बेकार हो जायेंगी यदि आज देश की एकता में और देश की राष्ट्रीयता में ज़रा भी बाधा आई। श्रीमन्, इन शब्दों के साथ मैं इस बजट का स्वागत करती हूँ।

SHRI H. C. DASAPPA: Mr. Deputy Chairman, Sir, I have very great pleasure in rising to offer my own meed of

tribute and congratulations to the hon. the Finance Minister not only for the sound Budget Estimates that he has placed before the House, but even more for the extremely lucid and comprehensive address which he gave to the Lok Sabha. In fact, Sir, I almost envy the Members of the Lok Sabha who are present there to listen to his speech, though I must say I also heard him from the Rajya Sabha gallery. It tempts me, Sir, to make a suggestion—maybe considered very extreme—and it is this. There is no reason why, when the hon. the Finance Minister presents his Budget Estimates, the Members of both the Houses should not join together to listen to the address. Not that I for one moment try to make use of that occasion to demand any more powers over the Budget than we possess now, but I think, Sir, it would be not a bad tradition to establish. We need not be hide-bound by certain antiquated and old practices of other Houses. It is not merely a matter of form, but I feel, Sir, that the occasion is a very important occasion, almost surcharged with high emotions, because all the chosen and elected representatives of this great country assemble there to hear the speech and concentrate their mind on one sovereign topic, namely, on planning the future destiny of our land, and I think that that is a sufficiently great and historic occasion for us to meet together and feel the emotions and draw some inspiration from. Sir, I need not say any more on this.

When going through the speech as well as the estimates I find a certain close and well-knit and, I should say, beautifully designed texture in the fabric of his estimates.

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

The House then adjourned at five of the clock till eleven of the clock on Wednesday, the 7th March 1956.