

PAPERS LAID ON THE TABLE

REPORT OF THE DELHI ROAD TRANSPORT
AUTHORITY

THE DEPUTY MINISTER FOR RAILWAYS AND TRANSPORT (SHRI O. V. ALAGESAN): Sir, I beg to lay on the Table a copy of the Report of the Delhi Road Transport Authority for the period 1st April 1950 to 31st March 1953, under sub-section (2) of section 40 of the Delhi Road Transport Authority Act, 1950. —

SECOND REPORT OF THE JOINT COMMITTEE ON
PAYMENT OF SALARY AND ALLOWANCES TO
MEMBERS OF PARLIAMENT.

DIWAN CHAM AN LALL (Punjab): Sir, I beg to lay on the Table a copy of the Second Report of the Joint Committee on the Payment of Salary and Allowances to Members of Parliament. Cf WeAcC \~ U'v/bHflJWJ . i**:

THE APPROPRIATION (No. 2) BILL,
1954

THE DEPUTY MINISTER FOR FINANCE (SHRI M. C. SHAH): Sir, I beg to move:

"That the Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1954-55, as passed by the House of the People, be taken into consideration."

Sir, this Bill provides for the drawal out of the Consolidated Fund of India of moneys that become available to meet expenditure charged on that Fund and those voted by the House of the People.

The figures in the Bill follow the provisions shown in the Budget documents and are inclusive of the sum made available through the Appropriation (Vote on Account) Act of 1954 for a month's supply.

The Members are already in possession of the Budget documents and there has been a general discussion on the budget in this House. I do not, therefore, wish to take the time of the House further at this stage but in my reply later I shall try to deal with such points as may be raised during the debate. Sir, I move.

MR. CHAIRMAN: Motion moved:

"That the Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1954-55, as passed by the House of the People, be taken into consideration."

Mr. Mathur.

SHRI H. C. MATHUR (Rajasthan): Mr. Chairman, I find that the hon. the Finance Minister is labouring under some serious misunderstanding, particularly in respect of Part B States, and I am constrained to tell him certain home-truths and place certain facts, incontrovertible facts, before the House which will show how uncalled for his remarks were, particularly while speaking in respect of this Appropriation Bill in the other House. He devoted quite some time, Sir, to telling the House something about Part B States and he made a particular reference to Rajasthan. What the hon. the Finance Minister stated was that Rajasthan in particular was one of those States which, unlike Hyderabad and Mysore, were left as surplus States at the time of integration. He very much deprecated all sorts of demands being made for any particular assistance to Rajasthan and, for that matter, to any other State. He further mentioned that, apart from the fact that Rajasthan was a surplus State at the time of integration, Rajasthan got another big, huge amount, slightly under Rs. 3 crores, as a result of the recommendation of the Finance Commission. By that he wanted to give the impression that an already surplus State was getting another Rs. 3 crores to devote

to its developmental schemes and that there was absolutely no justification for any aid or assistance to Rajasthan and that that State was in most affluent circumstances.

Then, Sir, he further referred to certain assistance given to Rajasthan and other Part B States as a result of the recommendations of the Gadgil Committee; and he said that instead of being given any loan, these States have been given a good bit as outright grants and Rajasthan was given about Rs. 1-1/4 crores and a provision was made to this effect out of the Rs. 9 crores. I do not know how and wherefrom he got this Rs. 9 crores. He said that out of this Rs. 9 crores, this assistance was being given, and he very much wanted that this should be treated as a closed chapter and that in future no State should come forward to seek any assistance. Sir, I am not indulging in any general remark and I would only refer to patent facts, facts which have been given to us by the Government themselves. While talking about Rajasthan as a surplus State, one can understand if it was put forward, if this argument was advanced, some four years ago, at the time of the integration when we had to depend entirely on the surmises or opinions of the financial experts and pandits of the Central Government. Now, after four years, we have the actuals in our possession: we are better able to judge whether we are a surplus State or not. In 1949, after this integration, when the budget for 1950-51 was prepared—it was assisted to a great extent by the States Ministry—and it was with that particular help of the States Ministry that the budget was prepared, it happened, as has been mentioned by the hon. the Finance Minister, that a surplus of Rs. 50 lakhs was shown. So, naturally, it was taken that it was a surplus budget and that Rajasthan was a surplus State. It was a very happy integrated State and all the papers came out

with photographs of the Chief Minister appearing with big garlands and so on. But, what happened in the course of the year? It was discovered that there was a deficit of Rs. 48'89 lakhs. The former surplus of Rs. 50 lakhs disappeared and the State was now faced with a deficit of nearly Rs. 49 lakhs. It was not only accidental that it happened in the year 1950-51. Again, the same story was repeated during the next year. In the year 1951-52 the deficit was to the tune of Rs. 82-44 lakhs, and the House will be surprised to know that during the third year the deficit mounted up to more than Rs. 2 crores. From year to year the deficit was going up. And I might submit, Sir, that not even one developmental programme of any importance had been included. In spite of that, what happened was that there was a deficit, a growing deficit from year to year. I made this absolutely clear and plain in a representation which I had submitted to the Gadgil Committee and a copy of which I had sent to the hon. the Finance Minister for his benefit. I do not know how on earth the hon. the Finance Minister still carries that impression and wants to give an impression to Parliament that this was a surplus State at the time of integration. If this was a surplus State, where was the necessity of this State being sustained on certain loans? From year to year the hon. the Finance Minister and the Chief Minister of that State had been running round various places and meeting people in the States Ministry and pleading for more money so that they would be able to run the State. And I might submit, Sir, for the information of the House that there was an occasion when it became difficult for that State even to pay the salaries to its staff because the Imperial Bank, with which they had an account, refused to make any payments to them because they had already an overdraft of about Rs. 10 crores. I cannot understand how in spite of these patent and hard facts the hon. the Finance Minister could mislead himself and mislead Parliament to that extent.

[Shri H. C. Mathur.]

Again, Sir, when he makes a mention of Rs. 3 crores, a lump sum which has been given to this State as a result of the recommendations of the Finance Commission, I must say that it is no charity. This is an amount which is the due, and legitimate due, of each and every State. It is not only the Part B States which had been integrated that got something by way of the recommendations of the Finance Commission. The Finance Commission just made a recommendation as to what was due to each State, whether a Part A State or a Part B State, as their share out of the Central resources of excise and income-tax, etc. And the Rajasthan Government got its share. Again, Sir, I might submit for the information of this House that this amount of Rs. 3 crores was supposed to allow the Rajasthan Government to have a balanced Budget. But even that has not been possible. And if I am correctly informed, the States Ministry wrote to the Rajasthan Government to the effect that this amount should be earmarked so that they may be able to do away with the inland customs duty, because under the financial integration all these Part B States which were levying the inland customs duty were bound to do away with this duty. As a matter of fact, we have been feeling the pinch very much because it has been responsible for killing most of our industries. Now we find that instead of being able to earmark any amount for that specific purpose, all this amount has gone just to balance the Budget. I do not know what is going to happen in the next year when the Rajasthan Government would be called upon—if they are going to keep any promises and if they have any consideration for the development of the State—to wash out the inland customs duty. The moment the inland customs duty is washed out, they will find themselves again placed in a very difficult situation. I will not forget to mention something about the sales tax. According to all calculations and accor-

ding to the calculations made by experts, the amount of sales tax is not going to be even one-third of what is being realised as customs duty.

Then, Sir, some mention was made about the Gadgil Committee. I regret very much to have to say that if the hon. Finance Minister wants us to consider this report of the Gadgil Committee as an award of an arbitrator, certainly it is not acceptable to us. The Gadgil Committee, I am pained to submit, was nothing more than a farce, and it was intended, as a matter of fact, to wriggle out of an obligation which the Central Government had undertaken at the time of the federal financial integration. They had given a definite promise. When the integration of our finances was made, it was realised even at that time that if these States were to stand on their feet, they could not be treated on par with other States, the Part A States, so far as the financial aid and assistance was concerned. And, therefore, a definite agreement was reached, and in that agreement it was said that immediately a committee would be appointed which would make a systematic and a thorough enquiry and make its recommendations so that the developmental programmes of these States could be taken up and these States could be in a position to march step by step and come to the level of Part A States of this country. But what happened? There was no systematic enquiry whatsoever. I protested against it even at that time and I had said that there should be some systematic enquiry. And you can imagine, Sir, the reliance that could be placed on the report of the committee which visited, say, the Jodhpur division, a division consisting of about 60,000 square miles; they hardly had even a day's time at their disposal. They simply met a crowd and a *mela*. Do you think that these matters which are so important can be discussed at any of these crowds and *melas*? No evidence was recorded. They never ins-

pected the places. They never knew what was the impact of the integration which had been done in a most unscientific and in a most rash manner. And what are the recommendations of this committee? This committee says that about Rs. 8 crores would be more than enough for all these four States, the States of PEPSU, Saurashtra, Madhya Bharat and Rajasthan. Is it not really very funny, if this is all that was envisaged and if this is all that was contemplated? As a matter of fact, when the integration was done, Rajasthan had a security of about Rs. 10 crores. If it was only a paltry amount of about Rs. 2 crores or Rs. 3 crores with which that State could have been put on its feet, do you think there was any need for an enquiry to be made? Do you think we would have asked for it? We could easily have taken out the sum of Rs. 3 crores out of the security that we had. But it was not so. And I am simply surprised, Sir, when the hon. the Finance Minister says that none of these States had made any remonstrance or that they had not asked for anything more. I say that all these States had submitted their representations to the Gadgil Committee. May I tell you what are the recommendations and demands of these States? I will not go into the demands of Rajasthan. You will say that their demands are very high. I will give you the demand made by one of these States, PEPSU. Why I mention this particular State is that this was administered by a civilian at that time, a civilian for whom the hon. the Finance Minister has the utmost respect. Even that civilian submitted that at least Rs. 10 crores should be provided to be given not straightaway but given over a period of three or four years' time, and that this amount was absolutely necessary to put PEPSU on line with the other States and to fulfil the obligations which had been taken over by the Central Government. Madhya Bharat asked for Rs. 25 crores to be given over three to eight years. So also did Rajasthan and **Saurashtra.**

But as against that, you give a paltry amount and say that this was the award of the arbitrator. This is absolutely fantastic. If you are not in a position to discharge your responsibilities, if your finances are not in a happy position, it is a different matter. After all, Rajasthan is as good a part of India as any other State and we are as patriotic as you are, and if you say that the finances of the Central Government do not permit you to discharge your responsibilities, we can understand it, but to say that you have done more than enough and that you will very much deprecate if they ask for anything further is most uncharitable. It is very unfair and unjust. Here I have quoted facts and figures to show this. For the hon. the Finance Minister to say that after the Gadgil Committee he heard nothing from any of the States is also surprising, because only the other day I read in the papers that at least one of these Governments—Saurashtra—had made a very strong representation to the Central Government. They had also represented to the Gadgil Committee that they were in the most unenviable position, in the most difficult position, so far as the services were concerned, that they could not pay their services adequately, that if they were to pay according to the Bombay standard, they would require more than Rs. 2 crores, and that, if they were to pay according to the Central Government standards, they would require about Rs. 2 crores and 80 lakhs. That was their demand. I find from the papers:

"The situation has been aggravated with the Centre's recent decision to implement the Gadgil Committee's report.

"At least two State Governments, that of Saurashtra and Mysore, have taken up cudgels in the interest of efficiency and contentment of their employees and made strong representations to the Centre to remedy the disparity.

[Shri H. C. Mathur.]

"The Saurashtra Government points out that with the introduction of the Federal Financial Integration Scheme, Federal Departments and the staff working therein have been handed over to the Central Government. So long as this staff was under the State Government, their scales of pay were on a par with the scales of pay prevailing for corresponding posts in the other Departments under the State. With the taking over of the Federal Departments by the Central Government, the Central Government scales of pay and dearness allowance have been brought into force for the staff working in those Departments."

And this has given rise to a lot of discontent. In the same building, there is a peon who is getting Rs. 45 a month, and another who is getting Rs. 70 a month, because he is on the Central Government scales of pay. You have the Excise Department working there, you have the Customs Department working there, you have the Auditor-General's Department working there, and the peons of these Departments and the clerical staff of these Departments get higher salaries than the employees in the State Government Departments. The Saurashtra Government did make a representation and they followed it up and pursued it even after the report of this Committee had been submitted. I do not see how, in the face of these patent facts, it lies in the mouth of the hon. the Finance Minister to say that none of these Governments had made any representations whatsoever. Even when the Gadgil Committee visited Rajasthan, I had submitted to them a memorandum and invited their attention to this question. Do you think that this Government can march hand in hand with other State Governments when the District Magistrate of that State is drawing Rs. 500 a month and a Commissioner of one of their Divisions is getting Rs. 800 a month? I shall again make

it clear that if the economy of the country demanded that the salaries of the Collectors and the Commissioners should be brought down to Rs. 1000 or Rs. 500, I would have no objection. Do it by all means, but you certainly cannot force the Rajasthan Government or any other State Government to carry on with their Collectors and Commissioners getting Rs. 500 and Rs. 800 respectively, as against Rs. 2000 to a Collector and Rs. 3000 to a Commissioner being paid in Uttar Pradesh. I had mentioned to the Gadgil Committee: "I hope your Committee will not come and go away, leaving this matter untackled." I had my suspicion from the very beginning, and I had reasons for it, because even if you read the order which was responsible for the appointment of this Committee, between the lines, you would just sense it there that this Committee was nothing but an eyewash. Before this Committee was appointed, in their agreements with these States, the Central Government had recognised the need for giving special assistance to these States, but while appointing this Committee, they said that the Committee 'will enquire whether still such assistance is required.' I did not understand the import of this word 'still'. What had happened in between? This Committee, which was apparently to relieve these States of their financial embarrassments, had been really appointed to enable them to back out of their obligations. I will not go into the affairs and conditions of that State, because I do not think this is the place to do so. I have only referred to such matters as have been the direct concern of the Central Government, particularly the matters which had been referred to by the hon. the Finance Minister himself. The hon. the Finance Minister could not evidently take a correct judgment during the last fortnight and his decisions were distorted possibly. I hope his pride will not stand in the way and that he will appreciate anM try to take into consideration the facts and figures which

I have given and which cannot be challenged, and revise his opinion.

As a matter of fact, another thing to which I would like to invite the attention of the hon. the Finance Minister is that he possibly did not realise that his speech was running absolutely counter to, that he was doing something which was entirely different from, what the hon. the Prime Minister had stated hardly a fortnight back. The hon. the Prime Minister of this country had visited Rajasthan on the 30th and 31st of March and during his visit, he had assured the people that he understood the difficulties of these integrated States and that these States would definitely receive the necessary assistance from the Centre. Only after a fortnight of this assurance given by the hon. the Prime Minister of this country, here is the hon. the Finance Minister who says that he will deprecate nothing so much as giving any sort of assistance to these Part B States. I do not know what reliance to put on what the hon. Prime Minister of this country says when he visits these States, because it very much hurts me. It is only the day before when I read of what the hon. Finance Minister had thought it advisable to say on this particular matter in the other House. I must earnestly appeal to him to reconsider this matter and to give us a better understanding because to let the people feel that they are being given a step-motherly treatment does not do any good. As a matter of fact, I have not been very much wanting to speak on any particular State. Most of my speeches and questions have been, absolutely for more than a year, on an all-India basis but it was only because of a particular mention by the hon. Finance Minister to these B States and particularly to Rajasthan a couple of days back that has constrained me to bring all these matters to light. A strong Rajasthan definitely means a strong India and we want a strong Rajasthan only to give strength to this great country.

Now, Sir, the only other point which I wish to refer to is about trade and industry. It has been made out that the conditions are fairly happy and that we have been making very good progress so far as production is concerned but unfortunately what sure pointers indicate is just the other way round. There may have been better production; of course the figures are there and they say it has risen from 100 to 147. It may be true but what really happens is that apart from 3 or 4 or 5 selected industries, most of the industries of the country are in great stalemate and they are in great trouble and when we are in the midst of the Five Year Plan and when we are further industrialising, what is naturally expected is to increase our capacity for production; but instead of thinking of increasing our capacity for production, what happens is that even the installed capacity is not working and in most of the industries there has been hardly 50 per cent, of the installed capacity working and in some cases it has gone down to even 30 per cent, of the installed capacity, and it appears to me that strange orders are issued by the Ministry of Commerce and Industry without realizing how adversely they affect particular industries. I don't know how these orders are issued. Just overnight we found that a particular thing had changed. We were getting carbide at a particular rate. They all wanted it for industries for welding purposes. The rate has just doubled overnight because certain orders were passed by the Commerce and Industry Ministry. From the Open General Licence they have placed it on the licensing list and those people who have command or who hold these import licenses would have monopoly and what happens is that the entire market is affected and people don't know where they stand and this has a very direct effect on the smaller industries. We have been talking so much of the medium-sized industries and about the cottage industries but I might submit that it is only these

[Shri H. C. Mathur.]

cottage industries and these medium-sized industries which have been suffering the most during these 3 or 4 years. Although it is no use my going into details, I would say that a very comprehensive analysis appears in yesterday's paper where they give details as to how in more than 50 industries the production has gone down and how they have suffered a great set-back and how they have been responsible for unemployment to a very great extent. It is my impression at least that it is neither the hon. Prime Minister nor the Finance Minister who controls the economic life of this country. It is only about a hundred moneyed people who have the strings completely in their hands and it is these people who create scarcity of money and scarcity of commodities and who would sponsor all sorts of trouble and at each and every turn they would mop up good profits. These big people don't care for the smaller people. I don't say that it is the industry that controls. It is only these 100 or 150 people who are controlling it and they are also putting out of competition all these smaller industrialists and the people who have established medium-sized industries. They have very ingenious methods of working and I don't blame the Government that they are willingly playing into their hands. I have no reason and I have no evidence to say that. I do not at all accuse the Government of any collaboration with these people but I am just stating the fact and the fact is that whatever orders are passed by Government are exploited by these people. They create all sorts of scarcity and they mop up all the profits and it is these people who are controlling the economy of our country. Now their strength has grown far more with certain foreign interests coming in. Well, I will not touch upon that bigger topic of these foreign concerns and their effects on the economy of this country. I will deal with it on some other occasion because this subject by itself is very

important and will take quite long but in this particular case I wish to invite the attention of the Government to a particular fact, that these foreign concerns, these big concerns which are established in this country, employ people on very lucrative jobs and these lucrative jobs are most unfortunately being offered not on any merit but they are making the best use of these jobs to pollute our public life as well as our official life. A relation of a particular officer, a relation of a certain important man in public life is tempted and all sorts of efforts are being made. You will never see any advertisement asking for any examination or anything on merit. All these jobs are distributed to the relations of a friend of an important person either in the office or in public life. I very much wish that the recruitment of officers and servants in these big industries is controlled by an institution which is sponsored and controlled to some extent by the Government and that a formula should be devised in consultation with these big industrial magnates whereby only the best persons are selected and that these posts are not made use of to pollute our public life in any way. Thank you.

DR. RAGHUBIR SINH (Madhya Bharat):
Mr. Chairman, as the House knows very well, the period we are passing through is a period of international crisis and therefore it would not have caused any surprise at all if the budget had been something different from what it is. I find, Sir, that the hon. the Finance Minister himself has felt the necessity and that is why he did find it necessary to say in his speech as follows:

"In spite of recent developments likely to affect the balance of power in the area in which we and our vital interests are located, we are not embarking on any scheme of expansion of our Armed Forces."

It is a matter of consolation, anyway, to me that we are going to remain as we are and to keep our forces as they

are. I am very much satisfied, Sir, that we have not only provided for it in the Budget, but we are already going on with our scheme of strengthening our navy. Only recently we heard and also read in the papers that we are buying another cruiser for our navy.

PROF. G. RANGA (Andhra): Another what?

DR. RAGHUBIR SINH: Another cruiser for our navy. Moreover, very recently our Production Minister has announced that they are going to build a couple of oil tankers. All these are very much needed by our navy. We have also added a series of these jet bombers from France. As regards their efficiency persons may have doubts, but anyway we have got them in number all right.

As regards the army, Sir, I am not very anxious that the army should be increased in numbers. But I would personally very much insist that the army should be improved as soon as possible. It is the efficiency and striking power of the army that matter in a battle. On a battle field, not far from this place, we know how, not once or twice but many times, a smaller army but with better efficiency and greater striking power, has proved decisive in the battle. Therefore, I had hoped that immediately after attaining Independence our Defence Ministry would have thought of completely reorganising our army training, but I have been disappointed in that.

I find that the Defence Ministry has the Defence Science Organisation. I know that it is very necessary, but more than that, what is needed today is a complete re-orientation of the art of war in India and that is what India should have. It is well-known that in the past we have failed and we lost our independence and our armies were found incompetent, not because we did not have the numbers, but because we ignored the science of war. It is the proper development of the science of war that we need today. It is well-

known that every national army, every country that goes on organising its army, has got to develop its own science of war. Students of military science know that Germany has developed its own science of war. Its com-Dlete technique was different from that of Britain. The reason was simple. These forces had to play definite roles of their own. Now, our army in India has been trained by the British and they were trained to play a certain role, a certain definite role: that role was a subsidiary one, subsidiary to the British forces which had to play the the imperial role. But the British have left in a hurry, leaving our army to us. Now the role of that army has changed and with the change in its role, with the change in the leaders of the army, we have got to develop a new science of war for our own army, but I am afraid, we have not yet done that.

On a battle-field, the most important thing that is necessary is that the opposing forces should be taken by surprise. Our Generals have not developed that element of surprise because they have all been continuing the old technique, the old strategy that was taught to them by the British. Therefore, I would urge earnestly with all the emphasis at my command on the Defence Ministry that they should organise a school of war science where the one business of the officers associated with it there would be to study the art of war, as it is being practised today, of learning the lessons that the various wars are teaching us from time to time. To quote one instance only, the last Korean War has some definite lessons to teach about the use and the strength of the air-arm, how far the air-arm can be effective in some places and how it can be ineffective in certain other places.

Then, with the shrinking of our boundaries, new defence problems have arisen which have to be faced. We have got a long international boundary of thousands of miles, wherev*Se have got all along a flat desert, and so it is very necessary for our armed forces to be taught something specifically about the desert warfare. All these

[Dr. Raghbir Singh.] things, I am afraid, are not being looked after. Therefore, one of the reasons why I press this point is that we have got to think of all these problems in these terms of our existing defence frontiers. I would like the Ministry to take note of this also. There is another point needing our immediate attention and it is this. In all that is being done today, we have got to organise our forces according to this new technique, because, as I said, it is the striking power that matters. Along with that, we have got to train up our General Headquarters staff in a way that they could face vital war campaigns. Those of us who have had some experience of the army know that when the British were in India, our officers were taught and trained to play a certain minor role only. Well, the British have left and with that promotions have come. But we have also got to see that our Generals are fully equipped for the fulfilment of the highest responsibilities that have fallen on them. It is another and a very vital role that they have to play in actual war. To give an instance, I might quote what Napoleon said on a battle field during the Italian campaign. His armed forces were facing the Austrians and he was making a military appreciation of the conditions there and when discussing with his generals, he said: "The opposing army is a lakh and a half and we are just one lakh." The commanders under Napoleon were surprised and they just dared to correct "Sir, we are only 60,000." Then he said, "You forget I am 40,000. That is how I make one lakh." Therefore, we have got to look into this aspect also. We have got to train up our Generals. We have got to develop our own science of war, suited to our conditions, suited to our requirements and, above all, suited to the psychology and national character of the country and the men living here. This is one point which I am afraid, our Defence Ministry has not yet properly looked into and

SHRI PRITHVIRAJ KAPOOR (Nominated): But why is the hon. Mem-

ber casting aspersions on our Generals without knowing anything?

DR. RAGHUBIR SINH: All that I have to say is that on the battle-field there is not much of acting to be done. I am not casting aspersions on anybody. I have great respect for our Generals. I love them, I respect them.

SHRI GOVINDA REDDY (Mysore) The hon. Member has been in the Army.

DR. RAGHUBIR SINH: But as a student of history, Sir, it has been my privilege and my profession to judge men and if I have passed any judgment on contemporaries, I may be forgiven.

That is all that I have got to say for the present about the Defence Ministry.

Now, Sir, coming from Defence to Education, I have got to say only one thing in this connection today—thus from the future to the past. I have got to deal with past which I think is now long dead; I am going to deal with the Archaeological Department. My regret, Sir, all along has been that although this question has been raised more than once, the Education Ministry and the Archaeological Department have not yet come to any decision as to what exactly is the legal position in respect of the archaeological monuments in Part C States. When I made a very thorough study of the problem and found that as early as 1951, when the original Bill by which a certain number of archaeological monuments were declared ancient monuments of national importance, was being discussed this question about the exact legal position of monuments in Part C States was raised. Then, in that connection the hon. Minister for Education had stated that there was no need to pass legislation with regard to historical sites in Part C States. For, according to the provision of our Constitution, the Act of 1904 had been made applicable throughout India excepting Part B

States and we could take over the ancient sites in Part C States under our supervision under the Act of 1904 which has already been done. Sir, from what little law constitutional and otherwise, that I know, I beg to differ from the position that has been stated by the hon. the Education Minister and I find that my doubts in this respect have been fully supported by some of the advisers "of the Ministry themselves. Last time when the amending Bill was being discussed here in April 1953 and when I raised this question myself, Shri K. D. Malaviya, Deputy Minister for Natural Resources said in reply to the same that the legal position was that the monuments in Part C States could be declared as monuments of national importance but that that position was being further examined by the Department. Since then one year has elapsed and I had hoped that some definite decision would have been taken and we would have been told as to what the exact position was but that has not been done. A careful study of the law on the subject makes it very clear to me that, unless and until a monument is declared by Parliament by law to be of national importance, the Central Government and the Archaeological Department can do nothing in this respect on their own, if the States, in which the monuments are situated and which have got Legislatures with powers to enact on the subject, decide to do anything. It has been said, Sir, during the course of discussion on this question in the past that all these things relate only to Part A and Part B States. I have only to remind them, Sir that the Act by which Legislatures have been established in certain Part C States gave the Legislatures a right and authority to enact on subjects in the State List and according to the Constitution they can pass enactments on the Concurrent List also. Thus when the Part C State Legislatures have been given that right, I contend that, unless and until any monument in a Part C State is declared by Parliament by law to be of national

importance, anything done about them by the Central Government would not be legal. In this respect, Sir, I am happy to find from the Reports of the activities of the Ministry of Education that in spite of this doubt or rather the uncertainty about the legal position of the Central Government *vis-a-vis* the ancient monuments in the Part C States, that the Ministry has been spending some amounts in this respect.

[MR. DEPUTY CHAIRMAN *in the Chair.*]

In the programme given for the last year it was mentioned that Rs. 15,000 were going to be spent on repairs to the Khajuraho temple in Vindhya Pradesh and the Report that we have got this year mentions that certain special actions have been taken for the chemical preservation of the paintings at Khajuraho. These alone, Sir, will not give me all the requisite satisfaction; my only earnest wish and hope is that the Central Government would take a definite decision on the question which has been under discussion and consideration all these years.

Thank you, Sir.

10 A.M.

SHRI S. N. MAZUMDAR (West Bengal): Mr. Deputy Chairman, my hon. friend, Dr. Raghurib Sinh, who has sat down just now started the speech with a reference to the international situation. Sir, the steps which the Government of India have taken to ease the international situation or to rebuff the blackmailing policy or pressure of the war mongering imperialists have been supported by us. But it is also necessary and it is also our duty to point out the inconsistencies of that policy. However, Sir, I do not propose to deal with that question; I shall leave that question to some hon. friend of mine who will speak from our side next.

Dr. Raghurib Sinh also has spoken about the defence of the country. Sir, the successful defence of a country under today's conditions, under conditions of total war, does not depend merely on the efficiency of the Army

[Shri S. N. MAZUMDAR.] or only on the size of weapons. For the successful defence of the country the production potential—both industrial and agrarian—of the country is a very important factor. Secondly, it is absolutely necessary that the people of all ranks be enthused with the spirit of self-sacrifice and self-immolation in the defence of the country.

As regards the creation of conditions favourable to this, the Government of India is following a policy which is exactly the opposite of what should be followed. Sir, so far as the question of production is concerned, my hon. friend, Mr. Mathur, today hit the nail nearer the head—I say nearer the head because he missed the head; so far he has not been able to understand the role that the Government of India was playing and is playing as regards the policy of those moneyed people whom he mentioned today. It is very true, Sir, that the monopolists, both Indian and foreign, who control our economy today are behaving in a manner which leads to the ruin of our industries and the policy of the Government of India is encouraging that. However, that is also old ground; we have had several occasions to discuss those things and so I do not like to take my time or the time of the House in discussing these things.

It is my intention today, Sir, to concentrate mainly on the labour policy of the Government of India and particularly the policy which the Central Government is following towards its own employees and how that policy is influencing the policy of the employers in the private sector.

Sir, I shall start with the question of productivity. For increasing productivity, three factors are essential: (i) the labourers must have a minimum living wage; (ii) they should have an assurance of security of service and an assurance that the activities to increase production will not lead to their being thrown out on the streets, to destitution and to starvation; and (iii) it is

also necessary to give them certain other facilities in the way of what is known as social security so that they can increase their efficiency of production.

Sir, some of my hon. friends on the other side on several occasions have been complaining that the productivity of labour in India has not increased and that labour is demanding wages-out of proportion to productivity.

In this connection, Sir, I like to mention, for their reference, the Report of the Fair Wages Committee, and it is one of my complaints too that the Government of India has so far completely shelved the reports of the Fair Wages Committee. On the Fair Wages Committee the representatives of both employers and employees were there. They discussed the whole thing thoroughly and they came to certain conclusions. They discussed the minimum wage, the living wage and the fair wage coming in between these two, and as regards minimum wage, the Fair Wages Committee recommended that it must provide not merely for the bare sustenance of life but also for the preservation of the efficiency of the worker by providing for some measures for education, medical relief and other amenities. It also includes expenses of the family. Sir, the Committee set two limits to fair wages. The lower limit is the minimum wage below which the wages must never be allowed to fall and the higher limit is the living wage and in between the two the Fair Wages Committee related fair wages to production. It said that the actual wages should depend on productivity of labour, prevailing rate of wages, the level of national income and the place of the industrial economy. So, Sir, it is absolutely clear from the report of this Committee on which able representatives of employers were there that minimum wage has no relation to productivity and that labour should be assured of a minimum living wage. The minimum wage which was recommended by them

is not in itself very high and unless and until they are assured of it their efficiency cannot be increased and there cannot be any increase in productivity. Secondly, Sir, we know that the workers have realised from their bitter experience that any increase in productivity has led to large-scale retrenchment and so there cannot be any impetus, any inspiration to increase the productivity.

Sir, I shall come to these points later on, but before that I like to discuss the policy of the Central Government towards its own employees as regards minimum living wage, security of service, social security and also the right of the employees to form associations, and in this connection, Sir, the department over which my friend, Mr. Shah, presides will come in for a good deal of criticism. I shall take these points one by one. Take the case of the lower division clerks. The question of their pay was raised in this House previously. In fact, I myself put a question. Their basic pay is Rs. 55 and their total emoluments come to Rs. 120 whereas a dispassionate examination of their family budgets shows that they need at least Rs. 200. In 1931 when the cost of living was 500 per cent, lower than at present, on grounds of economy their pay was reduced from Rs. 90 to Rs. 60 and the Central Pay Commission reduced it further to Rs. 55. Now, these poor employees, therefore, represented their case to the Government a long time ago and my friend on a previous occasion on the floor of this House said that it was receiving attention. I do not know when that laborious process of paying attention to the barest needs of these employees will come to a conclusion. In the meantime, Sir, from newspaper reports I find that the patience of these poor employees is exhausted. I cannot give you all the instances: it will take a long time and it will tire out the House. So I shall select only a few instances though that will not make the picture complete. However for the sake of economy of time I shall select only a few instances.

9 C.S.D.

Take the case of a peon. Here I come to another category. A peon in the Office of the Auditor and Comptroller-General of India is on a scale of pay of Rs. 30-35. After reaching the maximum in ten years he stagnates there. There is another factor in connection with this category of employees. When these peons are to accompany their superior officers on inspection tours they are paid a daily allowance of annas ten to meet their expenses.

SHRI M. C. SHAH: No, no, it is wrong. It has been revised.

SHRI S. N. MAZUMDAR: However, you will correct me when you reply. Until I receive further information to the contrary, I think I am right in saying that they are paid this allowance and you can easily understand, Sir, what the poor fellow can do with an allowance of 10 annas with which he cannot meet the cost of even one meal.

Then, there is another category of employees whose case I shall mention. In the Postal Department there is a category of employees known as extra-departmental employees. The hon. the Communications Minister in the report on the activities of the Posts and Telegraphs Department and in his speeches has said that every big village in India will have a post office. All right, that is good. But he has not given us any idea about the pay of the employees in these village post offices. These extra-departmental employees in these post offices are paid a paltry sum of Rs. 10 to Rs. 30 as allowance with which not only to maintain themselves but to maintain the expenses of their office establishment. So, Sir, you can easily understand what is their condition.

Then, I shall mention another category of employees known as the C.A.D. employees, that is, the Civil Aviation Department employees. These unfortunate people have been agitating for a long time for the appointment of an expert committee to go into the question of

[Shri S. N. MAZUMDAR.] their wage structure and my friend, Shri Jagjivan Ram, the Minister for Communications, who claims to **have** been a trade unionist sometime has not yet been able to understand the demand and to apply his mind to it. In fact, he has not been able to understand the necessity for a demand for an expert committee. Now, Sir, it may be argued that the Central Pay Commission's recommendations are there. I do not know if my friend will advance those recommendations, but assuming that he advances this **ag^u**-ment I shall point out to him that the civil aviation department has grown phenomenally after the Central Pay Commission was constituted and after it gave its findings. Actually with the growth of civil aviation in India, the number of employees, whose duties are concerned mainly with the ground work of civil aviation, has also increased rapidly in the post-war years. On account of this growth in civil aviation, large numbers were recruited for ground duties, but their needs were not considered and, so far as I know, as yet no attention has been paid to their demands. Moreover, their pay scales are such that within the next two to three years a large number of staff will reach the maximum of that pay scale and will remain there without any further increment for another 12 to 13 years. If you will consider the cases of these people, Sir, you will find that these people are posted in out-of-the-way places in aerodromes surrounded by jungles, infested by wild animals, aerodromes in unhealthy areas, aerodromes difficult to reach being far from railway stations, but there are no quarters for them, there are no markets, no amenities of civilised life. They have to work there, toiling in all sorts of weather without enjoying any holidays. Their demands should have been considered long ago. but the Government has not thought it fit to pay any attention to them.

Then, Sir, I come to the question of security of service. An overwhel-

ming majority of the employees under the Central Government enjoy no security of service. The fear of retrenchment is hanging over their heads as the perpetual sword of Damocles. I shall give certain instances only. In the Central P.W.D., Delhi, out of a total of 15,000 employees only 7 per cent, have been declared as permanent and another 7 per cent, are promised to be confirmed. In 1946 Government promised to confirm the total number of employees required for efficient maintenance of permanent works on the basis of which 80 per cent, of the existing work-charged staff should have been confirmed, but practically nothing

j has been done in all these eight years. And you know, Sir, the patience of the employees has been exhausted and they are now pressing for the reference of their demands to a tribunal. Not only that; in these eight years thousands of work-charged staff have been discharged. On the other hand, the Government has employed workers as daily-rated temporary hands through contractors so that the workers have been deprived of all privileges. Again and again, I had occasion in this House to refer to this category of labour employed by the contractors and it is strange that the Government and the hon. the Labour Minister, while eloquent in their declarations about the policy of decasualisation of labour, are actually following a policy of casualisation of regular labour in their own Departments.

Sir, I will give some more examples, Take the case of the Iron and Steel Controller's Office in Calcutta. There are about 500 employees most of whom have completed three to four years' service. But none of them has been made permanent. Only 200 have been declared quasi-permanent but from my experience of the security of service of quasi-permanent employees I

i should like to say—the word may be a bit rude—that this quasi-permanency is a fraud and nothing else. They are assured of nothing. In the Central Stationery Department, 28 clerks, who were made quasi-permanent after

I having put in several years of service.

were served with discharge notices. Of course, the hon. the Minister for Works, Housing and Supply has given an assurance that all efforts would be made to absorb them in other Departments. That is good. Let them at least be saved from the jaws of starvation, but what is the reality? These people, after serving for eight to twelve years, after having been declared as quasi-permanent, which gave them some assurance of security of service, were suddenly faced with retrenchment and I can tell you, Sir, that it is difficult for some of these people to maintain the family. Some of them actually got married after being declared as quasi-permanent in the hope that they would be able to maintain a family but suddenly they were faced with such a position. Similarly, a form of indirect retrenchment also goes on, because if there is any direct retrenchment there may be a hue and cry on the floor of the House. In the same Iron and Steel Controller's Office 15 persons were transferred to the Income-tax Office but they have not been given the benefit of their past service. Those who are transferred to other offices are treated as on par with new recruits. What is the use of their serving for so many years if they are not to be taken into account? Their question of seniority and other privileges and their continuity of service are all at one stroke of the pen completely nullified.

Similarly, in the Office of the C.P.W.D., Calcutta, in the Directorate of Supply and Disposal and Audit and Accounts, 80 per cent, of the lower division clerks are temporary though a majority of them have put in a minimum period of five years' service. Not only that; it is strange that while on the one hand retrenchment goes on, on the other, recruitment also is made in the same office. Some are resrenched, while others are recruited. At least to prevent this sort of thing the employees long ago put in a suggestion before the Government that a central pool of all the officers of the Central Government should be formed so that

when some employees are found to be surplus in one office, they can be found employment in another office without going through that strange process of retrenching experienced employees on the one hand and recruiting inexperienced people on the other. But this suggestion has not yet been considered by the Government and it is still hanging fire.

Then, when retrenched employees are absorbed in other Departments, their services is not treated as continuous. I gave some examples and I feel it is absolutely unfair to them. I come to another example of the civilian employees of the Defence Department in the M.E.S. Majority of them are on temporary rolls; they have been serving for the past ten to fifteen years. There are cases of employees having served 30 years, but still remaining temporary without any benefit of pension and other privileges. Persons who have put in long years of service are still not made permanent and the nightmare of retrenchment is before them. Trained hands who may be necessary for our defence are retrenched. We know the case of retrenchment of 813 employees in the Hindustan Shipyard. My hon. friend will say that they were declared surplus but that question of being declared surplus should be gone into thoroughly.

PROF. G. RANGA: And more and more are going to be declared surplus.

SHRI S. N. MAZUMDAR: I have discussed this question before, but now I shall lay emphasis on another aspect. These people are experienced in shipbuilding. While it is admitted on all sides that it is necessary for us to develop our own shipping, the Government is giving encouragement to experienced hands by retrenching them! When the question of defence is brought forward with reference to every subject, when Dr. Katju comes forward with the Press (Objectionable Matter) Bill and advances as one of

I the arguments the question of international crisis and national sovereignty being in danger and so on, why

[Shri S. N. MAZUMDAR.] these people will be necessary for our defence. But they are retrenched and more are going to be retrenched.

Then, as regards promotion, the lower division clerks have no avenues of promotion. About this also there was a question and my hon. friend there tried to convince me that they have enough opportunities for promotion, but I shall face him with facts. Sir, there is a condition that lower division clerks may be promoted to upper division only if they pass part I of the S.A.S. examination and that also after a qualification of six years' service. Now, if my friend takes the trouble of going through the percentage of passes of S.A.S. examination he will find that the percentage is appallingly low for the last decade. So long only upper division clerks who have higher education appeared in this examination but even then there is an appallingly low percentage of passes and if the lower division clerks are asked to take that examination there is actually no chance for them. There is no other facility for them to appear in any other examination or for any other training for them. Moreover, sometimes it has been found, as in the case of the Central Stationery Department, that junior clerks were discharged on the ground that they were non-matriculantes and that that task should be done by only matriculantes. But these people who are non-matriculantes have been doing this job efficiently for the last eight or ten years. Why, then, should this question be raised now? They are quite experienced; why not count their experience? Efficiency is determined by experience and not merely by the examination which they might have passed. There are several candidates in the Audit and Accounts Department who have qualified for the B Grade but they have not been upgraded as yet. There are several graduates who have not been promoted. Actually in the various Departments under the Central Government the scope for promotion from lower division to upper division is being gradually narrowed down. That cannot give them any incentive to

efficiency. On the other hand, demotion is going on in the office of the Iron and Steel Controller during 1952-53, 125 employees were demoted to respective lower posts, that is, from assistants to upper division and from upper division to lower division and so on, though all of them had served for five to ten years in their grades. Sir, in this matter no fixed principle is followed. One principle is followed in one office; quite a different principle is followed in another office. A completely irrational system is being followed depending on the whims or judgment of the departmental heads.

Then, I shall come to the question of the conditions of service. First of all, these employees are deprived of the opportunity to get the benefit of the Industrial Disputes Act. Employees in the private sector have at least got the opportunity of taking their grievances to the courts under the Industrial Disputes Act but the Government employees have not that advantage and the only course open to them is to represent through their associations. Representations go on multiplying without producing any result, without even eliciting an answer. There should be a time limit at least to this matter, that a representation should be answered within a definite time limit. Otherwise, what happens is—and that is what exactly has happened—that they cannot go to the court; they cannot take advantage of the Industrial Disputes Act. and they have to go on representing and representing and these representations find their place, I do not know where, either in the waste-paper baskets, or piled in heaps and heaps of papers. By that time, the patience of the people who represent gets exhausted.

Another thing, there is an increase in the workload. I may cite an instance here. In the Accountant-General's Office, a new system has been introduced according to which a peon has to take over the work of a division of three sections. His duties are defined as follows:

- (1) to take papers, books, registers, etc., to sections and gazetted officers, etc., carrying dak to other offices as messengers;
- (2) to label and arrange files under the direction of a clerk;
- (3) to supply drinking water to clerks and superintendents;
- (4) to clean almirahs and racks, etc.;
- (5) to remove pieces of furniture from one place to another as required;
- (6) to remove files and keep them in proper place;

and so on and so on; but the list is not exhausted.

In this way, the workload is being increased resulting in the rise in incidence of sickness. I have come across certain cases where the incidence of sickness among the employees is going on. There is no leave reserve. The employees under Government—the non-industrial employees under the Central Government—have, more often than not, got to work beyond the usual hours without being paid any overtime. At least for the employees in the industrial establishments under Government, they have a system of over-time, but these people have none. The others are at least compensated for their longer hours of work by the grant of this over-time allowance. But for this class of Government employees, there is no such compensation. The peons, dafties, etc., they have to attend office half an hour before the usual hour. Sir, I have come across cases in certain offices where if the employee is taking casual leave on more than one occasion, it is entered as a black-mark in his service record

PROF. G. RANGA: (*Addressing the hon. the Finance Minister*). Is that so?

SHRI S. N. MAZUMDAR: Let me find out from him if he has anything

to say to the contrary. Again, the families of class IV servants are not given any medical facilities. I shall not dilate on that question as it has often been raised on the floor of the House. Not only that, Sir; there are certain peculiar rules. In the rules framed by the departments of the Government, there is a rule that an employee will be reimbursed his medical expenses only up to the limit of certain prescriptions, say, four. If, unfortunately, his illness is of such a nature, that it goes beyond four prescriptions, the poor fellow is not to be reimbursed his expenses. Then, in the preparation of the medical bill also, if the medical bill is prepared including the prescriptions beyond the limit specified, that bill is returned to that person; he will have to obtain a certificate from his medical attendant; in most cases, the medical attendant does not happen to be a Government servant; he is a private doctor and he would not easily comply with all the regulations of the department.....

SHRI M. C. SHAH; There is a new scheme coming.

SHRI S. N. MAZUMDAR: I would like my hon. friend to take some information from me and not only from the heads of this departments. There are certain rules in these departments—I do not know if the hon. the Health Minister is herself aware of these rules—that if an employee is suffering from T. B., he may receive treatment in a recognised sanatorium and his expenses will be reimbursed only if he has obtained the prior approval of the Director of Health Services. Sir, if a sanatorium is recognised, I do not know why this certificate is insisted on. And, you know very well, Sir, how quickly these letters and applications are disposed of in the departments under my hon. friend. The employee has first, after coming to know that he has an attack of T.B. to apply to the Director of Health for a certificate of his approval, and then, if the employee manages to be alive by the time he succeeds in getting it, he goes to the recognised sanatorium and then only,

[Shri S. N. MAZUMDAR.] after treatment, he may be reimbursed all his expenses. Then, Sir, the quantum of leave granted to temporary Government servants suffering from T. B. is only for one year—please make a note of that. Is it the view of the Government that one year is sufficient for all the cases for treatment and complete cure of T. B.?

Now, I come to the question of trade union rights. The Government employees have no right to form trade unions. Their associations are not recognised easily; and if at all, they are hedged in by so many conditions such as there should not be outsiders on the executive committees; there should not be ex-employees; there should not be this and that.

Sir, it is the fundamental premise of trade unionism that outsiders, particularly in the India of today, are a necessity on the executives of trade unions. The other day, the hon. the Minister for Communications failed to understand why outsiders were necessary on the executives of trade unions. If an employee takes the lead to organise, and say he is not afraid, he is bold enough to stand up to the displeasure of his employers, he is victimised. My hon. friend would at once come out and say; "Can you show me one example where an employee has been victimised for asserting his trade union rights?" I ask him: 'Are his officers so native and so bereft of all intelligence as to write on the files or charge-sheets that "you are victimised for your trade union activities"?' Right from Government departments to private employers, they never say that they have ever victimised anybody for trade union activities; but victimisation is going on everywhere. So, it is there. My hon. friend does not know much of trade unionism but our Labour Minister has an experience of nearly forty years in that line. I shall come to him later on.

Again, Sir, as regards conditions of labour. The Labour Ministry is helpless here; it cannot do anything, it

cannot interfere in case of disputes between the Government and its employees. But there are several cases where the conciliation officers and labour officers do try to intervene to some extent. But they are dissuaded by other ministers or by heads of other departments who say: "You shall not interfere". All these, Sir, will not be in black and white because the labour officers are not in a position to put them in black and white. The Labour Ministry is completely helpless as regards the condition of service of employees under the Central Government.

Now, as regards the condition of recognition. The Civil Aviation Department Union had applied for recognition. They have been recognised as a Service Association. What is this recognition as a Service Association? It can only make representations through proper channels. What is the objection to recognise them as a trade union? The Government have the right to refer the dispute to the tribunal; they have the provision for compulsory adjudication; they have the provision as regards public utility services; there are so many safeguards under the Industrial Disputes Act. Why does the Government fight shy of recognising the trade unions of its own employees? Even this limited recognition of Service Association is not quite easily obtained. After a long time of representation and petitioning, after harassing the employees, this recognition is given. I wish to mention here about the All-India Income-tax Non-Gazetted Staff Federation. They had been trying to get recognition for the last five years. Conditions were laid down by the Board; those conditions were fulfilled. Fresh conditions have been laid down and I know that so far recognition has not been granted, but I think something is going to be done. The latest condition is that the Federation will not be open to inspectors or unions of class IV employees.

The employees in the office of the Iron and Steel Controller, Calcutta, applied for recognition but nothing has been done in this matter as yet.

Now, Sir, before I pass on to the I labour policy of the Government in general, I shall mention another matter. I refer to the matter of social security. There is not much in India today in the way of social security. Only very meagre steps have been taken. A large number of Government servants are deprived of even those paltry measures of social security. Class IV employees are not allowed the benefits of the Contributory Provident Fund. Sir, when this question of Employees' Provident Fund was discussed in this House and also in the Provisional Parliament, many Members even from that side of the House took objection to the exclusion of employees under the Government from the benefits of the Act. They were assuming that Government servants enjoyed the facilities of the Provident Fund, but class IV servants do not enjoy these facilities. This is only one example of how the benefits of small and halting measures which are introduced by the Government after a long time are denied to a large number of employees. Sir, when the Government itself is following such a policy with regard to its own employees, the private employers are encouraged by this.

My friend, Mr. Mathur, referred to foreign concerns. Sir, about foreign concerns we have discussed much, but today I shall mention only one thing. The foreign firms are retrenching their employees with impunity. Only in Calcutta the other day they have retrenched about 120 employees and the Government is doing nothing because it gives a lead by retrenching its own employees.

Then, I would say something about the attack on trade union rights. Sir, the attack on trade union rights has been stepped up in tempo and in quantity. I shall mention some of the tactics adopted by employers. If there is any legal strike and if the police cannot have any occasion to interfere on behalf of the employers, then certain blacklegs are imported some *goondas*

are imported. some sort of incident is engineered, and then in the name of law and order and in the name of peace and tranquillity mass arrests take place and the leaders of strikers are thrown into jails and every help is given to the employers to crush the strike. But if even after that the unity of the workers cannot be broken and if the workers in their just demands succeed in rousing public opinion in support of them, only then the employers give something or the dispute is referred to tribunal. Even then the Government pleads its helplessness by saying that it cannot force the employers and it cannot do anything. But I am asking one question. Why don't you amend the Industrial Disputes Act? When the employers violate the terms of an award given by a tribunal, why does not the Government take steps to see that the employers are made to abide by the awards of the tribunals? There have been numerous cases like that. There was some provision in the Industrial Disputes Act for prosecution of employers. Though this provision was very meagre—only prosecution and fine, not imprisonment—yet this provision has not been utilised in any single case in India. I one day asked our Labour Minister in connection with the discussion on the Industrial Disputes (Amendment) Bill, whether he could give me one single instance where the employer had been prosecuted for violation of the provisions of the Industrial Disputes Act. But the hon. the Labour Minister thought it better to observe silence for reasons best known to him. Then, Sir, there are lockouts. If the employees press their just demands, the employers hit back with a lockout. The matter then may or may not be referred to a tribunal, but in the meantime the employees have to starve and their suffering continues like that. Then, in certain mills they are demanding bonds of submissive conduct from the labourers. Large-scale externment of trade union leaders is also resorted to. This happened some months

earlier in the coal-mine area near¹ Asansol in West Bengal. So, Sir,

[Shri S. N. MAZUMDAR.] this is how the attack on trade union rights has been stepped up.

Now I shall come to the question of rationalisation. Sir, I find that the hon. the Commerce and Industry Minister has given an assurance that there will be rationalisation without tears. I am not prepared to accept his assurance. It may be without tears only in one sense, and that is that the wrath or discontentment of the workers would be so much that there will not be tears but hatred in their eyes. In that sense it may be without tears.

SHRI H. P. SAKSENA (Uttar Pradesh): Tears will have been dried up by that time.

SHRI S. N. MAZUMDAR: Yes, thank you. But, Sir, by rationalisation is productivity going to be increased? Certainly not. I am glad to say that even the leaders of the I.N.T.U.C. have expressed very strongly against the policy of rationalisation. But is the Government paying any attention to them? Sir, Mr. Vasavada, the well-known leader of the I.N.T.U.C. has shown by facts and figures that rationalisation will not lead to any increase in production. He has said that rationalisation is a very wrong policy. I shall give only one example from Kanpur. There the scheme of rationalisation in the textile industries—in seven or eight mills—is going to be put through. It is on the advice of a firm known as IBCON, a firm of American efficiency experts. And this rationalisation scheme, when put through, will mean unemployment for 8,000 labourers immediately, an increase in the work-load by 30 per cent, for those not thrown out and a fall in production by 30 per cent. At present one labourer can manage 250—275 spindles with old and with new machinery. Under the new scheme he will be asked to handle 300 spindles. But when nearly 75 per cent, of the machinery is old, it will mean a fall in efficiency from 25 to 30 per cent, and a fall in production by 30 per cent. It will not raise the production potential. It will decrease the production

potential. 1,80,000 weavers out of 2 lakh weavers in the textile industry will be thrown out. Sir, I may point out that the Cloth, Control Advisory Body in 1952 gave a decision against the introduction of any labour-saving device in view of the increasing unemployment. But now when the problem of unemployment is very acute and when the Government, on the one hand, is professing that it is taking all steps to reduce unemployment, on the other hand, it is encouraging retrenchment by permitting, rationalisation. Due to the pressure of the labourers, an amendment was brought in so that the retrenched labourers might get some compensation, but after that the policy of the Government is now to allow the employers to go full-scale with their rationalisation programmes, leading to a fall in production, fall in efficiency, discontent of the labourers and the ruin of the industries also, because we have seen what, in the present context, an increase in productivity leads to. Several months ago this question was discussed in this House that when there was increased productivity in the textile mills, the employers, for fear that their profits would go down, immediately tried to stop production, close mills, close shifts, etc., and the Government is taking this halting policy on the one side of trying to dissuade them from doing this and on the other, encouraging them to do all these things. This is not a proper policy. As regards the bogey of falling profits, I shall refer my hon. friend to the report of the Income-tax Investigation Commission—a Commission which was appointed by them—which will show that the bogey of falling profits is really a bogey, and has no basis or substance.

So, Sir, I have taken much time of the House but, before I resume my seat, I shall say only this much that this policy has to be changed. If the Government does not change it, then the united opposition of the workers and the support which they would get from the public will force the Government to change this policy. Let the Government, if it is true to its

professions, make a small beginning with its own employees and give them some relief.

SHRI C. P. PARIKH (Bombay): Mr. Deputy Chairman, I rise to support the Appropriation Bill moved by the hon. the Finance Minister. With regard to this, I would explain in the initial stage itself that the economic and financial policy of the Government has much to do with the development and economic uplift of the country as well as a rising standard of life. Hence proper measures, if they are adopted in right time, will go a long way in achieving this object. If we see the National Income Committee's report, February 1954, which has just been issued, it will be seen that the net output of wealth in the country is rising by Rs. 500 crores every year, and this is owing to the measures adopted so far by the Government.

PROF. G. RANGA: After taking into consideration the inflation?

SHRI C. P. PARIKH: Yes, everything. The current prices. The net output was Rs. 8,600 crores in 1948, Rs. 9,000 crores in 1949 and Rs. 9,500 crores in 1950. This shows that we have been able to increase our production, both agricultural and industrial. When our irrigation schemes come to completion and some which are now to be started are completed, I am quite sure that the food problem and the food deficit will disappear and we may be able to become a food exporting country in the year 1958 or 1960. With regard to industrial production also, figures are there which go to show that production has increased considerably. The index of industrial production has gone up from 100 to 134.

The hon. Mr. Mathur said that many industries were not working to their installed capacity, but this is not true. The stalled capacity of the country is more in the case of many industries to which I will come later on. We must admit that we have achieved great industrial progress of which we can be proud. The industries that remain still to be developed are few,

and I will mention what the industries are which still remain to be developed in the country. They are iron and steel, heavy chemicals, dyes, pharmaceutical drugs and medicines, motor cars and trucks, oils, shipping etc. All these industries are difficult to develop and some of them are being developed in the public sector by the Government. For some industries large financial resources are required which are not within our capacity to invest in the immediate future. In some cases, the technical skill required does not exist in the country—at least to the degree which is required. In many cases, the raw materials also are nonexistent in the country, owing to which the industry cannot be developed here. There are also some cases where industrial units cannot be built on an economic basis owing to the demand in the country being very limited, *e.g.*, in the case of the motor cars and motor trucks. An economic unit should produce 10,000 moto. cars and trucks, for which there is no demand in the country. Still we have to develop these industries but we have to do so in a way which will suit our resources.

As I said in the beginning, we can be proud of what we have achieved, but we should not rest content with this advance. Still, we have to take certain measures by which we can increase our national wealth every year by more than Rs. 500 crores. The Planning Commission have recommended or anticipated that the national income will be doubled in 27 years. I say, Sir, that if proper measures are taken, the national income can be doubled by the year 1965, in a period of 12 to 13 years. I think their calculations are rather conservative, and looking at the facts as they are and the rate at which we are making progress, I am quite sure the national income can be doubled by the year 1965. Now, my reasons are these: If we look at the production side, we will see that agriculture is responsible for Rs. 6,300 crores, manufacturing and other industries Rs. 550 crores and the rest about Rs. 3,000 crores. Looking at these

[Shri C. P. Parikh.] figures, it is evident that if the agricultural production increases, our national income will *also* increase very fast. Our agricultural yield is capable of being increased to six times the present yield in many cases. Many of our areas are non-irrigated and, therefore, these calculations in my opinion, are not correct. When irrigation facilities expand and when other measures like improved seeds and improved manuring, etc., are also adopted, and financial and technical assistance is given to the cultivators, our agricultural production will be doubled in the very immediate future. And these steps are being taken.....

Sir, here I must point out to one serious defect in our programme. Our present credit system does not at all help the agriculturists. Our present credit system is in the hands of the Reserve Bank and is regulated by the Directors of the Reserve Bank. Their policy till now has been to support the large industries, commerce and trade. They are not interested in the smaller men and practically no credit exists for the cultivator or the artisan. If more attention is paid to the subject, our income can be doubled by 1965, and for that the Government have to take necessary steps, because if credit does not exist, then naturally the cultivator or the artisan has to pay, for his requirements, ten, fifteen or thirty per cent, higher prices; when selling his goods, he realises fifteen to thirty per cent, less for his produce. Credit may be expanded in many ways. Branches of the scheduled banks and co-operative banks may be established in all villages where the population is about one lakh and an Agricultural Finance Corporation should be established to assist these institutions in the best possible manner for giving credit to the cultivator or the artisan who has no security to offer. Now, these are the things that are required. How can they be achieved? Government have paid attention to the question of extending industrial credit and are thinking of starting an Industrial Development

Corporation. This is very necessary, of course, but why should they not think of establishing an Agricultural Finance Corporation also simultaneously? I think, Sir, the reply can only be in the affirmative.

The Planning Commission have recommended that 100 crores of rupees for such economic credit in the rural areas and I think in spite of the recommendations of the Planning Commission for the last two years, very little has been done and a mere amendment of the Reserve Bank rules for supplying credit to the extent of Rs. 5 crores is merely a mockery of the agricultural economy in the country and the agricultural credit. How are the banks not functioning in the rural areas? It is because of the higher scales of wages that have to be paid owing to the labour laws; the administrative expenses go up and, therefore, owing to the labour tribunal awards, etc., the scheduled banks are not opening branches there. A way must be found if we cannot achieve the object by the present method. That would also benefit Government by mopping up the excess and floating and hoarded funds in the rural areas. I am suggesting this on this account that in the rural areas in my opinion there is about Rs. 300 crores of currency notes lying floating. The people are trying to store their money to meet future requirements. Every man in the countryside has some 10-or 100-rupee notes with him in order to meet his requirements after 6 months when the busy season may start and therefore there is not the depositing habit in the rural areas.

PROF. G. RANGA: It is dead.

SHRI C. P. PARIKH: But some money is there which can be brought out if banking institutions exist in the countryside. In order to instil confidence in these people, cultivators and artisans or others who can save in the rural areas, all deposits with these banks and institutions should be guaranteed by the Government as regards repayment if the amounts are upto Rs. 2,500. In this way Government

will be able to get to the tune of Rs. 500 crores of notes and coins and gold and silver in circulation. The hoarded money or the money kept in reserve will come out, if this guarantee of deposit is made to the cultivators or artisans or the rural people who are able to save. Over and above this, when these funds are received, they should not be drawn for financing large-scale industries. They should be employed in the village areas also and I think every cultivator or artisan can be given an assistance up to Rs. 1,000 if he requires and **that** money is not wasted. You must see that if Rs. 1,000 is given to a cultivator or artisan, it is used for productive activity and not for his domestic expenses in which case that money is safe. No cultivator is going to leave his land for non-payment of this money. No artisan is going to leave his occupation for non-payment of this advance and this credit is very important if we want to double our wealth by 1965. These credits will induce both the cultivator and the artisan to produce more because the whole margin of profit will remain with them and with the increase in the margin of profit their incentive and efficiency will increase and they will not be exploited in the prices. Let us examine some articles and the price at which the producers sell them. Let us examine the price which is paid by the ultimate consumer for the same article. The difference in many cases is from 15 to 85 per cent. This is a big difference and if the cultivator or artisan is given credit, this money will go to increase his income and the per capita income, which is Rs. 260 or Rs. 280, will rise by 25 per cent. That is the secret of credit and the secret of developing increased wealth in as short a time as possible.

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In order that these banks or these institutions may open their branches, and Government may not have to carry this burden themselves, some tax relief to these banking institutions

may be given. Some remission in corporation tax or such taxes can be given to them for advances and deposits received in the rural areas in order that the administrative expenses which may be high owing to higher wages may not come in their way. There are ways of inducing the institutions to work there so that the cultivator and artisan get their money at 4 or 6 per cent, instead of at 15 or 25 per cent, as it is at present. Whatever tax relief is given in that respect will be more than repaid by increased receipts and revenue owing to increased wealth for the country.

Now I will come to the next point of cottage and small-scale industrial production. Here also it is very necessary to note that our total production is of the value of Rs. 9,500 crores of which agricultural production comes in for Rs. 4,800 crores and small enterprises and handicrafts account for Rs. 900 crores and **the** large-scale factory establishments account for Rs. 550 crores. So, the factory establishments create wealth of Rs. 550 crores while small enterprises and handicrafts create wealth of Rs. 900 crores. That is the National Income Committee's report and it is correct. We can increase our production if proper credit facilities are given and the small industries which are run in cottages or on small scale are helped to the degree that is desired and in a way which is recommended by the Planning Commission. The first step in that direction has been taken in the case of supporting the handloom industry. When Government thought fit to support the handloom industry, they were able to do it in 12 months. Various measures were taken during the last 12 months by which the handloom industry is able to sell in competition with mill products—owing to the various excise duties which are levied on mill products and the various imports which are levied on the mill products, in order that the handloom products are well able to compete.

[Shri C. P. Parikh.]

The same measures can be adopted for many other industries which were adopted with regard to handloom products. I may say that thereby greater efficiency will be achieved. By putting handloom and textiles in selling in a competitive capacity, a great result has been achieved that there will be efficiency in both the textile industry and the handloom industry. The textile industry will not exist as regards inefficient units in the country owing to handloom competition, and these inefficient units will ultimately have to be improved or will have to change hands or the machinery will be renovated and the cost of production will ultimately come lower. In a similar fashion, progressive handloom weavers will exist, otherwise the man who does not adopt modern methods of having more production, of having standardised goods, of having better designs, etc., will not exist. So in handloom also, greater efficiency will be there and in the mill industry also greater efficiency will be there. In a similar fashion, you can do this in so many other industries.

PROF. G. RANGA: Don't you want any reservation?

SHRI C. P. PARIKH: I have already said that the Planning Commission have recommended reservation and Government has only accepted reservation in the case of handloom industry and in no other industry and I am advocating that the policy of Government in having reservation in other cottage industries should be adopted at an early date. I can tell Mr. Ranga that it is not only that there is reservation; there is a ceiling on the production of the units existing on a large scale. The volume of production of the existing units also has to be seen so that it does not increase in order that future demands may go to the cottage and small industries. There are many recommendations by which the industry can be helped but Government must make up their mind. Only re-

I commendations will not be helpful to [the cottage industries and so many times sympathies have been expressed by the biggest political leaders for supporting cottage and small-scale industries but I think the recommendations of the Planning Commission have not been followed in any other industry except the handloom industry. And, if they follow it in the other industries, I think there will be industrial activity in the rural areas and also there will be no unemployment or under-employment in the rural areas. I think, Sir, we have got to achieve this.

When on this subject, I have to make another point, Hon. Members, who have been to the Khadi Exhibition now on in Delhi, would have seen that there is one *charkha* plying four spindles. There are rollers attached and the methods adopted are such that the production is four to five times what an ordinary charkha can produce. I may tell you that if proper research is made and if improved working conditions are there, even twenty spindles can be worked. After all, we are in an age when electricity will also be made available in the rural areas. So with one small plug in that machine, it will be electrically driven in the cottage, in one's own home, where one is the employer and the employed. That is the advantage of cottage industries; for the man who runs the business does not lose his independence, when working with his own hands or working with the aid of electricity. He is his own master and he has not to carry out the dictates of anyone and his originality, his intelligence and his efficiency are not given up. If he has to work under another man, then he has to work more to the desire of that other man, to the desires of somebody else and the best brains are thus lost to the country. But if the man is able to get electric power in his own cottage, he can use it and produce articles and be his own master. The producer will be both the employer and the em-

ployee and with electric power, thirty spindles could be worked and the cost of production will be lower and there will also be full employment in the country. We know it is easy to mechanise, but it is difficult to de-mechanise.

We know America at present is producing armaments to the extent of 45 per cent, of its industrial capacity and the rest 55 per cent, is utilised in producing goods for civilian consumption and for export. If America does not produce armaments and all their machinery is employed for the production of consumer goods, then I think this 45 per cent, of their machinery will be able to supply all the requirements of the whole world. This is how America is making advance. There are machines invented by which you can do a lot of work, by which one man can do the job of 100 men and then comes the most important question of rationalisation.

It is now a question of the installation of automatic looms. There is no difference between the employer and the employee about the method of rationalisation and there is an agreement already arrived at through the Planning Commission between the employers and the employees that rationalisation has to be adopted on certain lines. And the main principle is that no man is to be thrown out in the streets against his will. If any man is to be discharged, he has himself to agree to the discharge and he cannot be discharged by the employer. So security of service is there. But the main question is: How far can rationalisation be carried? Rationalisation, in my opinion, can be conducted to the extent of 3 to 5 per cent, of the labour force employed by a factory. Now, I will explain how I get this figure of 3 to 5 per cent. A factory employs a certain number of workers. These workers are permanent. But some of them go away in course of time, they retire, or they become too old or they die or they find alter-

native employment, in this way vacancies occur and they amount to about 3 to 5 per cent, of the total strength. You need not employ new hands when such vacancies occur and rationalisation can be carried on up to this limit and that is the agreement arrived at between the employers and the employees through the Planning Commission and it has the sanction of both the employers and the employees. But the demand for installing automatic looms came in and hence this agitation on the question of rationalisation has come to the public attention and on the platform in various places.

Now, what is an automatic loom? A handloom, I say, is able to produce 10 yards in 8 hours of work. A mill-loom is able to produce 80 yards during the same period of 8 hours. And an automatic loom is one where one man will be able to produce 800 yards. ■ That is the position, Sir. Should we not resist such rationalisation when so many men are to be thrown out and when the relative productive capacity of so many persons is to be at a disadvantage? That is why there is the opposition to the installation of automatic looms, and this is justified. I may say there has been agreement between capital and labour, between the employer and the employee that instead of 2 looms, 4 looms should be worked if there is vacancy arising out of death, retirement or the finding of alternative employment. To the extent of 3 to 5 per cent, vacancies four looms could be worked. That is permitted. But even labour has opposed this. Labour leaders, who, I know, exercise great influence over their labour, are now persuading them to work 4 looms at present. Why should labour oppose it? The labourers say: "if we work more machines, the result will be that employment will be blocked for our sons and grandsons and brothers and sisters." The whole thing is, if one man is able to work more, then there is need for a smaller number and so they say, "we do not want to

[Shri C. P. Parikh.] work more because there will be less of employment for our relatives and friends." Even then, according to me, there is limited scope for rationalisation to the extent of 3 to 5 per cent., as I have already explained, and that is desirable in the country.

Now, I will come to the next point—the volume of production and the rates of excise duties levied. In the present Budget, excise duty has been levied on footwear, soap and art silk, to the extent of 10 per cent. There is uniform duty put on factory-made products and cottage-scale products, which are denned by the rules, are exempted from the duty. This is a half-hearted support to cottage industries which has come from the hon. the Finance Minister's policy. Footwear, soap and art-silk are the three industries that have been brought into the purview by the levy of excise duties on them to the extent of 10 per cent. We exempt cottage-scale products in the same industry. The result is cottage industries will get an advantage to the extent of 10 per cent. That is true. But the hon. Finance Minister, in my opinion, has forgotten the existence of small-scale industries while levying this excise duty. We may see what is happening in the soap industry. In the soap industry, one firm is able to supply 70 per cent, of the requirements of the country. So one firm is able to supply 70 per cent, of the requirements of the country in the matter of soap and there are 85 other factories—small and big—which have to supply 30 per cent, of the requirements of the country, owing to the competition of the other one big unit, although their installed capacity is adequate to produce all the 100 per cent, of the country's need. So this installed capacity is lying idle owing to the existence of this one factory which is able, on account of the rate of its high production, on account of its mechanical methods, on account of its financial standing, to oust the others. So the medium-scale indus-

tries have been ousted in this way. And unfortunately, in the case of soap, this one firm is owned by a foreign concern. So I say, if this is the case, we should levy differential duties for small-scale and large-scale industries. I may suggest here that if the duty was to be at 10 per cent., those factories whose production was more could have been subjected to this rate of 10 per cent, and those factories which produce less should be subjected to only 5 per cent, or half the duty. I may explain why I am suggesting this. In the case of small scale industries, they find that one factory is producing 70 per cent, of the requirements of the country. There are about 100 factories, small-scale factories, which are producing less.

Now, in the case of the match industry the rate of excise duty is different; the units with large volumes of production are subject to a higher rate of duty and the units producing lesser volume are subjected to half of that duty. Therefore, the excise and other duties should be levied in a way that the medium scale or the small-scale producers are not wiped out by the large scale producers otherwise we shall be building up a monopoly for somebody. Unfortunately, in the case of footwear also the Bata Company can wipe out and has wiped out so many cobblers and it may be wiping out 185 other factories if differential excise duties are not levied on the basis existing in the match industry.

Now, Sir, I come to the point about Government support to the cottage industries. The Planning Commission have earmarked Rs. 15 crores for small-scale and cottage-scale industries (Chapter XXIV) and they have suggested that certain measures for supporting and encouraging them should be taken. But it is unfortunate to find that very little has been done in respect of those recommendations; that will be apparent from the statement which the hon. the Finance Minister has submitted to the other

House with regard to the summary of expenditure sanctioned for the village industries, the small-scale industries and for the handicrafts. For village industries, schemes have been sanctioned for Rs. 21 lakhs; the amount sanctioned for small-scale industries is Rs. 33 lakhs and for handicrafts the amount is Rs. 13 lakhs. As I have pointed out earlier, the total production in the country of small-scale and cottage-scale industries is to the tune of Rs. 900 crores. What is this paltry sum going to do by way of help to those industries? I think, Sir, it is much better not to give such small sums and subject our policy to ridicule. In a production valued at Rs. 900 crores, a sum of Rs. 50 lakhs will only support the administrative officers and enable you to make a show that you are supporting cottage industries. Without adequate funds nothing possible can be done. The Planning Commission must also see whether their recommendations are being implemented and the hon. the Finance Minister has also to reply to us in this House as to why only such small amounts have been spent in these directions. If Rs. 50 lakhs is the extent of our help, both technical and financial, to the cottage industries, I think, Sir, the sooner we are awakened to the importance of this issue the better it is. Why I am advocating this measure is because I have experience of large-scale industries, of large-scale commerce and of large-scale trading and I know, Sir, that the private sector will exist only if there is contentment in the country. If certain people are under-employed and certain people have no opportunities as laid down in the Constitution to compete with the bigger persons, there would be revolution in the country and it is only due to our big leader, Pandit Nehru, that there has been no revolution; he is standing in the way of revolutionary forces in the country.

So, I say, Sir, that if employment is to be created and if under-employment is to be wiped out, then support

to the cottage industries and credit facilities for cottage industries should be given in the way I have advocated. Even on the rolls of the Employment Exchanges there are five lakhs of persons unemployed and there is no census of under-employment in the rural areas. Under-employment in the rural areas is very high. Why is it that our annual per capita income is only ranging between Rs. 250 and Rs. 280? Because the man who desires to work for eight hours is denied work for eight hours and he is not given work for eight hours. The Constitution lays down that there must be equality of opportunity and I think, Sir, that every man in the rural areas has a right to demand from the Government that he must be given work for eight hours if he desires, whatever be the work.

We cannot go on unemployment doles but we can devise measures by which unemployment and underemployment can be lessened and by which the man who desires to work for eight hours can be given the opportunities to work for eight hours. There is a great hidden genius in this country and all that is lying idle. I must say, Sir, for comparison's sake that big industries are run by the sons and grand-sons of one who has built the industry; they come and sit on the management and are able to run. Why? Because they are being given assistance because there are good financiers. If the State provides finances, capable persons who are very intelligent and who establish their intelligence by competitive examinations by coming out first in examinations will show their merits and I can say that their work will be much more respected, much more remunerative and much more productive to the country. If these opportunities are denied, I think, Sir, we are denying opportunities laid down in the Constitution to all men.

Lastly, Sir, I come to the point about deficit financing. Deficit financing is advocated to the extent of

[Shri C. P. Parikh.] Rs. 500 to Rs. 600 crores owing to external assistance not being to the degree that we expect or desire. Sir, deficit financing if utilised properly will not be to the detriment of the nation, as I will try to point out and convince the Members. Let us see the figure of our national debt: our national debt with regard to loans, liabilities, etc., is Rs. 3,200 crores while our assets are Rs. 2,500 crores and so, there is a deficit of only Rs. 700 crores. Similarly, with regard to interest-yielding assets of Government, while we have our interest-bearing loans to the extent of Rs. 3,000 crores, we have interest-yielding assets to the extent of Rs. 2,300 crores. The interest-yielding assets are existing in the country and are able to repay the loans or to guard against non-payment of interest on such loans and liabilities. Therefore, a deficit of Rs. 700 crores for a country whose wealth and whose total production is about Rs. 9,000 crores—we have annual increments also—is not a thing to be afraid of but there is one danger in deficit financing which the hon. Finance Minister also has pointed out and that is that the forces of inflation will have to be checked. He has assured us in his Budget Speech also that he will keep a keen and watchful eye on the forces of inflation but, Sir, we have to examine the nature of inflation at present. Inflation has gone up and the working class cost of living index is at present at 350 against the 100 in 1948—and this inflation was mainly during the War and till 1947 and 1948. Therefore, we have to control inflation in certain respects in order that lower income groups do not suffer for their wants, in order that we do not stop the progress of the country and in order that the man who is oppressed at present is oppressed no more. There are two indices for our guidance: one is the index of whole-sale prices; that index is an all-India index and it relates only to four categories, namely, raw materials, manufactures, semi-manufactures and miscellaneous other items and is

a good guide with regard to the general progress that we are making. The most important index on which the hon. the Finance Minister will have to keep a keen watch is the working class cost of living index which is compiled in various States. The working class cost of living index contains certain items only and I think with regard to those items the hon. the Finance Minister will have to be watchful and see that none of them rises above ten points; rather, it should be reduced, in my opinion, by fifty points. Those articles are very few and they can be easily controlled. I would explain here, Sir, that in foreign countries the articles that are required essentially for the average lower income groups are very much cheaper and the other articles are very much dearer; that means, there is a disparity in the price structure and that disparity is not existing in our country. The lower income groups must be free from higher payment for their essential goods. If that is done this deficit financing will not come in our way.

Now, Sir, one last point is with regard to capital formation. This is the main thing which may be disturbing the hon. the Finance Minister with regard to his policy in the levy of direct taxes. It is fortunate that a Taxation Enquiry Commission has been appointed and their findings are awaited and we may be enabled to follow a policy by which equality of incomes, which is the object of the Constitution, is established at an early date. Of course, Sir, attempts have been made in that direction so far but if the objective of our Constitution is not properly carried out and is not revealed in the States' annual budgets and we have our misgivings. It is true, Sir, that no direct taxes have been levied during this budget owing to our having to await the findings of the Taxation Enquiry Commission but I may say, Sir, that when the Taxation Enquiry Commission report to Government, the Government will try to implement such

recommendations as go to reduce inequality of incomes and raise the standard of living of the average man so that his standard of living increases considerably.

In the matter of capital formation there is the talk that the capital is shy. I think, Sir, that talk is also a bogey. I will explain here where is capital invested. Our capital is limited by our savings. It cannot increase beyond our savings. It cannot increase without additional producing national wealth. So our capital is there but it is misplaced or not invested in proper channels and therefore the bogey is there that there is no capital formation. I can establish here, Sir, by facts and figures that there is no lack of capital for consumer goods industries. There is no lack of capital for trade and commerce so far as consumer goods are concerned. There is no lack of capital for them because all those industries are running. All those commercial and trade establishments are running and there is no lack of capital in those directions. The lack of capital is in the direction of establishing producer goods industries, and producer goods industries are not established in this country to the degree that we desire. Capital is shy in those industries but it is not on account of absence of capital. It is on account of the non-remunerative nature of those industries because in the producing industries the margin of profit is much less than one gets in the consumer goods industries. Over and above this, Sir, even the narrow margin of profit is not so certain nor so quick which is the opposite of what is derived from investment in the consumer goods industries. So owing to these factors capital is shy, not for the want of it. Therefore, we have to find out how capital can be diverted from consumer goods industries to producer goods industries and then only the greater object of increasing our wealth will be realised. "With these remarks, Sir, I support the Appropriation Bill.

SHRI KISHEN CHAND (Hyderabad) : Mr. Deputy Chairman, we are considering the Appropriation Bill (No. 2) of 1954. There is no point in considering the demands in detail, point by point. It will be far better if we consider the general economic policy of our country and see how it is affecting the production of wealth in our country.

At the very outset, Sir, I may say that the general economic policy of our Government is based on a method of trial and error. It is a series of trials. When they find that their policy is wrong they admit it and they change it. There is no thought behind the economic policy of our Government, a consistent thought which I will build up the national wealth according to a plan. In this discussion I will just refer to a point where our Government started with one idea, with one economic policy and in two years they found their mistake and they had to change over.

The hon. Member who has just sat down pointed out that the hon. the Finance Minister has now accepted the idea of deficit financing. Only two years back, when the Parliament was elected and he presented the first budget to the newly elected Parliament he was dead against deficit financing. He was laying all his hopes on foreign aid. Now within a period of two years only he has come round and he says, "Our salvation is in deficit financing." I will go a step further and say he has even agreed to the same figure that was suggested two years ago and now he is anticipating deficit financing of the order of Rs. 300 crores every year. This is example number one.

Example No. 2, as I said, was foreign aid. On paper it seems as though huge amounts are coming to our country as charity doles but they are all utilised in providing technical experts to our country, who are paid very huge salaries, and it only amounts to a book adjustment and I really we are getting the so-called

[Shri Kishen Chand.] experts at a very high cost under the name of Technical Aid to our country.

Sir, the third example is the borrowing policy of our country. During the last four or five years you would have noticed that the interest rate was continuously raised and all efforts were being made to secure as much money as possible from the market at any rate, on any condition. There were the small savings drive and the floating of special savings certificates. As a matter of fact, there is a special department under a lady chairman which is going round the country for special savings. I do not know what amount has been collected under that. Now the Government has found their mistake and they are reversing their policy. Last year all the States floated a loan at 4 per cent. Some Members pointed out that it was very essential that there should be only one loan floated in the country by the Centre. We are very glad and we welcome that the hon. the Finance Minister has agreed to that policy and this time only one loan is being floated. But I beg to differ about the rate of interest offered therein. I think 34 per cent, is too high a rate. He should have fixed it at 3 per cent. It does not matter if the market in the beginning does not come forward and take it. If there is no loan available in the market, slowly and gradually the market will have to take it, there is no other help. I do not see any reason why Government has thrown away half a per cent, on about a hundred crores of rupees, that means half a crore of rupees every year for the next ten years which means that nearly five crores of rupees have been thrown away by our Government. Sir, by increasing the rate of interest the Government has adversely affected all the earlier securities in the market because their value goes down. Supposing there are securities of 3 per cent, and you float a loan at 4 per cent, then naturally the prices of the 3 per cent, securities go down to 80. The market is afraid. The market does not know whether after six

months or one year you will further raise the rate of interest on further loans in which case the value of the previous securities will further go down. Our policy should be to allow low rates of interest and secure cheap money. In that way only you can secure any amount of credit and yet leave sufficient margin for the industry to develop in our country. You will find, Sir, that insurance companies in most countries encourage house-buildings as well as industries. In most countries the funds of the insurance companies are invested in properties as well as in the share of industrial concerns. The policy of our Government is quite wavering in that matter. They have made such rules and regulations that the Insurance Companies are forced to invest almost all their funds in Government securities. The net result is that there is no development of industries in our country. Unemployment is going up.

The hon. Member who has just sat down said something about rationalisation. Here also the Government do not know their own mind. Sometimes they think we must have large-scale industries just as there are in America—huge industries, all mechanised. At another moment they say, we must have cottage industries, small-scale industries, all handloom work and no large-scale industries. This is the cause of our confusion. The Government does not know its own mind.

Sir, in connection with automatic looms, the hon. Member who preceded me pointed out that now one worker looks after two looms. If an automatic loom comes in, one worker can look after ten looms. That means for working ten looms instead of five persons, only one person will be required. That is a saving of four persons and for three shifts it will be 12 persons. Therefore, 12 workers will be surplus if you have 10 automatic looms. There are 2½ lakh looms in our country and if all of them are converted into automatic looms, it will mean that 3 lakh workers will go out

of employment in the weaving industry. Now, consider the economy behind it. Why do the industrialists want automatic looms? Because they find that our Government follows a policy which encourages big-scale industries and so they import automatic looms. Supposing a mill imports automatic looms worth about Rs. 25 lakhs from a foreign country, they will get 20 per cent, special depreciation in the first year, 20 per cent, normal depreciation and 20 per cent, additional depreciation. That means in the first year, they will get 60 per cent, depreciation on Rs. 25 lakhs, that is, a saving of Rs. 15 lakhs. Over and above that, they save the wages of so many workers. Only paying lip sympathy to the cottage industries and the small-scale industries is not going to be of any use.

We should make our laws in such a way that we really encourage the small-scale and the medium-scale industries. I do not mind if you go on giving that concessions to the industries which import machinery but supposing in place of that you give some sort of concessions to these medium-scale and small-scale industries and the hand-loom industry, what will be the result? Supposing a mill-owner finds that if he introduces machinery he gets all these benefits, but if instead of doing that, he employs a larger number of workers and has lesser amount of mechanisation, he gets some sort of concession for larger employment which will offset the concession given to the other factory which employs more machinery, he may go in for non-mechanised industries employing more men. Therefore, I would suggest to the hon. the Finance Minister that while allowing special depreciation rates for the introduction of new machinery, he should similarly allow what might be called employment charges to a factory which employs a larger number of persons. The result will be that the industrialist will find out which is advantageous: "If I import machinery I will get this concession; if I employ more people

I will get this concession." If he gets more concession in employing a larger number of workers, certainly he will go in for that. Therefore, we should not simply pass resolutions. We should not just go on making speeches here and there extolling the cottage industries. That is not going to solve the problem. We should so adjust our budget, so adjust the levying of charges on the various sectors of society that there is encouragement and inducement to open up medium-scale and small-scale industries over and above the large-scale industries.

In the matter of handloom industries, an hon. Member has pointed out that a new type of spinning mill has been found which has got four spindles. If you are really going to introduce that and if one man is going to produce the yarn that was formerly produced by four persons, it will mean that even in the cottage industry four persons will be replaced by one man and naturally there will be further unemployment. The struggle is going on. It is a question of Man vs. Mechanisation. In the bidi industry there are a good number of women working in their homes, just winding up tobacco leaves and making *bidis*. On the other side is a small machine which could be imported from outside but which could I suppose be made after some time, and that machine will replace 20 hand-workers. That means the total employment will be reduced from 100 persons to five persons. Therefore I will humbly suggest to the hon. the Finance Minister and to the Government to make up their minds. There is no point in just passing resolutions. They should revise their rules and give concessions for greater employment of human labour. Wherever there is greater employment, some concession should be given as is given to large-scale industries.

Then, I come to the question of foreign investments in our country. Time and again, hon. Members have pointed out in this House that there is an open field in our country for all

[Shri Kishen Chand.] foreigners to come and establish themselves and kill all indigenous industry and that they are quite welcome to do it. The hon. Member who has just sat down pointed out that in the soap industry one factory is producing 75 per cent, of our requirements while 85 other indigenous factories are almost starving for want of orders and 70 per cent, of their productive capacity is idle.

Then, there is the question of match industry. Here also one foreign concern is monopolising the whole field. Why should we allow these foreign concerns? There is only one reason and that one reason is that only in such industries where the local population does not have the technical know-how. There the importing of foreign capital may be slightly ad-vantageous, but there also I do not agree.

I think it will be far better if we have indigenous capital there also and employ people with technical know-how. There are Europeans enough, people enough in Germany, people enough in France who will come here at very low salaries compared to others. Of course, these salaries will be higher than those paid to the local people in India but certainly much lower than those demanded by other foreigners like Americans. If we can get them and employ them for a limited number of years we can, at the end of a specific period, run our own industries. That was what was done by Russia. I do not want our country to follow everything that was done by Russia, but in this thing at least we should follow the lead. During the period 1930-35 Russia went on importing technical experts and they got all kinds of factories put up in their countries so that by 1935 they were completely independent.

The Congress Government has been in power for the last seven years. What have they done? Within these seven years they could have set up all the industries in this country by employing foreign experts on contracts for

five years or so and to day those experts would have gone away from the country and we would have become independent running our own industries. But we did not do that. We were enamoured of the foreigners. We wanted them to continue. Let the local people and local industries disappear but the foreigner must remain here and must go on flourishing even better than he flourished in the days when the British were ruling this country. Sir, hon. Members have pointed out already that these foreign concerns are employing only a small number of Indians on high salaries, not on the basis of their qualifications but on the basis of the recommendations that are behind them. Is it good and is it in the interests of our country that these foreign concerns should be allowed to pollute the morale of the public life in the country, to pollute the morale, of the administrative services in the country by offering bribes in this indirect way? Sir, I am sure that in another two or three years' time our Finance Minister will wake up one day and say, "Yes, we do not want all these foreign concerns; we should nationalise them". But we will have to wait for another two or three years before wisdom will dawn on him.

Sir, we have sterling balances. These sterling balances could have been utilised seven years ago for liquidating all the British interests in our country but we have allowed, during these seven years by the addition of Reserve Fund and by the appreciation of capital value, these foreign concerns nearly to double their capital structure. And now when we will nationalise them in about two or three years, we will have to pay double the price that we need have paid for them in 1947

Is it in the best interests of the country? Is it the economic policy of our hon. Finance Minister which is benefiting our country?

Sir, I now come to the question of levy of export and excise duties. There, it is a continuous story of mistakes. The department levies a number of

export and excise duties on all sorts of articles, then continuously varies the export duties and then withdraws them; similarly it changes and withdraws the excise duties. Even in the recent budget, we find the excise duty was levied on soap, artificial silk and other things; and when pressure was brought, it was reduced. Is it good? Are we to understand that if the people are vociferous enough, if they raise a hue and cry, they can easily cow down the hon. the Finance Minister and he will easily reduce the export duty and the excise duty? Are we going to run our economic policy on the basis of propaganda work and on the basis of representations made to Government?

When we consider the Finance Bill I will go into greater details about this excise duty. But, I will say only one thing here. Multipoint sales tax, the number of the various levies of ali nature, these excise duties and these export duties—they are a night-mare. Their number is almost infinite and the agencies for collecting them and the agencies for inspecting them are so numerous that one sometimes gets lost in the maze that has been woven by the hon. the Finance Minister. I will say, we want the hon. the Finance Minister to consider this. One turnover tax should be levied instead of a multiplicity of taxes. The number of factories in our country is limited. We say we levy one turnover tax of a certain percentage—five per cent, on necessities and 10 or 15 per cent, on luxuries. Thus, we can collect Rs. 150 crores every year. The hon. Member who was speaking before me stated that the output of our organised industries is about Rs. 1,500 crores. If you levy, say, 10 per cent, of this as a turnover tax, you get Rs. 150 crores roughly and you can distribute this to the States in lieu of their sales tax. Thus, there will be only one tax. But, no; you won't do it; you want small and small taxes here and there, and any number of them.

In passing, I will just refer to a very minor point; that is, the debt to Burma. I am very glad about it; Burma is a

neighbouring country, a friendly country and we should have come forward and said "you are struggling; you have been struggling against internal confusion and you have had this Japanese occupation. So we write off" the loan." The total debt from Burma was to the tune of Rs. 68 crores; we did not do things gracefully; by some jugglery we reduce the figure and say: "You owe us only 20 crores of rupees; we purchase rice from you and then pay you part of it and adjust a part of the price towards the debt you owe us." This rice deal has been arrived at at £48 a ton which is roughly Rs. 650 f. o. b. Rangoon; and if the freight and handling charges are added to it, it comes to another Rs. 100 and the total is thus Rs. 750; it works out to Rs. 27 a maund. Now, what is the price at which rice is procured from our own agriculturists inside the country? *If* the local price is Rs. 14 a maund. When the internal price is Rs. 14 a maund, you are prepared to pay Rs. 27 a maund; and then, you say, out of that £48, £13 will go towards the loan and the balance will be the price to be paid in cash for the rice supplied. This price itself is a high enough price. Why do we say all these things? We should have gracefully ourselves written off the entire debt or this part of the amount. Then, we could have exhibited a real neighbourly feeling. There is this question of barter. India produces so many things. If Burma does not want any of them we do not press them to take it; but when we have developed our industry, we would have exported so many goods to them and would have got their rice at a much cheaper price. We would have got their teak, oil and so many things and we would have given our manufactured articles which would have found employment to so many people. But our Government will not follow that type of policy.

Sir, I will not discuss the Five Year Plan: I will have some other occasion to talk on this when we will be discussing the Finance Bill. It is said that in the Five Year Plan it is just a few river-valley projects and some expan-

[Shri Kishen Chand.] sion of transport facilities, but nothing to do with the economic condition of the rural population, nothing to do with the raising of their standard of living. We must have these big projects to show to the foreigners that we are doing something.

I come from Hyderabad and it is not for Hyderabad only that I am speaking; but I want to point out to the hon. the Finance Minister that in a great country like India, due to historical reasons and certain other conditions, some States got big port towns and certain big cities. Therefore, the finances of those States are better than of other States. Almost all the princely States had their economy on a different basis; it was some sort of internal taxes, taxes on imports and exports. There were hardly any industries. Take, for example, Rajasthan; it is a State full of natural resources but there are no industries. But take Bombay; that one city itself has about 400 industries, 150 textile mills, whereas the whole of Rajasthan is having only one mill. So, I ask, what is the privilege of being a citizen of a great country unless we have equal facilities? It is our right and people are justified in demanding it. To Rajasthan which is a backward area, we should give larger funds. Take the case of a family. There is the father who has many sons; he spends more money on the weakling son than on the other healthy ones. Similarly, it should be with the citizen of a State. I think the backward State of Rajasthan is justified in demanding from the hon. the Finance Minister a more favourable treatment. I feel that the cases of Rajasthan and Hyderabad deserve special consideration. But the hon. the Finance Minister will give 40 lakhs of rupees here and 70 lakhs there where the need is ten times greater than that amount; and in this way he tries to satisfy the public without considering their actual needs.

I will refer only to one more point before I conclude and that is our expenditure on defence. I entirely

agree that in the present condition of the world we have got to maintain a very efficient army. Sir, the people do not fight with naked hands in these days. They fight with equipment. But what have we been doing? Our total stock may be one cruiser, manufactured in 1939 and purchased from Britain in 1949, of about 8000 tons to 10,000 tons, three old destroyers and, I suppose, some old aeroplanes and vampires, and now a few jet fighters from France. Do we think, Sir, that India is equipped properly? Do we think that India can fight even a defensive war and defend its frontiers? Is that a policy which is going to give us any results? Sir, I am not an expert; I do not know anything about military matters. I plead my utter ignorance there. But I will humbly request the hon. the Finance Minister to suggest to the Defence Ministry that instead of purchasing these types of things, they should have set up industries for manufacturing this equipment in our own country. I think when we could utilise the Vishakhapatnam Shipyard to build 10,000 ton mercantile marine, it could have made these cruisers also, and instead of retrenching 800 workers from Vishakhapatnam Shipyard, we could have employed another 3,000 persons and started manufacturing this equipment instead of purchasing it. And if we had to purchase it, we should have purchased a sufficiently large number of these things and only for the purpose of repairs and maintenance we would have required a big shipyard. The hon. the Defence Minister pointed out, Sir, that we are purchasing these cruisers at only 10 per cent, of the price and that a cruiser is going to cost us only Rs. 60 lakhs. If it is so cheap, why not purchase plenty of them, especially when our sterling balances are rotting in England? The rate of interest in England has gone up but we are still getting only one per cent, while we are paying to the world Bank at 5½ per cent. What is the justification for earning only one per cent, and paying 5½ per

cent, to the World Bank? Why not purchase more of this equipment— more aeroplanes and more jet fighters and more cruisers?

Sir, as I began, so I will end by saying that it is a story of failures; it is a story of mistakes and blunders which are going to be questioned by future generations.

SHRI GOVINDA REDDY: Sir, it is an accepted budgetary principle that the estimates which go into the framework of the budget should be as accurate as possible. The soundness of the financial position of a country and the progress of the achievements of a Government depend on the accuracy of the budget estimates. When the Government calls from the different departments for the estimates for the budget, it is usual for the departments to claim as much as possible towards their own expenses and towards their own expenditure. So, it has been seen in the past that there have been over-estimates and there have been under-estimates. Expenses which could have been foreseen have later on been added on and the supplementary demands have come up 12 months before the House for sanction. It has been pointed out by the Estimates Committee that in various cases there have been over-estimates and there have been under-estimates. Why I take up this point is, Sir, to show the concern which I have at the enormous lapses, the large lapses, that we had in the expenditure for 1953-54. The hon. the Finance Minister has given us the categories of the lapses that we have had in the last year in his Budget Speech. He says in his Speech: "A substantial portion of the saving is due to lapses in the provision for basic and social education and economic development in the Tribal Areas, where the progress on the implementation of developmental schemes has been slower than anticipated."

That is one category of lapses. Then with regard to the provision for Community Project schemes there has been a large saving out of a provision of, say, Rs. 8-72 crores. And, then,

with regard to (the contribution made for local works, there has been a large lapse, and then there has been a large lapse with regard to the grants that are given usually. With regard to the subsidies for industrial housing there has been a large lapse. And then even with regard to such an essential thing as the promotion of backward classes and Scheduled Tribes, the expenditure has lapsed. All these show, Sir, that there have been lapses of crores of rupees. I have not actually calculated the exact amount that has lapsed in this way because the information is not easily available.

[THE VICE-CHAIRMAN (SHRI AKHTAR HUSAIN in the Chair.)]

Well, let us see, Sir, the consequences that follow as a result of these lapses in estimates. One thing would be that the projects that we undertake would cost us much more than we estimate them for. Say, for instance, there is a project costing a crore of rupees, there is an establishment on that project costing about Rs. 15 lakh; and then there is accumulation of raw materials or goods for the construction of that project, say, worth about Rs. 10 lakhs, and then there is the machinery and other things worth something. Well, all this is spread over a period of one year. Now, Sir, if the work on this project goes slow and is extended for another year, then it means that the project which was estimated to cost Rs. 1 crore will now definitely cost more. For instance the establishment which was there for one year costing Rs. 15 lakhs will now cost Rs. 30 lakhs. And then the raw materials and other things which are accumulated may deteriorate and it may also be that in the coming year the prices of these raw materials may rise. In this way the amount of expenditure will rise. And then, Sir, there is one more thing. If the project had been completed within one year as scheduled, we would have been able to make use of the profits accruing. But by extending it to another year we would be deprived of the benefit that could have been

[Shri Govinda Reddy.] available to us from the project. Well, this is a very grave matter just for the reason that we have undertaken enormous projects, some costing Rs. 50 crores and some costing Rs. 70 crores and some much more or much less. When we are undertaking so many projects, it is of vital concern to the Government to see, first, that the estimates are made as accurate as possible and secondly, that the progress of construction goes according to schedule. In the instance that I took for the purpose of illustration, a project which was estimated to cost Rs. 1 crore will cost Rs. 1 crore and 30 lakhs. In this manner, we can conceive of the various irrigation and power projects that we have taken up. According to my information, no project has been able to keep to the schedule. Take, for instance, the Bhakra Nangal Project. Into the two tunnels that are erected, water was to have been diverted some time last year, just before the last monsoon started, but even today, although they say that the tunnels have been completed, water has not been diverted, and then the construction of various dams has been slowed down. All this means heavier expenditure on these projects.

The other great disadvantage that would result from this is that the amounts which we have allotted to these projects will not be available for utilisation for other essential work, so much so that the nation would be deprived of other utility work, social welfare work and development work by virtue of these amounts being taken up by projects which are considered to be of the first priority.

In this way, on the one hand we lose the benefits that we might have had from spending that money on some other useful projects and on the other hand, these projects also are costing much more. This matter has no doubt caused serious concern to the hon. the Finance Minister—and he has not hidden his concern—but he has to find out a remedy for this.

I would suggest that the remedy would be the appointment of a Committee to go into this question of how these lapses have occurred. I suggest that in this Committee there should be Members of Parliament and also non-officials. I include non-officials for this purpose that in the matter of these lapses, it is entirely natural that one Department will support another Department, one section of the same Ministry will support another section of the Ministry, and there will be certain difficulties which will be experienced by the Committee in the matter of obtaining evidence. These difficulties cannot be overcome if it is purely an official Committee. If it is a non-official Committee, it would be possible for them to examine the ground threadbare and find out what exactly has been responsible for the delay or for such lapses to result. This Committee should be appointed as early as possible. Much depends upon this Committee's work. It may be argued that there is an Estimates Committee, there is a Public Accounts Committee, and that the proper Committee to go into these matters would be the Public Accounts Committee. But, as it is, the Public Accounts Committee is overburdened with work. It has to go into the accounts of the various Departments of Administration and its normal work is heavy. So, it cannot find the time, in my humble opinion, to go into this question. I would, therefore, suggest a separate Committee to be appointed to go into this question.

The second point that I would like to take up is the question of the cost of living index which was referred to by the hon. Mr. Parikh. It is important in this way that, when we measure the welfare of the country in order to base our taxation system, then much depends on the correct data that we have. For instance, the hon. the Finance Minister has assumed that there has been a general improvement in the welfare of the country and in the cost of living index. If we take into account the prices of several commodi-

ties clubbed together—those which are necessities of life and those which are partly luxuries and partly necessities—we will not be able to arrive at a correct living index. In my opinion, as Mr. Parikh was saying, separate figures should be collected to find out the index of prices of necessities of life, because what the average man is concerned with is not the articles of luxury but the necessities of life, the daily articles of food, clothing, etc. Only an index of the daily necessities can give a true index of the cost of living. By clubbing all things together, we will be arriving at incorrect figures, and I have no doubt that the hon. the Finance Minister was led by wrong figures to believe that there has been a general improvement in the living index in the country.

The third point which I would like to refer to is the question of the Committees which are functioning. It has come to the notice of the Government both in the question hour as well as in the Budget discussion, that Committees appointed take an unduly long time to complete their work. For various reasons, the Committees' work is delayed. If a Committee delays its work because of the nature of the work itself, then, of course, there will be justification, but in the case of most of the Committees, as is within the knowledge of the Members of these Committees, after the appointment of the Committees, the different Ministries go slow in providing a machinery for the Committees and also in providing them with the necessary materials. The Handloom and Cottage Industries Board gave a press statement that they had submitted their recommendations to the Union Government and that the Union Government have been slow to approve them. Now, when Government appoints a Board for some purpose, Government should see that the work of the Board is expedited and particularly in a field where there is such a lot to be done as in the case of cottage industries. There is a hue and cry in the whole country that the people engaged in cottage industries are now

starving, that cottage industries products are not selling, etc. When the Government have sanctioned funds for this purpose, should it not be the duty of the Government to see that the schemes which the Committee recommends are examined without delay and then either revised or sanctioned?

About the import and export policy of the Government, I have often made the point on the floor of this House that there has not been any definite policy. Although the Government have now been framing their policy, they have been framing their policy only for short periods. That they should have a long-term policy is, in my opinion, a great necessity, because their import and export policy will in the long run have an influence on the daily life of the average citizen. Take, for instance, the export of oilseeds. Suppose Government have been allowing exports of oilseeds and then all at once they stop all exports of oilseeds. Then what happens is that all the businessmen who are engaged in purchasing these oilseeds and accumulating them with the purpose of export, will find that the price of this commodity falls suddenly after the stoppage of exports and they stand to suffer. In this way in recent years a number of merchants have been ruined. This is a thing which the Government can avoid; with possible vision they can determine the policy for over, say, 2 years at least. Their policy of allowing exports on a particular commodity should at least be restricted to two years. I would much like it to be longer. Well, what happens on other sections ultimately by the stoppage of the oilseeds, for instance, which I have taken as an example? The consumer finds that today oil is being sold at eight annas a seer, next month it goes to twelve annas and the third month it goes up to Re. 1 and then to Rs. 1-8-0. A man who has only limited means of income cannot adjust himself to this steep rise in the price of an article which he cannot avoid, which is very necessary to him. In this way if the prices of necessities of life have been chang-

[Shri Govinda Keddy.] ing very violently in the past recent years, one can imagine the adverse effect that this policy has on the daily life of the citizen. Should we not do something to see that these prices of necessities at least keep up to a certain normal level? In order to see that the price structure of these essentials remains substantially the same over a given period of time, it is necessary that we have a policy and that policy I don't at present see and I would humbly suggest to Government to see that such a policy is evolved. I don't mind if the price level of the luxury articles changes violently but the price of necessities of life should not change violently. It should remain within the reach of the common man and remain the same over a given period.

This has reference also to the development of industries. For instance, we have taken up several industries for which we are giving protection. The Tariff Commission is busily engaged in going into the question of more and more industries to be protected and at the same time we are allowing import of manufactures of the same kind of things from abroad. So what will be the effect on these infant national industries which are growing? This matter is being pressed from time to time on the Government but they have not been able to arrive at a definite policy in this respect also. If it is necessary that in the Government's opinion or according to the recommendations of the Tariff Commission that a certain industry should be protected all right, give it protection but do not see that articles of the same category come in from abroad—better quality and for cheaper price—and kill the small infant industry. In this connection there is a cry among industrialists that the protection which the Government is giving to them cannot be availed of in building up their industry because of this policy. Therefore, we should try to regulate our imports.

The other point which I should like to place before the House is the question of the pay of the Central Govern-

ment employees. I don't know whether Government have realized what an amount of heart-burning this has given rise to in the services in the States. There is a wide gulf between the Central pays and the pays of the State services. The State services feel terribly dissatisfied and they have every justification to feel so when they find living next to them a man of the Central Government who is drawing 3 or 4 times the salary for the same work. There may be some justification—there is some justification—for increased pays as far as employees in Delhi are concerned. For such places the Government can say that if the condition in a particular place is too hard, they can be given an extra allowance in that place for such employees. But there is this wide difference between the pays of the Central and the State employees which in the interest of efficiency, in the interests of the services, must be minimized. So far, no attempt has been made to scale down the Central scales of pay and to scale up those of the State services. As far as my knowledge goes, there has been a lot of dissatisfaction among the services of the States and the Governments in the States find it impossible to take as much work and as willing work as they used to before integration. Well, this is, in my opinion, a very serious matter for the Government to consider and I hope the Government will attend to this problem and try to solve this in as equitable a manner as possible. With these few remarks, I would like to support this Appropriation Bill.

SHRI B. GUPTA (West Bengal): Mr. Vice-Chairman, I would like to take opportunity of this debate to direct the attention of this House to certain outstanding problems in international affairs. We are talking here about constructions and various other things but it is also very important for us to realize in all seriousness that unless and until we try to fight for peace and preservation of peace, our future is doomed. Since the adjournment of this House in March last, certain very

grave events have taken place in the international field to which the attention of the House has got to be drawn.

[MR. DEPUTY CHAIRMAN in the Chair.]

Sir, it was after we had adjourned that the explosion of the hydrogen bomb in the Bikini Islands was made known to the world at large. As you know that even gave rise to very grave concern on the part of the people the world over. In fact, the conscience of man was roused against this deadly weapon that had been exploded in the Bikini Islands. Then, Sir, after that thing, the peoples of the world appealed to the United States of America and the Government of our country also joined in that appeal that the explosion of such weapons of mass destruction should be stopped at least for the time being. The United States Government replied to this appeal by exploding another bomb, by letting the world know that such explosions would continue.

Now, we are almost within the range of that danger. It is not something which affects the European people or the Western Powers. It is not something which is taking place in a distant land from the effects of which we are absolutely free. As you know, the radio-active dust has been discovered over Calcutta. I am not trying to exaggerate the danger of this dust but at the same time the House has to be reminded of the danger that looms ahead. It has to be reminded of the fact that this atomic weapon, with which Americans are trying to blackmail one country after another, with which they are trying to carry forward their plans of aggression, is a positive threat to our sovereignty, to our security and to our peace. Therefore, I think the Government of India should be little more concerned about it than it has been. We have welcomed the statement of the Prime Minister of India when he declared that standstill agreement should be reached between the Powers so that these explosions could be stopped. Sir, we certainly think that this was a right step—a step in the right direction.

After that, we have noticed the reactions in the ruling circles in the U.S.A. They have totally ignored this appeal, they have disregarded all the entreaties made to them. On the contrary, they are going ahead with their plans. Now we find the Dulles-Eisenhower statement in which they advocate the theory of what they call "the massive retaliation" against Viet Minh.

You will note that these threats have come at a time when the world is anxiously looking forward to the Geneva Conference which is to be held on the 25th of April, that is, this month. After a great deal of effort on the part of the Soviet Union, an agreement was reached at the Berlin Conference in February that a conference should be held including China, at Geneva, to discuss the question of peace in Indo-China. We welcomed that decision. The Prime Minister of India welcomed it and various other peoples of the world also greeted that proposal for a conference. America who had been a party to the Berlin Conference went out of it, with a view only to exploding the hydrogen bomb in Bikini and further developing their plans, the new plans for aggression in Indo-China.

Now, this decision has been followed by a joint statement issued by the Governments of the United Kingdom and the U.S.A. This statement has been issued to declare that they are going to create what they call "a defence pact for South-East Asia". What this "defence of South-East Asia" means, we all know. We have seen the type of "defence" in Korea, when the American troops came, travelling thousands of miles, to plunge the Korean people into a blood bath. We have seen and are still seeing that kind of "defence" in Malaya where the British are fighting the Malayan people in order to maintain their domination, in order to crush the freedom movement. We see this "defence" in Indo-China itself where the American financed war is going on against the freedom-loving people of Indo-China. And, let there be no mistake that intervention of the

[Shri B. Gupta.] U.S.A. in that war is a longstanding scandal. Sir, as you know, the French Government is spending not less than 600,000 million francs and a part of that money comes from the United States of America. But they are not satisfied with that. Mr. Dulles left Washington in order to get some of the powers together so that his plans could be given effect to, so that the war could be extended. In the final analysis, Sir, this is a plan which wants to set Asians against Asians, which wants to make Asians fight Asians and thus turn the whole of Asia the whole Asian scene into a field of an American war. Now, this statement is there, and as you know all that has followed that statement. American aircraft carriers, loaded with bombers, have left American shores in order to see that American intervention in the war against the people of Indo-China is completed.

This is the background in which we are meeting today, this is the background in which we shall have to discuss many of the internal problems of our country. We know that after all, unless and until we see peace when we look outside, we cannot ensure constructive effort in our country. Therefore, it is necessary to go into that question here.

I would like now to deal with the attitude of the British Government, since we are part of the Commonwealth. It has become known now that Mr. Churchill had an agreement with the United States of America known as the Quebec Agreement under which it was decided that the two countries would decide as to where and when atomic weapon was to be thrown, where it should be used. Now, we are part of the Commonwealth and the hon. the Prime Minister often uses very glittering phrases to justify that unholy association. I would, therefore, ask him whether he was informed of this Quebec Agreement before. Was he told that one of the partners of the British Commonwealth—indeed the leader of this Commonwealth—had been under an agreement with the aggres-

sive war-mongers of the United States of America, which empowered both of them to discuss together and use atomic weapons against any people and at any time they liked? This is a pertinent question which we can address to the hon. the Prime Minister of India.

Sir, I know that after the explosion of the hydrogen bomb, the British Government—Sir Winston Churchill, the Prime Minister—made a statement not only supporting such explosions but also saying that these deadly weapons, weapons of incalculable disaster, were necessary for peace itself. Such was the effrontery of the British Prime Minister. I would like to know how the Government of India feels about it. Here is an occasion when we can very rightly call in question our whole Commonwealth relationship. The head of this Commonwealth justifies such explosions, the leader of the Commonwealth upholds such weapons. It is no use saying that we are all equal, for we know who is the leader, and this leader of the Commonwealth makes openly a public statement saying that atomic explosions, the hydrogen bomb explosions, are justified and also adds that such weapons are necessary for the maintenance of peace, when another part of the same Commonwealth, another member of the Commonwealth, the Government of India, says such things have got to be stopped. These are not mere anomalies; they bring into sharp relief the contradiction between the interests of the Indian people and the interests of imperialism. These are very pertinent issues that we would like to raise. Our foreign policy has to clear itself of all these blemishes, should clear itself of all the hesitations and vacillations which take away much from whatever good things are sought to be done. Our foreign policy must necessarily be a consistent one.

As you know, we have all welcomed, Sir, the statements made by the hon. the Prime Minister of India and the country is behind him. But we would like to know what steps Government

are taining in order to carry iorwara the policy supposed to be enunciated through such statements.

Unfortunately, the hon. the Prime Minister of India, when he makes public speeches outside, seems still to think that there are two war blocs in the world. He does not see one war bloc, he sees two war blocs in the world today. Sir, I would like to join issue with him and I hope, if he is a truthful man, he would take note of the facts as they are and not construe them according to the convenience of some other political commitments that he might have gone into. First of all, I should like to say that it is no use trying to tell us that there are two warring camps in the world. You must differentiate between what is good and what is bad. On the one hand, you have that camp of war which not only believes in atomic weapons but makes it the central guiding factor for its diplomacy of all its international relations, for its military strategy, which goes on exploding one bomb after another, which believes in the stockpiling of atomic weapons. There are, on the other hand, the other forces—the forces of peace—headed by the Soviet Union which openly says: "We are prepared to destroy atomic weapons. We are prepared to use atomic power only for the advancement of mankind." When those killers of Nagasaki and Hiroshima try to threaten the whole world with dire consequences of such weapons, you must differentiate between these **two**.

Then, you should take into account the attitude that the United States of America takes and the attitude that the other camp, the camp of peace, led by the Soviet Union, takes.

For that is also very important. Sir, what do we see there? We see that while the Americans are putting out one threat after another and Mr. Dulles goes round the world trying to intimidate and blackmail the people, trying to scuttle even the Geneva Conference and all the possibilities that it may offer, the Soviet Union clings to the policy of negotiation which was so magnificently demonstrated at the Ber-

lin Conference. It is there, Sir, that the Soviet Union, the representative of the Soviet Union—in fact, the Soviet Foreign Minister—proposed that in the interests of the relaxation of the tension and also in the interests of peace in Europe there should be a general agreement among all the European nations *on* collective security. The Americans raised the question of the North Atlantic Treaty Organisation and their propagandists came out with the suggestion that the Soviet Union was trying to build up another line of alliances against the N.A.T.O. to which the Soviet Union replied that they were prepared to sit with all the countries and discuss the question and they made it clear that they would have no objection whatsoever even if the United States participated in such an agreement for ensuring collective security for the people of Europe. They said that they would like all the European nations, regardless of their ideological and political differences to join, but the United States said 'No'. **Now**, the appeal has such a force that even the *New York Herald Tribune* had to admit its "force of attraction". Now, this is what the Soviet Union has done. Let us see what the other parties did? After the Berlin Conference, a whole series of the activities on the part of the United States have gone only to add to international tension and bring war nearer than it was ever before. Then, Sir, you have the various pacts. Mr. Dulles goes to England to make pacts with England, with France, and is trying to draw these Powers into an aggressive alliance against the Asian people and to extend the disgraceful North Atlantic Pact over to the Pacific area. In contrast to this, we find the Soviet Union declaring that they are prepared to discuss all questions of international dispute; they have said time and again that peaceful settlement is the only way which we should try.

Sir, I should like to refer to a very important utterance by the Soviet Premier, Mr. Malenkov. He said, "there can be no doubt that, given a real desire to safeguard European security, it would be possible to surmount the obstacles to the conclusion of a

[Shri B. Gupta.] general European Treaty of collective security in Europe and thoroughly examine all proposals that may be offered in connection with it". Brushing aside that line of approach altogether, Mr. Dulles and Sir Winston Churchill are trying to prepare the ground for another war and are trying to frustrate all the efforts of the peace-loving people so that the aggressive atomic powers can come to their own. Such is the situation.

Then you have, right across our border, the Pak-U.S. military pact. Now, Sir, certainly the Soviet Union and the Chinese People's Republic never enter into such pacts. This pact has been rightly condemned as an act of intervention in Indo-Pak. relationship; it has been rightly described as an event which brings war nearer. All these formulations came from the hon. the Prime Minister himself.

We find, Sir, that the Soviet representatives have again sponsored proposals for the destruction of all atomic weapons and other weapons of mass destruction; they tried not only to build up collective security but they advocated a peace pact so that the world is rid of the fear of yet another war. Now, that is not taken into account. The U.S.-Pak. military agreement or pact is nothing new for us; it may be new to some people on that side. The North Atlantic Agreement was a military pact; then efforts were made to get some of the Middle Eastern countries into a military pact but the anti-imperialistic feelings of the people there came in the way of the American plans, but the Americans carried on their plan secretly and behind the scenes and got Turkey to come into a military agreement with Pakistan, and after that, they have now projected this to this sub-continent and here we get the U.S.-Pak. military pact. It is clear by now that this pact is intended for aggression; it is intended for blackmailing our people and it is intended for threatening our people. People in high places in the U. S. A. are saying openly that there would be bases in

Pakistan for bombing China and the Soviet Union and their journalists and their scribes are suggesting

SHRI GOFI KRISHNA VIJAIVAR-GIYA (Madhya Bharat): Is he speaking on the Appropriation Bill, Sir?

SHRI B. GUPTA: They are saying how fine it would be for these bases to be used—after the American advent in Pakistan—in order to bring pressure to bear upon the Government of India. Now, it is in this context that we must view the world situation. Sir, hydrogen bombs, pacts and all these things fall in the line of American aggression. Here, Sir, we must see whether our Government, especially our Foreign Ministry is pursuing a right and consistent policy. Undoubtedly they have made certain good contribution to the cause of peace as far as the foreign policy is concerned. But then we are a peace-loving people, we are a freedom-loving people, we mean no ill to any people, regardless of ideologies, and we want to be left alone to build our own country in our own way, as we think best. Therefore, it is essential that our foreign policy should be released from the entanglements of British imperialism, released from the hesitations and vacillations that are still there. We can do much more.

Here, Sir, first of all. I would like to make a few suggestions for the consideration of this Government. The very first thing that I would like to say is that there cannot by any question of neutrality between peace and war; neutrality is understandable when two sets of nations fight against each other, but here today we are confronted with the position that a handful of people led by the American imperialists are trying to plunge mankind into war whereas on the other hand there are millions of people in all countries of the world, including the United States of America, who are trying to save world peace, to preserve world peace, to see that the atomic weapons do not create once again the grim tragedy of Nagasaki and Hiroshima. So, there cannot be any neutrality between these two forces. Sir, it is necessary, therefore, for us to

identify ourselves with the forces of peace. Let there be no ideological hesitation. We know that the issue is such that it transcends all ideological barriers and all men of goodwill, all men of peace, all men who cherish freedom and who want to live in their own way, can rightly join their hands in the common gigantic struggle of humanity against the forces of Atomic destruction. Our Government, Sir, is a Government of a country which has suffered so much at the hands of imperialism, which has still to build its future. And it has to go forward unhesitatingly and without vacillations, and be the partisan of peace and pursue a foreign policy which promotes and strengthens the cause of peace.

Sir, that is the first suggestion. Therefore, forget this business of two war blocs. There are no two war blocs. There is only one war bloc and that war bloc is led by America which has its base right across our border and unless and until you firmly stand against this bloc and side with the peace-loving people all over the world, you shall be selling your own future and shall be accountable to mankind. It will then be an eternal disgrace that India and her people of peace did not stand up at the hour of need when mankind needed them most.

Then, the second proposal would be: Rouse the people against the U.S.Pakistan Military pact. This is very important. I realise that the Government might not go about in the same way as ordinary people in the street who hold their meetings and all that. Maybe certain diplomatic questions are involved here. But we have taken a stand; we have declared that we are all against this pact. Why on earth is the Government not taking the initiative and positive step so that the urges and the feelings of the people can be given proper expression to—even at the official level? That is something which I would like to ask of the Government of India. Sir, it is necessary for us to make it known that we are not prepared to tolerate the scuttling of the Geneva Conference, that we stand by what the hon. the

Prime Minister said. The hon. the Prime Minister, above all, should come forward and take the people into confidence and say that the Geneva Conference must be made a success as on the success of this Conference depends much of our future. Sir, we know we have no armaments. We have no such diplomatic powers as the western powers have but the moral weight of 370 million people is something which not even the Americans can ignore. Had it been otherwise, these American war-mongers would have long ago plunged humanity into a sea of blood. Sir, if they do not dare to go forward with their weapons, if they have been defeated at every step, it is because of that great moral power of the peace-loving people. Let our force be joined with the forces of peace all over the world. We would demand that the Government of India do take a firm step consistent with her positive policy and not go about telling the fantastic story that there are two power blocs in the world today. Sir, you must know which side you should fight for and which side you should fight against and the lines have been clearly drawn. One is the line of the hydrogen bomb. Another is the line of the destruction of such weapons. One is the line of creation of international tension and military pacts and yet more military pacts. Another is the line of negotiation round the table and peaceful settlements of international disputes. That is why, Sir, I say that the Government of India should take all necessary steps for the success of the front of peace.

Then, Sir, the Commonwealth relation comes up for discussion. I know, Sir, our Ministers feel very touchy about this relation; but Mr. Churchill is insulting you every moment he speaks. He is just contradicting and defying what the hon. the Prime Minister, supposed to be a partner in the Commonwealth family, says. Now, Sir, it is time we ask ourselves as to whether we should continue in this Commonwealth if we are at all sincere about our protestations about peace and freedom. Now, Sir, the Commonwealth represented by Sir Winston Churchill

[Shri B. Gupta.] is clearly shown as an instrument, not only of economic exploitation but also of war, and this tries to exploit our resources to back up the United States of America in dropping their atomic weapons in the Bikini Island the radio-active dust of which flies over Calcutta. I would like to ask what sort of Commonwealth relation that is and what sort of friendship you have developed with that Government which so openly, so arrogantly and so impudently supports the civilisation-destroying preparations and destructive demonstrations of the most aggressive power in the world, the United States of America. Therefore, Sir, today once again, when danger hangs over our heads we must ask ourselves; "Are we justified in continuing in this Commonwealth which has become an instrument of exploitation and of war as far as British imperialism is concerned?"

Sir, the hon the Prime Minister very rightly said that the presence of the American observers in Kashmir v/as improper. He used diplomatic language. I do not know why such diplomacy is necessary. When they talk about you in the American Senate or in the House of Representatives, or when they speak about you in the House of Commons, they do not bother about all that. Mr. Churchill does not bother about these diplomatic courtesies and niceties. Why should we not tell them point blank, clearly and bluntly that these men who are there have never been neutral and that it is their duty to get out of this country? If they refuse to get out of this country you have the power to drive them away. Sir, now, even after that statement had been made, these American observers are sitting there in Kashmir pulling their strings and carrying on their intrigue and that intrigue is being given expression to in this Parliament and in the various State Legislatures in the creation of "American lobbies". I say, Sir, that the issue is very important because the experience of the American diplomacy in the Middle East has shown that the so-called American experts

and observers are usually followed by assassins who would take the life of the statesmen who come in the way of American aggressive diplomacy. I hope, Sir, such a thing will not happen, but betimes we should wake up and take measure to see that these intriguers, these traducers and these defilers of peace and freedom are expelled out of our country and that we are left free to mould our future as we like. Sir, before the assassin raises his hand the time I think has come now when we must clear our country of such espionage elements that come from the United States of America.

Then, Sir, the question of U.S. aid is also there. Even in this Budget there is talk about it and much has been said as to how much you have got and what you have done with that. Look at Turkey, for instance. It was during the last war that the United States first made its economic penetration into that country and it dislodged other western powers that were there, and on the strength of that economic penetration, brought pressure to bear upon the reactionary elements in Turkey so that Turkey, could be turned into a satellite American country. Now, Sir, we see the full results of such intrigues. Now the whole of Turkey is at the beck and call of Eisenhower, Dulles & Company, which can be mobilised for building up aggressive alliances in the Middle East and which can be mobilised to draw Pakistan into the American war path. Now, here again we find the Americans are trying to spend money not because they mean well of us. Those people who bloat about their atom bombs, those people who want to bring about devastation by the use of such deadly weapons on a scale never known before in history, those people who repeatedly defy the public opinion of the world and continue their bomb test would not mean well for our people. If they are spending money it is clearly because they want to entangle some of the people in the ruling circles—and there are reactionary people in the ruling circles, hardened reactionary people—with the help of whom they

try to get India involved into their war. I would mention a case. A correspondent from Delhi wrote to his paper in the United States to say that after Nehru nobody knows what would happen to his foreign policy. He even said that it was doubtful whether the decisions in regard to such foreign matters were unanimous in the Cabinet itself. Such ideas are being spread. Feelers are being given. One has to take note of such things because we know that they presage something very dangerous for our country. Therefore, it is time that we take firm action against that policy which brings in American economic aid. We can build our country on our own. Go and touch the British capital; go and touch the Indian princes who are sitting on hoards of wealth. Get money from them. If you go to the United States of America for the sake of a few dollars you will be throwing open your door to American political penetration and all that it means. Therefore, Sir, we would urge upon the Government to reject that policy of getting American aid. It means danger to our country.

Then, Sir, I would like also to stress another point and that is about Pakistan. We must build up our relations with Pakistan. I know that Mr. Mohammad Ali is a person who is tied to the United States of America but that is only one side of the picture. You will remember, Sir, in this House in the past we have time and again said that the people of Pakistan would rise one day and it is a matter of pleasure for us to note the great upheaval that has taken place in East Pakistan in which the Muslim League which is the ruling party has been nearly swept off the map and has not been given even ten seats in the Legislature to claim the rights and privileges even of a party. There, the people are rising against imperialist domination. One of the leaders of the United Front which has won such a stupendous victory has come out and openly denouncing the U.S.-Pak Military pact. These are very great, encouraging developments which we should greet. But our job is not merely to greet [

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them; on our part it is necessary that the Indian Government should take certain positive steps. Why on earth should we not declare that we want to build up good relations with Pakistan, that we want to establish full trade relations with that country, that we are prepared to do away with the passport and visa system altogether and that we are prepared, with these objects in view, to start immediate discussions with them? Such a statement on the part of the Government, will galvanise the entire people, will rouse the people, will touch the hearts of the Pakistan people. When they are gradually rising against that regime, which brings in American aid, which comes in the way of Indo-Pak friendship and leaves the field free to Anglo-American imperialists, here is the occasion for your statesmanship to rise. It is no use waiting on events. We are a great country. Pakistan is a sister nation, our neighbour. Our friends and our dear and near ones live in that part of the world. Here is the occasion to seize the opportunity and if initiative is taken in full measure it will not only build friendship but will also remove all the barriers that come in the way for developing, to our mutual advantage, cultural, economic and other material relations with that country, our neighbour Pakistan. I hope, Sir, the hon. the Prime Minister of India who at one time said that he was opposed to the passport system, would now take note of the recent developments there and declare that he is prepared to reopen the whole question of Indo-Pak relationship in the light of the people of our two countries. We have to fight the military pact but the way to fight it is not by just making speeches here. The way it is to mobilise your own people on the one hand and on the other to approach the leaders of the United Front which has won such people of Pakistan with your constructive and creative statesmanship. That is, what we demand that the Government of India should do. Sir, we must take note of the forces that are gathering momentum in Pakistan, that have

[Shri B. Gupta.] already made mince-meat of the Muslim League in East Bengal and that have sent a shudder of fear down the spine of American imperialism. The people of Pakistan will know how to join hands with the Indian people and join in the fight for peace and freedom, for sovereignty and independence. If I have said all these things, it is only because I want to impress upon the Government of India that the time is past when we could be satisfied by making good statements. The time has come for action. The time has come when the people of the world and the people of our country will judge the Government not merely by its words but by its deeds. By taking positive steps, by directing your actions in the proper way, you can save the situation. To-day, I find that the Foreign Minister of the Soviet Union, Mr. Vyshinsky, has acclaimed the stand taken by the hon. the Prime Minister on the hydrogen bomb; but even so, they would say there are two war blocs. Your stand on the "hydrogen bomb is welcomed in the Soviet Union. Your stand with regard to the Indo-China cease-fire demand is welcomed in the Soviet Union. Your constructive stand in the international politics is welcomed in the Soviet Union and the countries of the people's democracy. Has any one of these stands been welcomed in the countries like the United Kingdom or the U.S.A.? Why is it that your friend, Sir Winston Churchill, does not have a good word to say? It is clearly because they are war-mongers. That is why even the hon. Pandit Jawaharlal Nehru and the Congress Party have become the cause of anxiety and irritation to those people who mean war and nothing but war. There fore get away with the idea of.....

SHRI H. P. SAKSENA: May I, with your permission, suggest that a glass of water be brought for my friend, Mr. Bhupesh Gupta?

SHRI B. GUPTA: Get away with the idea of these two blocs.

MR. DEPUTY CHAIRMAN: Mr. Gupta, you have taken 40 minutes. Please do not repeat.

SHRI B. GUPTA: Sir. I do not know whether when the hydrogen bomb falls, you will be there to give the ruling.

MR. DEPUTY CHAIRMAN: We will all sail together.

SHRI B. GUPTA: Now, I will finish, Sir. That is why I say, rise to the occasion and in a manner in which the peaceful aspirations and rights of the people can be rightly expressed. Discard all these inhibitions and ideological prejudices. The world today right from one end to another is at one in the sacred fight against this destructive weapon. It is fighting for peace. The Government of India should further change and reorientate its foreign policy and go out as the consistent fighter for peace and freedom. That is the only thing that we would ask them on this occasion to do.

DR. P. V. KANE (Nominated): Mr. Deputy Chairman, I want to speak on two or three points only. The first is education. I find that the provision made for education is of the order of 12 crores and our total income is more than 440 crores. I should say that the Government has not properly applied its mind to the importance of higher education not only in the arts but also in science and technological subjects. A sum of Rs. 12 crores is nothing for this purpose because the Government has on its hand already certain universities like the Aligarh, the Banaras and the Delhi universities and some money out of that must be spent on these universities. The total amount that may be available for scientific and technological studies and other struggling universities must be very small. In the British Isles there are more than 20 universities but in India which is perhaps ten times as big as England, almost equal to the whole of Europe except Russia, we have only 20 or 22 universities and even these universities are mostly built up on fees and some donations made by the princely families. In the modern set-up we have already eliminated the princely order; in most parts of the country even the zamindars and inamdars are going, or have gone. Therefore, there is

hardly any likelihood of any very large increase or large endowments from the private sector. So universities and similar institutions of higher knowledge must look up to the Government for carrying out their work and for enhancing their importance and usefulness. I do not think that these Rs. 12 crores are really adequate for the purposes for which universities exist. (*Interruption*). My learned friend tells me that the universities are also paid by the States. I do not deny that. But how much? The Bombay State, for example, has an income of Rs. 45 crores and does not spend more than 6 per cent, of its income on universities. That is nothing really.

Look at the universities in England. You always take England, the United Kingdom, as your model. Your Constitution is modelled on similar lines; your raising of Estate Duty was after their pattern. So far as your taxation is concerned, you are always modelling it on western lines and the increase of taxes is always there. But look at the British universities. Two thirds of the expenditure of the British universities is borne by the British Government. How much do you bear of the total expenses of your universities? I say you do not bear more than 10 per cent.; I should say, even less; I do not have the figures with me.

Under Education included also is Archaeology. It is the 18th item in this Appropriation Bill. You find there that only Rs. 48,79,000 are provided for Archaeology. Many people have no idea as to what is included hereunder. It is not only the preservation of national monuments that is charged on this but also there are so many inscriptions. If any of you happens to go to Ootacamund, you will find nearly thirty thousand inscriptions which have been copied by estam-pages. And, at the present rate of their publishing these, more than 200 years would be required before the entire lot is published. If they are not published early, the inscriptions themselves will go and the stamps that are taken of them will be eaten by

white ants. So, this provision is very small under the head 'Archaeology'.

AN HON. MEMBER: It is the responsibility of the States.

DR. P. V. KANE: No doubt, the States have some responsibility for preserving the monuments which are not declared to be 'national'. But in a large country like India, there are hundreds and thousands of monuments; there are many monuments not only of national importance, but very many that are of importance from other points of view—cultural and social and others. Considering all these, some more provision has to be made. This sum of Rs. 48-79 lakhs is nothing compared to what would be required. In the British Isles there are formed what are called the National Trusts; they are managing hundreds of estates and assistance is being given to them. Here in India, excepting Government nobody has an idea of what is of cultural importance and therefore it is up to the Government alone to see that these monuments are preserved, published and brought to the notice of the common man.

Then, the other point on which I wish to say something is the item about Navy under Defence Services—item No. 13. I find from the way in which the budget has been prepared, that it is prepared by persons who are not acquainted with the Navy. I have spent the whole of my life on and near the sea. Many of you do not know the influence of sea power at all. In the first World War, one small cruiser 'EMDEN', round about 1915-1916, played great havoc; the whole of the traffic from South Africa on this side to Java and Indonesia on that side was totally stopped. Its method of operation was curious. It took a ship, took everything that it wanted for its own purpose, and sank the ship. The Captain did not kill the inmates: he was a generous man; he put them on rafts and sent them on to land. For many months, nothing could be done because to find out that ship in that big ocean was just like finding a needle in a haystack. Ultimately,

[Dr. P. V. KANE.]
after many months, that ship was found out by another small cruiser and destroyed in half an hour. Now we have one cruiser; and that too is an old thing which has been renovated. You know what is meant by 'renovated'. It is just like an old man getting renovated, becoming young. We know what it is; he looks young but everything about him is old.

Similarly, I find no battleship in our Navy; there is one single cruiser, and some destroyers and submarines. I do not know whether most people know the price of a big battleship. That information could not be had from the Defence Ministry. Perhaps it is a secret thing. Rs. 16 crores are required for purchasing a single battleship; a big cruiser nowadays costs Rs. 8 crores; and three crores of rupees is the price of a single destroyer; and Rs. 1-1/4 crores for a submarine. I do not know whether anybody has thought about this. We have a long coast line to protect; we have a coastline of two thousand miles from the Pakistan border up to Burma and all the internal trade, coastal trade, is in our hands. All this trade will be paralysed by a single submarine or a single destroyer—during an emergency—unless it is accounted for by our own flotilla of ships. Looking at our total expenditure on defence, this sum proposed to be spent on our Navy is very small. Our total defence expenses come to Rs. 240 crores, and that spent on our Navy is just over Rs. 12 crores, and very roughly it is only about five or six per cent, of the total that is spent on our defences. You will notice that even on the Air Force we are spending nearly Rs. 36 crores, that is three times as much as we spend on our Navy. Therefore, I draw your attention particularly the Defence Ministry people to take up the matter with the hon. the Finance Minister and see if we can do anything if we want to have our Navy on a far grander scale than it is today.

As regards the other items, I am myself a man on land although I was a Lt.-Col. at one time; that too was

an honorary title; I have nothing to do with it except in an honorary capacity I have experience of ships for a whole life-time and therefore it is that I say this. We would not have had all these French and Portuguese and other foreigners that have now come on our territory if only our naval power had been strong. Because it was not so strong, they came and conquered the country,

SHRI T. BODRA (Bihar): Sir, I would like to speak on item 22 of the schedule in the Appropriation Bill—The Tribal Areas. The Government of India have allotted Rs. 4,36,95,000 only for this purpose. I may refer to the Census of India, 1953, in which the tribal population has been given as 1,91,16,498. Mathematically, it comes to something like Rs. 4 per tribesman. I fail to understand how the Government of India are going to ameliorate and uplift the economic-conditions of the people of these tribal areas within the 3/4 years left to them out of the scheduled time of 10 years of which 6/7 years have already passed.

So, Sir, in my opinion, the sum provided for is meagre and insufficient. And even this amount is not honestly spent by the State Governments. For your information, Sir, I come from Ranchi, and I find that the girl students of Ursuline Convent, Ranchi, which is affiliated to St. Xavier's College, are not given any scholarships. Therefore, in my humble opinion, Sir, the whole purpose of granting even this meagre sum is frustrated by the State Governments because they do not honestly spend that amount.

Lastly, Sir, I would submit.....

MR. DEPUTY CHAIRMAN: Do you want more time? SHRI T. BODRA: Yes, Sir.

MR. DEPUTY CHAIRMAN: Then you can continue tomorrow.

The House stands adjourned till 8-15 A.M. tomorrow.

The Council then adjourned till a quarter past eight of the clock, on Wednesday, the 21st April 1954.