

SHRI M. VALIULLA: What I want to know is whether there will be any reservation also for the navy, as in the case of the air force?

SHRI MAHAVIR TYAGI: In principle, the Government have agreed to take these cadets into the navy too, but the details as regards the percentage of enrolment are under consideration.

SHRIMATI VIOLET ALVA: What I wanted to ask was about the percentage, why only three persons were taken? Are not more forthcoming?

SHRI MAHAVIR TYAGI: As I have already stated, the course lasts for four academic years and we started training only in 1952. So, they have not yet been able to complete the full course.

ENQUIRY INTO DEFICIT FINANCING

*77. **SHRI M. GOVINDA REDDY:** Will the Minister for FINANCE be pleased to state:

(a) whether Government propose to appoint an enquiry body to examine the question of deficit financing; and

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

THE DEPUTY MINISTER FOR FINANCE (SHRI B. R. BHAGAT): (a) No.

(b) The question does not arise.

SHRI M. GOVINDA REDDY: May I know, Sir, of what order the deficit is fixed in the Second Five Year Plan?

SHRI B. R. BHAGAT: It is Rs. 1200 crores.

SHRI M. GOVINDA REDDY: May I know, Sir, whether sources for reducing this deficit have also been ascertained?

SHRI B. R. BHAGAT: Sources of deficit financing are only paper credit money.

SHRI M. GOVINDA REDDY: May I know, Sir, how the Government propose to reduce this deficit, how much by getting more external aid and how much by other means such as taxation?

(No reply.)

SHRI BHUPESH GUPTA: May I know, Sir, if any inflationary pressure on our economy is being felt owing to the heavy deficit financing in the recent months?

SHRI B. R. BHAGAT: Not so far, but we are keeping constant watch over our economy.

SHRI BHUPESH GUPTA: May I know, Sir, whether it is a fact that in recent months the working class cost of living has gone up and there is a tendency towards such a rise?

SHRI B. R. BHAGAT: Not a chronic going up of this cost of living. There may be some seasonal or fractional fluctuation.

SHRI K. S. HEGDE: What is the basis on which the Government has arrived at the figure of Rs. 1,200 crores for deficit financing?

SHRI B. R. BHAGAT: It is a very complex question. When the Planning Commission, in consultation with the panel of economists and other experts, went into the question, they arrived at this figure in the hope that the national income will be 25 per cent more at the end of the Second Five Year Plan and the matched increase in production, particularly in food and clothes, are the considerations which have led to the determination.

SHRI K. S. HEGDE: Do I correctly understand the hon. Deputy Minister to say that it is mainly based on hope and not on any scientific reasoning?

SHRI B. R. BHAGAT: Very much on scientific reasons and not on hope.

SHRI M. GOVINDA REDDY: May I know from the hon. Deputy Minister

whether a press report has come to his notice to the effect that the Finance Minister has suggested the appointment of an enquiry body to ascertain means for reducing the deficit financing?

SHRI B. R. BHAGAT: Sir, I do not quite remember to what press report the hon. Member is referring and I do not just now understand what the enquiry will be for. So far as the actual deficit in the First Five Year Plan is concerned, it is expected to be of the order of five hundred crores. There is no inflationary pressure. In regard to the First Five Year Plan the accounts for the last two years are not yet available and so the exact figures cannot be given, but the rough estimate is five hundred crores. There is no inflationary pressure on the economy. I do not know just now what purpose this enquiry will serve, but as I said in reply to an earlier question, in the Planning Commission the Economic Wing of the Finance Ministry is keeping constant watch over the economy. The price pressure, the cost of living and various economic indicators suggest that there is no need for such an enquiry.

SHRI BHUPESH GUPTA: May I know, Sir, if it is a fact that some people connected with the preparation of the Second Five Year Plan have expressed their doubt as to the advisability of resorting to deficit financing and on so big a scale under the Second Plan?

SHRI B. R. BHAGAT: On such a question of major policy there is bound to be difference and particularly in economics as they say no two economists agree. So, it is not a new thing that some differences have been expressed.

SHRI BHUPESH GUPTA: I do not want an ethical answer. All that I want to know is whether it is a fact that some have expressed their differences? Then, I would ask who are those persons?

SHRI A. C. GUHA: We can only give the decisions arrived at. If there have been any differences during the course of discussion, that cannot be stated here.

DR. RAGHUBIR SINH: Is it not true that the national debt is increasing fast?

SHRI B. R. BHAGAT: This is quite irrelevant to the question, Sir.

MR. CHAIRMAN: This question is regarding deficit financing.

SHRI BHUPESH GUPTA: On a point of order, we ask questions for eliciting facts and information, not merely eliciting decisions of the Government. In this case I would like to know whether, as a matter of fact, some opinions had been expressed and whether such opinions had been circulated to the people who received the papers connected with the Second Five Year Plan? It is a simple question.

MR. CHAIRMAN: Whether the papers have been circulated about the proceedings of the Planning Commission in which varied opinions were expressed on this question that is what he asks.

SHRI A. C. GUHA: Naturally various opinions must be expressed on various questions.

MR. CHAIRMAN: Next question.

RECOGNITION OF CAMBRIDGE HIGHER SCHOOL CERTIFICATE

***78. SHRI M. GOVINDA REDDY:** Will the Minister for HOME AFFAIRS be pleased to state whether it is a fact that the Union Public Service Commission have withdrawn recognition of the Cambridge Higher School Certificate as an alternative qualification for the candidates competing for entry into the various Government Services?

THE MINISTER IN THE MINISTRY OF HOME AFFAIRS (SHRI B. N. DATAR): Cambridge Higher School