

came across one magazine, the famous 'Economist', and commenting on family planning in India the 'Economist' of August 22nd, says about the conference that was held at Bombay:

"The solution is still remote; but at least the myth of the insuperable barrier, the irrational and universal fertility-cult, can be regarded as officially discredited in India. One could easily make a list of countries in which any international conference on family planning would be banned outright; India welcomed it. One could make a longer list of countries where such a conference, even if tolerated, would certainly have to get on without the outspoken moral support of the Prime Ministers, Vice-Presidents, and Commanders-in-Chief."

—which they got here—

"It is true that the official Indian policy of birth control makes a cautious compromise with religious susceptibilities; but few countries go so far as to have a positive official policy at all. And among the forty papers reproduced in the report, ranging from the most general discussion of population problems to the most technical accounts of current medical research, there can be found surveys of opinion and cultural attitudes which provide solid, though necessarily limited, evidence that the minds of the ordinary people of India, as well as their statesmen's, are accessible to the common sense of family planning."

I know I am running against time. In winding up I will say that a nation is built, not by its number, but by the quality of healthy and vigorous people who represent it and who are able to build it up. At the moment we are overburdened with unhealthy people. Let us prevent a further rot and prevent innumerable unborn children being born who, if born, would start life with a great handicap.

MR. CHAIRMAN: Are you withdrawing the Resolution?

SHRIMATI LILAVATI MUNSHI: In view of the hon. Minister's asking me to withdraw the Resolution, I think my purpose is served by having this debate here. I beg leave to withdraw the motion.

The Resolution was, by leave, withdrawn.

RESOLUTION *RE* STEPS TO DEAL WITH UNEMPLOYMENT, FAMINE AND FOOD SCARCITY

MR. CHAIRMAN: Next is Mr. K. C. George's Resolution.

(Member absent.)

His Resolution drops.

Next is that of Mr. Imbichibava.

SHRI P. SUNDARAYYA (Madras): Sir, he has authorised me to move it.

MR. CHAIRMAN: You may move it.

SHRI P. SUNDARAYYA: Sir, I move the following Resolution:

"That this Council is of opinion that Government should take immediate steps to relieve the situation in the country arising out of unemployment, famine and food scarcity."

MR. CHAIRMAN: 30 minutes for Mr. Sundarayya and 15 minutes for every subsequent speaker.

SHRI B. C. GHOSE (West Bengal): On a point of order, Sir. Who is the Minister who will be responsible for this Resolution?

MR. CHAIRMAN: We have a number of Ministers here—Health, Law and Food—they are all there. Food scarcity—Dr. Deshmukh; Unemployment—everyone is there.

SHRI C. G. K. REDDY (Mysore). You could send for the Minister concerned

SHRI B. RATH (Orissa) The Minister without Portfolio is the Minister for this.

SHRI V. K. DHAGE (Hyderabad) There is an amendment to be moved in the name of the Finance Minister. He should be here.

THE MINISTER FOR AGRICULTURE (DR P. S. DESHMUKH). The Minister in charge is coming.

MR CHAIRMAN How does it make a difference whether they listen to you or don't? They will read your speech.

SHRI P. SUNDARAYYA, Sir, I have moved this Resolution mainly to focus the attention of this House and that of Government to the grave situation in the country due to unemployment, famine and scarcity and as such to suggest basic and immediate remedies. Sir, in our country only 50 lakhs are employed in any organised industry and as such there is plenty of unemployment, both in urban as well as in rural areas. There are no definite statistics or accurate statistics to give us the extent of unemployment either in the urban areas or in the rural areas. But taking the various retrenchments that have been taking place from 1947 to 1953 and various cuttings in the papers and the various answers which the Government have themselves supplied, we can take it that the urban unemployed will not be less than 25 lakhs, after excluding the handloom and cottage industries. In Bengal alone between 1948 and 1952 about 1,40,000 have lost their employment in the various industries and about 20 lakh refugees are still not rehabilitated. They are also unemployed. In the tea gardens there are one lakh unemployed. In the mines throughout India the figure that we could collect so far is about one lakh unemployed. In the textile industry there are one lakh unemployed, in the *bidli* industry about 1 lakh; in Bihar, from figures

collected there are not less than 1 lakh unemployed. In Travancore-Cochin among coir workers alone about 1 lakh are unemployed. Coming to the question of rural unemployment, it is well-known that in the rural areas about 70 per cent. of the total population lives and the Planning Commission itself has admitted that 30 per cent. of the adult population in the rural areas is unemployed, which would come to 5 crores of people. Apart from this 30 per cent. who are totally unemployed, there is plenty of under-employment in the others. From our own experience in the Andhra areas, in the deltaic areas which are considered to be the granaries, the labourers used to get in the busy season of the year, that is the replanting season, as well as harvesting season, at each period, one month's work, but nowadays they are not getting even fifteen days' work in the season. Also because the work was so hard pressing, the worker used to get from Rs 1/8 to Rs 2 per day, but today because a large number of workers have migrated there, they get wages from 0-12 to Re 1. This shows the acute unemployment problem in the rural areas.

Apart from this take the educated unemployed. The Government in their various suggestions mainly consider the educated unemployed as the most serious problem because the educated naturally will not tolerate their being kept unemployed and therefore the Government is very much worried about what these educated unemployed would do and therefore it is only concerned about this particular aspect of the unemployed but not about others. There are no definite statistics with regard to educated unemployed also, but taking the graduates and matriculates who pass out every year, they can be taken to be about 5 lakhs every year, and if you take the failed matriculates and failed graduates, they will be another 5 lakhs in a year. All these persons, whether they are failed or passed, must find jobs but Government does not think in terms of providing jobs for all these persons. The Five Year

Plan itself provides for Rs 2,000 crores and they expect to provide jobs only for about 10 lakhs during the course of five years in the organized industries and it hopes to have another 40 lakh people in agriculture and cottage industries by way of rehabilitation and other things. As for the rest of the employment envisaged by the Plan, they say they will give full employment to the partially employed in cottage industries—to about 36 lakhs. Even if the whole Five Year Plan becomes a practical success the proportion of jobs that it will provide is very meagre. Our population as we all know is already 36 crores and it is increasing every year at the rate of 5 millions and that means that nearly 20 lakh jobs have to be provided every year even if you are going to absorb only those who come of labouring age. Therefore during the course of this period of 5 years, leaving alone the others there will be about 100 lakhs of new adults who would be of labouring age and who would be requiring jobs. But unfortunately the plans of the Government do not take into consideration to solve even the existing unemployment not to speak of the increase in their number that takes place every year. When the discussion was going on the other day in the other House the Parliamentary Secretary quoted certain figures to show that generally employment was increasing in organised industries. But if you take the picture as a whole you will find that the proportion of the employed to the total population has actually decreased. Out of the total population of the labouring age, the proportion of those who are actually employed has actually decreased from what it was in previous years. That is one aspect of the problem. Naturally, when so many are unemployed the people will not have the necessary purchasing power and there is starvation. Actually the situation is very acute. Take the famine situation in the country. In June 1952 the Government in its own estimate has said that 4 crores of people were affected by scarcity conditions. They also provided the figures in March 1953, and their estimate was that about

3 crores of the population were affected by scarcity conditions. They do not give the latest figures, though they say that production has increased, that stocks are plenty, that prices are going down, and that everything is all right and there is nothing to worry. But even now the present situation is very bad. Take the havoc caused by the floods. The condition in various areas has worsened. August to October are the lean months of the year when there are no agricultural or other operations to any appreciable extent and so scarcity conditions at present cannot be anything less than what they were in March 1953 which is considered a busy season for harvesting and other activities. I can only give a few examples from the different areas to show how acute the food situation is. It cannot be a complete picture, because with the data available, I cannot make it complete.

In West Bengal rice is selling at Rs 22-8-0 to Rs 30 per maund. Rs 22-8-0 per maund is the rate that the Government charges for the so-called medium variety. And under the modified rationing scheme, they provide only 12 chattaks of rice and the Bengali people can get it only if they are prepared to buy 20 chattaks of wheat compulsorily, otherwise they do not get that rice. And as I said, the price charged is as much as Rs 22-8-0 per maund and the result is that many, to whom this modified ration scheme is to be applied, do not buy this rice. In the Sundarbans and the Twenty-Four Parganas 7 lakh people are affected, because they do not have any purchasing power whatsoever. In Kashiari Police Station in Midnapore out of 45,000 people more than 35,000 are faced with starvation. In Bankura the adult population do not have a full meal a day and they have been asking for reduction of the prices of foodgrains. In Birbhum, the Superintendent of Police was confined in the dak bungalow by the whole population surrounding the building and demanding that the price of rice should be brought down to Rs 12 per maund from the present price of Rs 24 per

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maund. In Manbhum 30 per cent. of the population do not get a full meal. In Purulia City 6,000 people of the lower middle class and 4,000 of workers are unemployed. At least a fifth of the adult population is unemployed in that city alone. Take Assam. In Nowgong the people live on wild roots and rotten grain. Rice is sold at Rs. 19 per maund, though the press-cutting here shows it as Rs. 9 which probably is a misprint, for the procurement price itself is as much as Rs. 15 per maund. Even at Rs. 19 per maund the people cannot buy it for want of purchasing power. So they subsist on wild roots. In the North East Frontier, even Government servants do not get their rations and so they go on half rations. In Madras State, in Malabar for instance, and also in Andhra and even in Tanjore District, rice generally sells at Rs. 24 to Rs. 25 per maund, even in the surplus districts like those in Godavari and Krishna deltas and in the Tanjore District. But the procurement price is only Rs. 12 to Rs. 13 per maund. So the Government procures the rice at Rs. 12 though in the open market the rate is Rs. 24 to Rs. 25 per maund. In the fair-price shops the sales are at the rate of Rs. 18 per maund and it may be claimed therefore that it is cheaper because in the open market the rate is Rs. 27 per maund. In Anantapur, Kurnool and Cuddapah the position is very bad. When the people ask for more gruel kitchens, they are given lathi charges. In Travancore-Cochin, 10,000 people went on deputation to the Minister for Planning demanding a reduction in the prices of food-grains. Coming next to Hyderabad, the price of rice has rocketed from Rs. 13 in 1949 to Rs. 32 per maund now. In 1949 fine varieties of rice used to be sold at Rs. 20 per maund whereas coarse rice used to be sold at Rs. 13 per maund. But now there is no difference between coarse rice and fine rice, both are being sold at Rs. 32 per maund. Similarly gram which used to be sold at Rs. 10 per maund in 1949 now sells at Rs. 32 per maund. In Maharashtra in the Phatan Taluk

about 30,000 out of the 40,000 of the population are faced with starvation. Rice sells at Rs. 31-4-0 per maund. Even the offtake of rationed food-stuffs in three industrial centres of Bombay has fallen by 12 per cent. In the Himalayan areas, starting from Panji in the extreme west right up to the North East Frontier Agency the people are starving. Added to this, the floods have worsened the position. In Bihar 2,000 sq. miles have been affected by the floods and 25 lakhs of people have been affected. One lakh of landless labourers had migrated seeking jobs. Even the Government's estimate puts the loss at Rs. 21 crores. One thousand villages have been affected by the Gomti floods in U.P.

In Andhra due to the Godavari floods about 2,000 square miles and 10 lakhs of people were affected and the loss is estimated at not less than 50 crores of rupees. It might even go up to Rs. 100 crores. Malabar also has been very heavily hit by the floods. Now if you add these things, famine, no food and floods, naturally diseases increase. Tuberculosis, cholera and such other diseases are increasing. Even the Health Minister has said that tuberculosis is gradually increasing. Already 2½ million people are affected and yet it is increasing. People, faced with starvation, have become mad with hunger. I can give instances of the extent to which hungry people have gone and are going.

In Nowgong, a man put his wife and children into a hut and set fire to it because he could not feed them. That happened in the north. In Kot-tayam, farthest south, a man threw his five children into a well and he also jumped in. He was dragged out but the children were dead. In Midnapore. Nandigram Thana, a mother sold her daughter for Rs. 21. In Moghalshor village, a son is available for a seer of rice. The price of a son is a seer of rice! Hundreds of instances of suicide can be given from the various parts of the country. In Delhi itself, Surendra, whose services were terminated from 505 Command

Engineering (E.M.E.) Works, committed suicide; and women sell their honour to get a morsel of food.

Sir, this is the situation and the Food Minister says that production has increased by 12 per cent., stocks are in plenty and that the prices are coming down. It is a picture of total complacency—we have to say, criminal complacency. We agree that stocks are there, but with whom are the stocks? They are with the big landlords, with the blackmarketeers, and most probably with the Government. Stocks are plenty only for those who could afford, who are rolling in wealth, but not for the vast hundreds and millions of our population. Prices, they say, have gone down. Yes, when you compare them with the highest prices, and that is what the Government statistics show, compare the highest prices at the famine areas with the rates prevailing in rationed or controlled areas. If you do that prices seem to have gone down but if you compare those prices with the past prices in the surplus areas for the whole of the country, the prices have gone up. In Andhra itself prices have gone up from Rs. 15 or Rs. 16 to about Rs. 24 or Rs. 25. Sir, the whole thing looks as if we, like Neroes are fiddling while Rome is burning. This is the way in which the whole Ministry and especially the Food Ministry is functioning.

Sir, the Government must read the warnings that are already there. Take the Calcutta tram struggle. It is called a struggle for a pice. Why, on such a small issue, have people risen to such a height and staged such huge demonstrations? It is because people find it unbearable and, therefore, they are not prepared to tolerate any increase in the burden already borne by them. Take the case of Jaipur. A small increase in the octroi duty was made and immediately the town, irrespective of party from the merchants down to the lowest among the population, joined in a *hartal* for ten or twelve days. Will Government read the writings on the wall? It can't go

on like this. It must take steps and take immediate steps. Let us see what the remedies suggested are. Government spokesmen come with a plan for employing 80,000 teachers and Government is prepared to give about Rs. 15 crores in the course of three years, but in the next year the State Governments must pay 50 per cent. and, at the end of the third year, the Central Government will not be responsible for the maintenance of these 80,000 teachers. It is for the State Governments to maintain them. Today, as we all know, the State Governments have no finances; they are curtailing the development schemes and, as such, the State Governments cannot undertake to employ these teachers, and even if they do, these teachers may be thrown out of employment in the course of the next year or two.

Sir, the other remedy suggested is the improvement of the cottage industries, the so-called 11-point plan. But, this also will be a total failure. Take the question of handloom; already, handloom cloth has accumulated so much that it cannot be disposed of at an economic price. The only remedy is that the Government must come forward and buy up all the stock of the handloom weavers and the Government must sell the products and bear the loss. By this method, they should assure a decent wage for the handloom weavers. Then only can cottage industries survive. Even now the cottage industry goods cannot be absorbed fully because of lack of purchasing power among the people. So, to say, that more and more cottage industries will solve the problem is no solution whatsoever. It is nothing but escapism; it is nothing but cheating the people to say that by this way Government will solve the unemployment problem. Sir, Government shows utter bankruptcy before the growing unemployment, famine and starvation. They say, "What should we do if the purchasing power is low?" It is the job of the Government to see that the purchasing power is raised. Sir, we suggest basic remedies; we have been suggesting remedies again and again. The first and foremost thing that the

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Government should do is that they must tackle the rural unemployment problem. If, every year, millions of people, adult workers, migrate from the villages to the towns you can never hope to solve urban unemployment at all. It is so much on the increase now; from 1941 to 1951, nearly ten million workers left the villages for the cities. Sir, the way to solve rural unemployment is to give land to the landless agriculturists and poor peasants by taking the land from the big landlords. Out of the 324 million acres, sown, more than half is with landlords who do not till their lands by their own manual labour or, even if they have one or two servants, they do not do any manual labour in the fields at all. Such landlords need not be given so much land. They have kept 58 million acres of land fallow; they do not want to cultivate and in Pardi they are prepared to keep the area as grasslands rather than cultivate it and, that is why people cannot tolerate lands being kept fallow. Sir, if you take away this much land, leaving with them some land for their living and to work on, even then 100 million acres can be had and this, distributed amongst the landless, would immediately benefit 20 million families. There are 98 million acres which could be cultivated but it would take time and long range projects; thus, if done would give employment to another 20 million people. The only solution for rural unemployment is to take away lands from the big landlords and distribute them amongst the landless. Later on, with our irrigation projects, with tractor cultivation, etc., we could bring in the other about 100 million acres under cultivation which would provide work for another 20 million people. By reducing the pressure on the cities from the migration of people from the villages, you will get some scope to tackle urban unemployment itself. The problem of unemployment or under-employment, unless India is industrialised, cannot be finally solved. India must be industrialised on a large scale. But the Government pleads, "Where shall we get the money from?" We have

been suggesting various measures. We can extract the funds from the British imperialists who have robbed our country for 200 years by getting a return on their capital which is many times what they have invested and who are still allowed to flourish. Their capital must be confiscated. But it is not done by you. You think that it is dangerous for you to confiscate these things. The foreign imperialists are like that. In Iran also it is the British imperialists who are exploiting that country. When Dr. Mossadeq came to power he wanted to drive away these imperialists from exploiting their oil industry. Then there was the American intervention and Mossadeq disappeared . . .

MR CHAIRMAN: Let us talk about ourselves.

SHRI P. SUNDARAYYA: All right, Sir. In those places there were assassinations of even the moderate politicians because they opposed nationalisation. We are to prepare for it and we have to face these imperialists.

Then, ban all the imports that compete with our Indian manufactures. It is these foreign imports that are ruining our industries and are bringing about more unemployment in the country. Then, Sir, we can also raise the necessary capital by confiscating the Rs. 1,000 to Rs. 2,000 crores worth of the princes' properties. The Government is not giving us the actual amount of property of these rulers and princes but our own estimate is that it will not be less than Rs 1,000 crores and it may be Rs 2,000 crores. So you have these Rs. 2,000 crores of the rulers and Rs 600 crores of British capital and by stopping the compensation to the big landlords whose lands are to be taken away and by reducing the profits of our Indian capitalists we shall have plenty of money to start big industrialisation on a large scale. Only these will ultimately liquidate unemployment, famine and starvation from our country. Today our economy is dependent on the British imperialist economy and it is dependent on the American loans. Break our dependence on these foreign imperialists;

break our dependence on the American loans and extend our relations, our trade and industrial relations with all the countries, especially with the Soviet Union and with the people's democracies

These are the basic remedies and to give effect to these basic remedies you must immediately take some intermediate steps. The situation cannot brook any delay and immediate steps must be taken. As my colleague Comrade Gopalan outlined in the other House, we demand (1) 50 crores of rupees to be set apart immediately to give unemployment relief in cash to the urban unemployed and the opening of free kitchens in the scarcity-affected rural areas. (2) Reduce the food and cloth prices by 30 per cent and open cheap gram stores. Increase the food ration of 7 ounces per day to 16 ounces at least per day per adult. (3) Ban all retrenchment and don't allow the eviction of tenants. Stop such discharges as in the case of *The Times of India* in Calcutta. (4) Take over all the stocks of the handloom and the other cottage industries and sell them so that the unemployment problem in the cottage-industry areas can be solved. (5) Start extensive housing, irrigation, flood control and road and rail building schemes. (6) Open schools to absorb the educated unemployed immediately and also extend the medical facilities. Sir, we have got only seven lakhs of teachers whereas our requirement to give elementary education up to the age of 14 years is 27 lakhs of teachers. So we will require 20 lakhs of teachers more if we are to wipe out illiteracy and if we are to have our educated unemployed absorbed as teachers. Mere sermonising won't do.

When we demand these things, the Prime Minister comes and says, "It is degrading to ask for a dole and we should not think about doles." It is degrading for him but it is not degrading for the huge number of unemployed who are starving, for the famine-stricken people who are starving. It is the birth-right of every Indian to demand a job and it is the duty of

the Government to provide jobs. It is my birth-right to demand relief so that I can live till I get a job and it is the duty of the Government to see that I do not starve. A Government that cannot provide jobs and cannot provide food for the people has no right to exist. You cannot make millions and millions of people starve and die. The people are immortal. They will not tolerate this Government as long as there are unemployment, famine and starvation in the country and as long as this Government functions in the interests of the British imperialists, monopoly capitalists and the big landlords. If the Government fails to adopt these basic measures and give immediate relief, the people will rise and will overthrow this Government and replace it with their own Government, a Government of the people, which will give them land, bread and employment, peace and prosperity.

MR CHAIRMAN Resolution moved.

"This Council is of opinion that Government should take immediate steps to relieve the situation in the country arising out of unemployment, famine and food scarcity."

There are six amendments to this resolution. Those who want to move them will please do so.

SHRI B C GHOSE I beg to move:

"That for the words 'relieve the situation in the country arising out of unemployment, famine and food scarcity' the following be substituted—

(a) set up machinery for the collection of unemployment statistics on a permanent basis, and

(b) institute measures for combating unemployment by all possible measures including—

(i) demarcation of fields of production between cottage and small scale industry and large-scale mill industry,

(ii) immediate introduction of compulsory primary education:

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(iii) stopping of imports in respect of goods which are or can be indigenously produced;

(iv) increasing socialisation of the economy, particularly banking and insurance’”

SHRI GOVINDA REDDY (Mysore) I beg to move

“That for the word ‘relieve’ the word ‘remedy be substituted”
I also beg to move’

“That for the words ‘famine and food scarcity’ the words ‘and revise the Five Year Plan suitably so as to provide for increasing employment opportunities in the country and adopt such measures as are necessary for the purpose’ be substituted”

SHRI H D RAJAH (Madras) I beg to move

“That for the words ‘relieve the situation in the country arising out of unemployment famine and food scarcity’ the following be substituted —

‘set up a machinery to conduct an economic survey in the country in order to find out in which sector of society unemployment is rampant and devise ways and means to tackle the same’”

SHRI RAJAGOPAL NAIDU (Madras): I beg to move:

“That at the end of the Resolution the following be added, namely:—

‘by increased production and reduction of inequalities’”

THE MINISTER FOR COMMERCE AND INDUSTRY (SHRI T T KRISHNAMACHARI) I beg to move

“That for the original Resolution, the following be substituted —

“This House is greatly concerned over the growing unemployment in the country and is of opinion that, with a view to in-

creasing employment opportunities in the country, Government should take steps to revise the Five Year Plan suitably and to adopt immediately such measures as are necessary for the purpose’”

MR CHAIRMAN: The resolution and the amendments are before the House now

PROF N R MALKANI (Nominated) Mr Chairman, now that the mover of the resolution has already made his statement, would it not be conducive to better debate if the Government also made their position clear by making a statement so that the House will know how to come to grips with the problem?

MR CHAIRMAN The Government have made their position clear in the amendment moved by the hon Minister

PROF N R MALKANI But in support of that amendment no observations were made and no details were given. It may be that they are having in their mind a kind of a directive to the Planning Commission which they may like to send to them. We would like

MR CHAIRMAN They will do so after hearing the debate but in the meantime you may go on

SHRI T T KRISHNAMACHARI I might mention that we feel that this matter must be communicated to the Planning Commission and the Planning Commission must survey the whole thing. They would like to have our views. It may be that we have our own views on the subject but I think it is better those views are expressed as a reaction to the remarks made by hon Members rather than to stave the debate off

[MR DEPUTY CHAIRMAN in the Chair]

PROF N R MALKANI Sir, the resolution that has been moved by Shri Sundarayya is a resolution on which I do not think, in a sense, there can be much difference of opinion

The resolution is about removing unemployment, famine and food shortage. There may be some difference of opinion about famine but there can be no difference of opinion that there is increasing unemployment and there is also scarcity in many areas. We cannot but agree that these are great calamities which have got to be combated by any State. It may be a Communist State. It may be a Socialist State. It may be a Welfare State. It may be any State. Every State is in duty bound to remove these calamities. The question arises how to do so. What is the extent of this unemployment and how to check it? As regards the methods adopted to check it differences may arise.

Sir, I would like to draw your attention to the broad facts regarding unemployment. There is unemployment but the greatest unemployment and chronic unemployment is mainly in the rural areas and not in the urban areas. Sir, in this connection I would like to draw your attention to a booklet issued by the Planning Commission dated the 30th July 1953, page 1, para 1, lines 7 to 10. It reads, "It is necessary to add that the main problem now under examination is urban unemployment, on the rural side there are large schemes in operation which have added considerably to the employment opportunities." I do not agree that the main problem is urban unemployment nor do I agree that on the rural side the schemes in operation have added considerably to the employment opportunities. I think it overstates the case. The main problem is not 'urban' but 'rural', and I do believe, though I have got no convincing proofs to show to you just now, that there has been any considerable addition to employment opportunities in the rural area. Eighty per cent of our population is agricultural. That is 28 or 29 crores, and 30 per cent of this, according to the Plan itself, are unemployed—not under-employed. So the total number of unemployed is not 5 crores as Mr Sundarayya said, 30 per cent of 28 or 29 crores would be eight or nine crores.

SHRI H P SAKSENA (Uttar Pradesh) You are referring to landless labourers probably?

PROF N R MALKANI Whatever name you give them, they are unemployed.

SHRI H P SAKSENA They may be landless, but they are not unemployed.

PROF N R MALKANI I think all of you agree that almost all agriculturists are partially unemployed, during the whole year they do not work. It may be nine months, it may be six months, and if there is famine, it may be longer. None of the agriculturists, not even those who have irrigated cultivation, have 12 months' employment. They work only for nine months or six months and my hon friend the Minister for Agriculture knows it very well. He proudly says he himself is a farmer. He himself knows the difficulties of a farmer. So unemployment is mainly rural and not urban and ways must be found to remedy the situation. Sir, I would also like to place before you that urban unemployment is not so considerable, I do not say it is not important, it is, but it is not so considerable. It is only of the order of 4,66,228 according to the Planning Commission. Out of this technical unemployment is 50,000, clerical 1,28,000 and the rest unskilled. That is on May 1953. You may say statistics are unreliable.

SHRI C G K REDDY Completely wrong.

PROF N R MALKANI You double it, you treble it, you quintuple it. Where do we stand? It is 5 lakhs, 10 lakhs, or say 20 lakhs. All the time it is unfortunate—it is distressing to hear people harping the word 'educated unemployed'. And what do we do to reduce their unemployment? All the time we go on producing more and more of them and want to send them to the villages to work there. They are urban people. You call them 'educated', but to my mind they are spoiled so far as the villages are concerned. Year after year you manu-

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 rature more and more of them, and still more of them, and want to send them to the villages. The disease is not so incurable, it is man-made. We are ourselves making it acute, manufacturing them ourselves. Please stop that. Please do not create clerks. The British wanted clerks. We do not want clerks. We want men who can do technical work. It is not such a big problem to be worried about. But the other problem of rural unemployment is there. Today we are taking note of it. There has been unemployment and under-employment for the last 300 years and more, but people were asleep, somnolent, half-dead. Today they are becoming conscious. Today independence has taught us this one thing. It has made us conscious of our distress, of our misfortunes, of our failings. I can tell you, as far as I can see the times, that the time is not far away when the peasants may come in thousands and knock at the door of this very House saying 'we are here, we have a right to live as well as you'. To-day they are far distant, but they are mobilising themselves. Acharya Vinoba Bhave is doing nothing but that. He is mobilising them, making them conscious, making each of them feel that he is a human being having human rights.

Coming to the Planning Commission, has the Planning Commission made any substantial additions to our employment? I cannot say, perhaps they too cannot say that definitely. There are no statistics, there are no comprehensive surveys. I have gone round the country a little and I find that there are important lags, there are whole sections in the Planning Commission's programme which are to my mind going by default. I am fortunate that my friend the Health Minister is here. I think she is more aware than I am that there are a few doctors who are prepared to go to the villages, but there are no nurses at all, there are no health visitors. I have visited four community projects and I tell you that in only one of them I found one doctor. They said there was pro-

vision for so many, but in fact there was nobody. To my mind the whole section is practically non-existent in several parts of India—in at least those community projects.

Take another question—technical training of workers. I find that it is so very deficient, so deficient that even the mechanical trades arising within the community projects are not undertaken. Sir, I went to Gujarat and I saw a community project in Kaira District. There were thousands of pumps in the district but they were not being worked by mechanics. The pumps required servicing and attention after some period of work, but there are no trained mechanics. You have given them simple improved implements, which can be made by the village blacksmith. They are very cheap, they are very good. But nobody is training young smiths in making them. And this is one industry—Mr Sundarayya may kindly take note—which can be revived and wherein thousands can be given good permanent employment.

Now, I do not wish to go into basic education, schools and all that, because it is a very big subject. I was very sorry, I was given no opportunity to discuss this resolution during this session. I may tell you in passing that after food the need in villages is for schools. You ask anybody and of course, you will find that they want a canal, a dam and all that, but next they want a school. They are prepared to give you their own buildings. They are even prepared to support a teacher or two as the case may be. And after Vinoba Bhave's movement, they are prepared to give you land. You take 5 or 10 acres and make good use of land. But may I tell you, to our great shame today, that we do not even know what their needs are? We have no definite plans. Some say Rajaji's Plan, some say somebody else's plan, and the result is no plan. The position is that there are school buildings, but there are no teachers. When the building is there ready-made by the villagers, there are no teachers. So there are very big gaps in the Plan.

As far as I know, if I may quote one of your own bulletins 'The Agricultural Situation in India' issued by the Economic and Statistical Adviser, Sir, I have got a great grievance against it. What it gives in May, it contradicts in June; and what it gives in June, it contradicts in July. I went to an expert and he said: 'I don't know; I am also confused'. I tried my best to understand it. I tell you I had to read it as a kind of punishment. Please do not issue things of that kind. It is as dry as a bone. Please put some flesh into it. Pour some blood into it; make it warm. What does it say? I may be wrong; this may be right, I cannot say. It gives statistics for about 14 or 15 States the name of the schemes, the targets and the achievements; and you will find that the target is fair but the achievement is very poor. One item is wells constructed or repaired. Target July 1952 to June 1953 is 33,705, while the achievement up to March 1953 is 11,008. In the case of minor irrigation projects like dams, channels and so on, the target is 12,845, while achievement is 3,010. Take construction of irrigation tube-wells. Target is 2,552, achievement is 480. I went to see that Mehsana Project. They wanted to have 62 tube-wells and they had only five. Let me give you some more figures. These are from the monthly progress reports received from some 19 States. They relate to the period from July 1952, to March 1953.

Name of Scheme	Target	Achievement
Water-lifting appliances like <i>rahats</i> , pumps, etc.	11,432	4,927
Construction and repairs of tanks.	838	1,211

Only, in regard to this item, tanks, the achievement has been somewhat encouraging; it has gone about the target figure.

Take again land reclamation. The areas reclaimed and mechanically cultivated by State tractors during the period July 1952 to March 1953, they say, was 161,459 acres against the target of 506,258 acres for the agricultural year 1952-53. Sir, I do not want

to go into more figures. In all these, you will see that there are big lags, there are big gaps between the targets and the achievements.

Take another matter. The Plan says that if the targets are fulfilled properly and adequately, it will provide employment to lakhs—about 90 lakhs of people. This is as follows:—

Industry	.. 4 lakhs.
Irrigation, major and power projects	.. 2½ lakhs
Agriculture	.. 1½ lakhs
Roads	... 2 lakhs.

and, mind you, and Mr. Sundarayya to note, cottage industries—56 lakhs. Then again, out of the 90 lakhs of people to be employed, 80 will be rural and the rest 10 only urban. I was very distressed to find, it was painful to me to note, that this village sector has not been given proper attention. If the cottage industries schemes had been taken up, it would have relieved considerable unemployment worries.....

MR. DEPUTY CHAIRMAN: Mr. Malkani, your 15 minutes are over.

SHRI N. R. MALKANI: Sir, I was just warming up. But it does not matter, and I shall close down. I have to say much about the village industries which can absorb about 56 lakhs of people, but time prevents. Wherever I went I saw this aspect of the scheme neglected. They had no survey, no trained people, no instructions from the Centre or the States, of any kind whatever. There is something wrong here. I find the project staff is surely blissfully ignorant, unaware of one of the most important items which can give employment to so many lakhs of people. I had recently been to the Mehsana Community Project centre. There they had started a dyeing industry; the water there was of a particular mineral quality which gives fast colours, and I was surprised to find this industry carried on in many houses; but recently there was competition from Ahmedabad and the

[Prof. N. R. Malkani.]

industry is slowly dying, it is virtually crumbling down. I will cite another instance; in another region I saw beautiful blanket or kambal industry. That also, is crumbling, not at all prospering, again owing to competition from Ahmedabad. There are nearly 3,000 looms in Cutch. But all pit-loom, so antiquated, so Vedic, Vedic in its crude and in its primitive character. I am sorry to say that Government did not assist these industries. I wish they had done this and approached this problem with a little more courage, and then, I think, the whole Plan would have succeeded.

SHRI H. D. RAJAH: Sir, I have moved the following amendment:—

“That for the words ‘relieve the situation in the country arising out of unemployment, famine and food scarcity’, the following be substituted:—

‘set up a machinery to conduct an economic survey in the country in order to find out in which sector of society unemployment is rampant and devise ways and means to tackle the same.’”

I am in general sympathy with the resolution of the sponsor but the remedy suggested is, again, faulty. In a country like Britain unemployment dole is given out to people because they have got a colossal empire to swindle and distribute the loot to the unemployed. That is one way of tackling unemployment. But here, we have a very huge population of nearly 40 crores and if we are to take to distribution of unemployment doles, then where is the money to come from? It is a great matter. That is why I want some machinery to be set up to conduct an economic survey. You should come to a decision and try to combat this problem of unemployment on a permanent basis. In this connection I would like to quote the statement or writing of the Prime Minister 20 years back: “If an indigenous Government took the place of a foreign

Government and kept all the vested interests intact, this would not even be the shadow of freedom”. That was Jawaharlal Nehru 20 years back. Sir, what is it that this Government is doing except to keep the vested interests intact? I will now tell you that their position is something like “the label on the bottle is no guarantee for the contents of the bottle”.

I know that the country is being exploited for the last two hundred years and it is now guaranteed by the Constitution and by agreements entered into with the British people. What is going to happen to the original programme of the Congress? It provided for the nationalisation of key industries. It was at that time considered essential not only for national reconstruction but for eliminating the dominant foreign hold on our Indian economy. But when the Congress compromised with the British imperialists and requested them to place the Congress Party in power, all this programme was put in cold storage. On 17th February 1948, Prime Minister Nehru declared: “There will not be any sudden change in the economic structure.” On April 6th, the same year the Government’s economic policy was announced. It particularly said that in respect of coal, iron and steel and other leading industries, Government has decided to let the existing undertakings in these fields develop for a period of ten years. Thus, nationalisation was abandoned and the imperialists who have big monopolies were allowed to thrive. It is interesting to note what the “Economist” wrote a few years back: “Something may remain even if the formal ties of Dominion Status are not renounced and in any case the essential strategic and economic ties between Britain and India will remain even if it is under different political forms.” It is echoed by the mouth-piece of Indian big business, the ‘Eastern Economist’; “Whatever political quibbling may say, our foreign policy is definitely linked with the British Empire”.

Sir, my analysis is that behind the facade of our independence, Constitution and so on, British capital remains predominantly in Indian economy. British capital plays a decisive role in the control of Indian foreign trade and banking. The Managing Agents of the huge British combines allow their counterparts, the Indian Managing Agents as only their junior partners and nothing more. Now let us go into some figures.

The Reserve Bank has stated that the total private foreign investment in India is Rs. 613 crores. This is roughly 1/4 of the total of British overseas capital, but in fact this is not British capital at all. It is the blood, sweat and labour of millions and millions of our countrymen, and the British have taken out thousand times their original capital investment in this country, if they had invested at all any capital. I have calculated the present investment of British capital as being 45 per cent. and having 90 per cent. control of our key industries. The total profit they take out from here every year is about Rs. 60 crores. In addition to this, the foreign banks and insurance companies take away from us by way of invisible exports about 30 to 35 crores of rupees per year. Thus, you will find that we are depleted in our resources to the extent of a hundred crores of rupees which are appropriated by the British imperialists.

The above amount, Sir, is in addition to the colossal profits the British merchants are making in the supply of goods.

What they do is that they pay a low price for our goods exported from this country and when we import their goods, they charge 100 per cent. more than what they give us. In addition to this profit, in the case of the foreign firms which are allowed to function in this country even under an independent regime, the amount of the profits earned in this country and taken out of this country by them is in the region of another

Rs. 40 crores. Sir, this amount is in addition to the colossal profits the British merchants are making in the supply of their goods. Sir, if this structure of our economy is maintained, if this is the position which our Constitution guarantees for these British exploiters, the whole of our country, our people, will have nothing to eat. This unemployment problem can never be solved on a piecemeal basis. Those people are having their business activities on a colossal scale in this country. Sir, I may bring it to the notice of this House that when I went to Australia, I wanted to have a foothold there in very small business—namely, the opening of a branch of an insurance company, but they would not permit me even to land there, and if at all I wanted to land there, they would permit me only to be a tourist, spending my money there, going round the country and coming back within 60 days' time, Sir, in this country, the insurance executive, the so-called Committee for General Insurance, contains a man from New Zealand. Is it correct, is it proper, is it on the basis of your national self-respect, that you are having a foreigner of that type to be a member of a committee constituted under the law? Am I to be denied even the right of going to a place in order just to find out the possibilities of opening an office? That makes all the difference. This Government is a weak-kneed Government. It has no strong economic policy. If they adopt a method which will protect the interests of the nationals of our country, their self-respect will be very high. At least in the olden days when the British Empire was having its existence in a direct form, Indians were recruited by the British magnates to exploit other countries and they were taken as coolies. That was how people migrated to Malaya and other areas from this country. There was an exit to some extent of the population. But today you are not wanted anywhere. You are not allowed to enter any place; and our people, especially the educated people, under

[Shri H. D. Rajah.]

the British system of education, are unemployed. That is one aspect of the question.

The second aspect is with regard to the rural unemployment. There is only three months' work for the majority of our population. About 90 per cent. of our rural workers should be given supplementary occupations to enable them to eke out their living for the entire period of nine months in a year. Therefore, Sir, this question cannot be dealt with on a piecemeal basis or a solution found for it on a superficial basis. Please institute an economic survey and take real steps by which our wealth be kept intact in this country. I do not say even that you should expropriate British or foreign capital. Well, that requires a revolution or a change of the Constitution. But plug it. I was ashamed to hear Mr. V. K. Krishna Menon once shouting at the top of his voice in England and saying "Look, what has happened? After independence has been granted to India, there are more foreigners—and specially Britishers—in India than there were at any time before". I am very sorry to say that these foreigners have come and invaded our country. One Englishman in India costs us a thousand Indians' livelihood. One foreigner in India costs us so much high in proportion to Indians. Sir, the statistics cannot be challenged. And secondly, our unemployment is a question which affects every family, in whatever sector that family may be. A man who earns a livelihood of Rs. 50 or Rs. 60 a month has to keep four unemployed people around him, and he has to feed those mouths. And our attachment to our kith and kin is so great that we will not allow them to starve and die. It is unlike Britain. There when a man becomes old or a woman becomes useless, he or she is sent to the workhouse. The British Government is there to take charge of the workhouse and feed those people. But there is no such provision here. Formerly at least, Sir, there were choultries and trusts whereby all those people who were

really starving got their food. Even that is not possible under the present dispensation of things. Therefore, the difficulty that is there is not only to tackle the educated unemployment problem, which has been focussed so eloquently by the newspapers, but the problem of rural unemployment, about which Prof. Malkani has also said something. Now, Sir the only solution that we can have with regard to that is that we should go deep into the malady and then suggest remedies. That is quite possible. I do not say again that foreign capital must be eliminated or appropriated. I only say this much. Stop every foreigner from having a foothold in this country for carrying on his foreign trade. Indian trade must be 100 per cent. in the Indian hands. They can be in their respective countries. That is what America is doing; that is what Australia is doing; that is what New Zealand is doing. And the export trade must be controlled; the import trade must be controlled. There cannot be a guarantee for unlimited exploitation of our country's resources by these foreign vested interests in this country. Pool all those moneys; keep them in our country. Your present exchange regulations are obsolete. Your exchange regulations are something like trying to catch the horse after it is allowed to go out of the stable. You must keep that money in this country intact. Have an economic re-survey in this country and see that the unemployment problem is fundamentally tackled and the people are given the benefit of it.

SHRI GOVINDA REDDY: Sir, the resolution on the floor of this House raises very important issues. Number one, the issue of unemployment, and number two, the question of food scarcity in the country. The question of unemployment, Sir, is a very serious problem. My friend, Mr. Sundarayya, has quoted some figures about the unemployed persons. I do not know how far they are reliable. I am not going into the question of figures within the quarter of an hour

that is allotted to me The Planning Commission, Sir, has gone into this question at great length They have traced the genesis of this unemployment problem I will just summarise what they say, in one or two sentences They say that this problem is not new to the country It has been an old and an age-long problem They say that with foreign exploitation and with foreign rule our rural industries disappear and then, as a natural phenomenon, our population is increasing They also say that this unemployment is growing and is causing alarm to the nation The Planning Commission has given some remedies They divide the whole problem into three spheres One is, rural unemployment The other is, unemployment among the industrial urban classes And the third is, unemployment among the educated classes To solve the problem of rural unemployment, the Planning Commission has given a programme They say "By reclaiming land to a greater extent—to a larger and larger extent—and by starting irrigation projects and then supplying power, we hope to solve a large portion of this problem in the rural area" As far as this goes, I must admit that this programme does solve the problem to a great extent But I must say that the Planning Commission has not been able to appreciate the rural problem in its real aspect For those who are landless the Planning Commission suggests that land be reclaimed and given to them Well, it is not a question, Sir as if I get some land and I can immediately utilise it I cannot be expected to start a factory with no capital The factory for instance, for the manufacture of D D T cannot be started if I have no capital I must have the capital to do it Only the man who has got capital can start an industry or a factory

In the same way, by merely giving land to the farmer, we cannot expect him to do much To solve unemployment in the rural areas, we need to give the farmer not only land, but

also the means to make use of that land, to develop that land That means, he must have a pair of bullocks, he must have some agricultural implements, he must have something to go upon, he must also have a house to live in These are the problems which affect those classes in the rural areas There is a class of farmer who has not got these things That is a serious problem and so Government must make up their mind to go to the rescue of this class of farmer and give him, along with land, the means to exploit that land

There has been an agitation going on for some time now that rural credit must be given The Reserve Bank has gone into it and has conducted detailed investigations, but we do not see things taking shape The remedy must be expedited The Committee appointed by the Reserve Bank has submitted a report, but no action has been taken

THE DEPUTY MINISTER FOR FINANCE (SHRI A C GUPTA) The report has not yet been submitted They have only completed their enquiry The report is now being written

SHRI GOVINDA REDDY I am glad to learn that Government have not been found guilty of any shortcomings in this respect because they have not received the report, but why should they not press the Committee to expedite their report?

As some hon Members were saying today the farmer has no full-time occupation It is a problem which everyone knows He must be found some occupation Subsidiary industries must be started Some of the rural industries that we have today in the land have no chance of survival The Government must make a study of this problem and encourage such of the rural industries as have no chance of survival Then the whole industrial system must be revised, and Government must decide their policy once and for all Government must exploit one idea In

[Shri Govinda Reddy.]

Japan we have the system of large-scale industries being linked up with small-scale and cottage industries. They have their large scale industries or basic industries. These basic industries feed the cottage industries. I will give one instance. Take a steel factory which produces tapes which are sought to be made into springs. These steel tapes are distributed over several homes which are fitted with small machinery which cuts these tapes into required lengths and makes them into springs, and these springs are then collected and then used for toys and other purposes. In this manner, they have successfully solved the problem of unemployment in the rural areas. Why should we not do that? Let Government send somebody there who is competent to learn these things, one who is moved by the urge to solve this problem of unemployment in the country and then adapt that system here to suit our country and our circumstances. That must be done.

There is another danger. Nowadays it is being stressed that much of the rural unemployment can be solved by bringing about a revised system of education; that is, if we ask the sons of carpenters to learn the trade of their fathers, if we ask the sons of smiths to learn the trade of smithy, then there will be no unemployment in the rural areas. This is an unreal way of solving the problem. In the existing order, first of all, carpentry has no chance of survival, smithy has no chance of survival. Supposing a citizen of the rural areas is looking to better situations in life and wants to earn as much as the biggest man in the land or, for instance, he looks forward to the so-called white-collared jobs with Rs. 2,000, Rs. 3,000 or Rs. 4,000 a month, what is wrong with it. It is open to every citizen to aspire to anything. For heaven's sake, let us not make any distinction and say that only the urban classes should go to the universities and that

the rural classes must take to these small and hereditary trades. I do appreciate that our educational system must have the practical aspect in it, but to say that the rural classes must be confined to the particular trades which they have inherited and should not be allowed to go and study and exploit the other avenues of life, is a wrong idea, and it will certainly disturb the agricultural classes.

Now, coming to our industries, in our industries there has been mal-adjustment. The Planning Commission themselves say that whereas we have unemployment in some sectors of public life, we have got shortage of goods and shortage of services in other sectors, and the Planning Commission are perfectly right. We experience, for instance, a shortage of all the necessaries of life. Let us leave out the big things. Let us take the question of food articles. In foodgrains we are short. In other necessaries of life we are short; chillies, tamarind, everything is going up in price. It is very anomalous that there should be unemployment and at the same time shortage in production of necessaries. This is the result of maladjustment in the field of industry. Government must once and for all decide their industrial policy. We have got to divide the industrial field into two sectors. One should be the essential sector, industries which are concerned with our daily necessaries. As far as this field is concerned, Government must not allow any competition to come from any side. Our indigenous industries must be given full protection. Otherwise, they will not develop. As far as the other sector is concerned, the non-essential sector, there also, society will not suffer if we do not have non-essentials, and all imports of non-essential goods must be stopped. We cannot solve the unemployment problem unless we have a clear idea about what our basic approach should be. The basic approach is, how far are we going to encourage industries and how far

are we going to put them on a sound footing? For this, the Government must decide upon their policy of imports and upon their policy of allowing foreign capital to exploit this country. I leave it there.

Then a word about food scarcity. I want to draw the attention of the hon. Minister to the fact that there is a serious situation in some parts of the country. I am not going to refer to those parts which are accidentally affected, but there are in the country parts which are chronically affected every year. For instance, I come from a district which is contiguous to the notorious Rayalaseema area. The situation there is very acute. No foodgrains were available there. I went to the District Collector and said, "Look here, people are not getting foodgrains." He said, "What can we do? We are doing the best we can." The situation was so serious that I appealed to him, and said, "Let us go and give some foodgrains to the rural people in the shandies." Then he said that the rules were coming in the way. I undertook the responsibility for that act and got some bags released. I went to the shandy and sold foodgrains to the people for several weeks. I cannot describe the lot of the people there. Thousands and thousands of villagers would come and stand in the hot sun. There was one section for ladies and another for men. They would wait for hours just to get a rupee worth of grains, grains containing 10 per cent. chaff and 15 per cent. dust. For the sake of this type of grains, they would wait for hours and hours. You can imagine the scarcity that is prevailing in that area. Even now it is not relieved. I have been receiving frantic letters from home saying that the situation is becoming serious and the hon. Minister for Food of the State has toured the area and has said that there are no more stock of foodgrains available but here I understand that the State Government have food stocks. The peculiarity of this problem in

regard to these pockets is that whereas the State Government does not take a serious view of it and it has not got sufficient means to find out long-term remedies, the Central Government here say that it is the duty of the State Government. The Central Government are made aware of the prevailing conditions there but they say it is a matter for the State Government. The remedy I suggest is that the Government must try to find out these pocket areas in the first instance and then find out long-time remedies to remedy the situation in these areas. As far as the area I was referring to is concerned, the Government have been considering the question of the appointment of a Board called the Rayalaseema and Contiguous Areas Development Board to find out remedies. I learn they have been considering this for a year and they have not come to any decision. I have moved an amendment and I shall speak a word about it. As the hon. Minister for Industry and Commerce was saying, since the Planning Commission is seized of the problem and they are proceeding on right lines and they are also taking this problem in their hands, it would be better that we provide in the Resolution, as I have suggested and as the Commerce Minister has said, for leaving it to the Planning Commission to revise the Five Year Plan suitably so as to take necessary steps.

SHRI B. C. GHOSE: Sir, as indicated in my amendment, I would like to confine my observations to the problem of unemployment. You will appreciate that it is not possible to do justice to this question within the time allotted and I may be forced to ask for a draft—a small one and not a big one—on your discretion under rule 142 and to extend the time.

You may remember that I had also sent in a similar Resolution on the problem of unemployment. Unfortunately when the fresh ballot took place I did not find a place.

[Shri B. C. Ghose.]

That Resolution I had sent long before the last A.-I.C.C. meeting. That means long before the Congress organisation took notice of this fact. I may draw your attention that during the budget discussion some of us had brought this fact to the notice of the hon. Finance Minister that there were signs of weakness in the economic situation, that there were signs of unemployment. You may also remember that at that time the Finance Minister said that those were the necessary consequences of an adjustment from an inflationary to a more or less normal economy. He had added that he had sufficient means at his disposal, that he had sufficient control over the economy to rectify any deterioration that might be revealed in the situation. If that were so, I don't understand why the Government have come with an amendment today expressing their concern over the growing unemployment. Why could not they have remedied the situation if they had the powers? At that time the Finance Minister's attitude was that there was ample employment, that there was nothing serious in the situation but it appears that they have revised their opinion and they know better now. I want to sub-divide the whole problem into three items—its nature, its extent and the remedies. About its nature fortunately, as I stated just now, there is a large measure of agreement. Whatever the economic indices may be, they are admittedly conflicting, because unemployment should be associated with lower prices, lower production and low money rates of interest. As a matter of fact all the economic indices are just to the contrary but there has been a sufficient amount of discussion on this subject in the press and also in Parliament and as there is a wide area of agreement on the fact that there is unemployment, I will not waste the time of the House by referring to the conflicting indices and explanations for those confusions and conflicts. About the extent, unfortunately there

are no reliable statistics. We always come up against this difficulty whenever we want to evaluate or assess a question and try to find out remedies. We find that there are no statistics. It is essentially urgent and it is necessary that if we want to do anything in the economic field, particularly, if we want to implement the Five Year Plan, we should have statistics and statistics firstly of national income and secondly of employment. Without these statistics I don't think the Government will ever be able to implement any satisfactory plan because it will be always, if I may say so, on the guess basis and the guess basis is not a satisfactory basis. It is high time the Government set up a machinery to collect such statistics. The study which the Government propose to undertake, a sample survey, as it is said, that Government wants to undertake in this problem of unemployment, will not at all serve the purpose, if not for any other reason, just for this reason that by the time those facts will be available, by the time the statistics are collected, collated and published, the whole problem would have probably become something different. Unless we have a continuous study of the subject, having a sample survey and collecting statistics only at a particular time which will give only an indefinite and inadequate picture of the situation will not help in finding a solution of the problem.

Now before I come to the remedial measures it is legitimate to ask as to how it is that if we have this Five Year Plan at the same time when the Plan has been in progress and professedly has been gathering momentum, unemployment has been increasing and purchasing power has been declining. There is agreement on that. Therefore I state them as propositions. The main reasons appear to me to be two or three—firstly, there is some amount of confusion in Government policies, to which I shall presently refer. Secondly Government have depended pri-

marily on the private sector. Although there are Government plans they are very small compared to the dependence on the private sector and the private sector, if I may borrow an American expression, is probably according to Government 'not playing ball'. But if they are not doing that, there are sufficient reasons and I shall soon come to an analysis of those reasons.

Coming to the remedies, we may divide the problem into two parts—firstly there is the immediate problem, the immediate remedies, and secondly, there is a long-term problem and the ultimate remedies. Although it is quite true that unemployment and under-employment in rural areas are very large, yet the problem has assumed this proportion today because of urban unemployment. I don't deny for a moment that there is under-employment and unemployment in the rural areas, but such has been our nature that we have been taking them for granted and there has been nothing outstandingly done or attention has not been focussed on it and it has been with us for such a long time that nobody unfortunately bothers about it.

PROF. G. RANGA (Madras): We have got used to it.

SHRI B. C. GHOSE: Yes, we have got used to it, if I may say so. But the problem has come to a head now because of this urban unemployment particularly among the educated and I feel if we are thinking of the immediate remedies, we should address ourselves first to that question. There I feel that if the Government had compulsory primary education scheme immediately implemented, if it were possible, then it would find employment for a large number of educated people. The question is whether it will require school-buildings and so forth. Then it may also get bogged down. Secondly I feel a road construction programme might be helpful.

PROF. G. RANGA: Where, in villages or in towns?

SHRI B. C. GHOSE: Everywhere, in villages and towns. It was also suggested that there should be a building programme. But I do not know whether that is possible, because we require the raw materials and there are the bottle-necks, the most important of which is the bottle-neck in transport. One has to remember that for building programmes, we want bricks and for brick-burning the necessary coal has to be transported and you cannot bring the coal; the load would be such that the transport system would not be able to carry it.

There should be a policy of giving assistance to cottage and small-scale industries; but I shall come to this problem very soon.

Lastly, there should be a change in the policy of banks here with a view to giving the necessary help to our industries, particularly the small-scale industries. It is extremely unfortunate that the Reserve Bank has been staffed by people borrowed from the Imperial Bank. It has imbibed the traditions of the Imperial Bank and that tradition is the British commercial banks' practice which says that joint-stock banking means that nothing should be given by way of advance against fixed assets. That may be true for British practice or for the British system; but it does not take adequate account of the situation in this country. Anybody who has any knowledge of business and industry in this country would know that the Reserve Bank, after the Banking Companies Act came into force, acquired a lot of control over the commercial banks and it has been following a policy of instructing the commercial banks to call back and not to advance funds against fixed assets. Previous to that, industrial concerns, particularly small and medium-sized industrial concerns were obtaining large funds from these commercial banks. But now that is not the case. I believe it is absolutely necessary, particularly at this time, that the Reserve Bank

[Shri B. C. Ghose.]

should change its attitude in this respect. I was surprised to find in their annual report the statement made that one of the means of controlling the joint-stock banks has been to ask them to call back their advances against fixed assets. Unless these small-scale industries can get small loans against their land or plant and machinery—blocked capital—it would be extremely difficult for them to tide over their present difficulties.

Coming to the long range solution, Sir, firstly, I feel that it is necessary that if we want to raise the standard of living in this country and find a solution to the unemployment problem, there has to be industrialisation. But there is a rider to that and that rider is that we must set apart a field for cottage and small-scale industries. There should be a definite policy in that regard. We know that cottage and small-scale industries provide employment for a large number of people. They employ millions of people today in this country. We cannot afford to have further unemployment in that sphere. Further, it is often stated that in this country, we should pursue a policy of what is called labour intensive rather than capital intensive. Of course, this is not of so much significance, because we forget that although cottage industries employ more labour while immediately and superficially, in the large-scale industries the labour employed is small, yet these large-scale industries have many indirect effects—you may call them the multiplier effects—and when you have a large industrial concern, there are many who are employed in associated concerns and various kinds of people are employed in various kinds of work. Therefore, we should not make too much of this labour intensification and capital intensification argument. There is some substance in that and we must give adequate attention to that question.

I feel that Government's policy with regard to cottage industries has

been not only fluctuating but also confused. I do not think that the policy that they are pursuing now, of subsidising or imposing a tax on mill industries and distributing the proceeds to cottage industries, will solve their problems. This problem of the cottage industries has been before the country for ages. But there has been no new solution suggested. The solutions suggested are the same as we read in our text books on Economics some forty years back—supply of raw materials, equipment, finance, etc. The Japanese method we all know of. The Government sent a mission to Japan to study the technique there. The mission came back and nothing was done. Committees are appointed. Now again the problem has been referred to another committee. I do not think it will be uncharitable on my part if I say that Government do not mean business about this problem of cottage industries. That is why they are shifting this problem from one committee to another. If cottage and small-scale industries are to be supported, it is extremely desirable, essential I would say, that there should be a demarcation of the fields of production between these and the large-scale industries. Without such demarcation, I do not think that cottage industries can survive. Here I may also adduce some authority in support of this contention, because it seems that unless authorities are quoted, particularly from foreigners, the Government are not very impressed. So I have here something from a publication of the United Nations, called "Measures for the Economic Development of under-developed countries." This was drawn up by a number of experts, including our Prof. D. R. Gadgil. It says:

"In most under-developed countries, serious consideration will have to be given to steady improvement in the technique and organisation of domestic industry, to demarcation of the fields of domestic industry and modern factory industry and to bringing about

greater integration between the two types."

But when we have demarcated that, then we should certainly accept a policy of greater industrialisation. For that also I will quote authority from the same publication. It says:

"The main remedy for under-employment is to create new employment opportunities. Where more land can be brought into cultivation, this will afford some relief. But in most countries where under-employment is acute, nearly all the cultivable land is already cultivated. Effort has then to be concentrated upon creating new industries off the land, of which manufacturing industries comprise the largest and usually the most promising category. Thus, the most urgent problem of these countries is industrialisation."

And then it goes on to say:

"It is frequently found that substantial technical progress in agriculture is not possible without reducing the numbers engaged in agriculture. In this case, a programme of agricultural improvement has to start by developing manufacturing industries which will absorb the surplus population of agriculture. In some under-developed countries, especially in Asia, the development of manufacturing industry is for this reason, apart from others, of the highest priority."

Sir, I believe I have almost finished my time and so though I can go on illustrating this point, I shall not do so. I shall conclude by saying that the Government must immediately find some provision for the employment of people who have become unemployed. As some hon. Members have pointed out, the Planning Commission has done nothing about this problem. As a matter of fact, the Commission itself had stated that it was confining its attention to agricultural problems only, that it

could not in the first Five Year Plan, provide for the solution of the problem of the educated unemployed. Personally, I believe the Commission has not gone about it in the right way.

SHRI GOVINDA REDDY: They have suggested the expansion of industries.

SHRI B. C. GHOSE: But their emphasis on agriculture alone, probably was not well-founded, as events are now showing.

Finally, having decided upon a policy as to what we should do about small-scale industries, we should proceed with large-scale industrialisation.

In that connection I have also mentioned in my amendment that we should stop imports. I should try to clarify that by saying that wherever we have possibilities of developing any industry here, then only the imports should be stopped. I feel there is a grievance among the people who are producing goods in this country that the Government are not sufficiently cognizant of this situation, that, even if the Government is cognizant, the machinery does not move sufficiently quickly or sympathetically. I would like to make a suggestion. Would they consider appointment of a Committee consisting of Members of Parliament, to whom the public, who are asking for any assistance in regard to goods which they are producing in this country and facing competition from imports, may address their complaints, so that this Committee may examine these questions and bring the matter to the notice of the Government?

SHRI T. T. KRISHNAMACHARI: On a political basis?

SHRI B. C. GHOSE: No, not on a political basis. I suggest that because we find now that the Department acts sometimes very dilatorily and is not always very appreciative of the actual position, if industries affected

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could bring their complaints to the notice of the Parliament Members, they could bring it at once to the notice of Government.

SHRI C. P. PARIKH (Bombay): Mr. Deputy Chairman, I rise to support the amendment which has been moved by Shri Govinda Reddy because when we are discussing this Resolution, we must bear in mind that we have got a Plan which we have got to implement and which will cover all the measures that are necessary for raising the standard of living and for improving living conditions. Unless we correlate our measures to the Five Year Plan, it is not possible to go ahead. Now, it is very difficult to go into the various aspects of this Resolution and I would, therefore, like to concentrate on the problem of unemployment. When we are discussing the problem of unemployment we have to see the field of employment. In this country 25 crores of our countrymen are dependent for their livelihood on agricultural production out of which 4.47 crores are landless labourers. Four crores are engaged in large scale and small scale industrial production and 2.25 crores are engaged in commerce and distribution and 4.40 crores in the services and in miscellaneous activity. Therefore, we have to see how we can expand our field of employment in the various spheres. There are many speakers on agriculture who will throw more light than myself because agriculture, in my opinion, without adequate irrigation and other measures of land reclamation is not going to provide any large scale employment in the near future, at least for the next three years....

PROF. G. RANGA: Why?

SHRI C. P. PARIKH.....till our irrigation problem is solved to a large extent. Therefore, in the field of agriculture, it cannot be denied that people are idle for three months in a year; there is chronic under-employment and chronic unemploy-

ment of landless labourers in the field of agriculture. That cannot be denied and I think no statistics are required. That is an open fact. If you take a village, you will find that at least for three months in a year, they have no work; of course, during harvesting time, labour is scarce—naturally it will be so—but we will have to see whether the earnings of those people will be adequate for the whole year. The *per capita* income in our country is Rs. 256 per annum and from that it may be imagined on what they are living.

Now, with regard to industrial production, we have large scale industrial production which is employing about 30 lakhs of persons. With our plans ahead in the next three years, according to the Planning Commission, there will be further employment available for four lakhs of people in the country. I say that we are going at such a pace in industrialization that we have to be proud of it because, at the end of 1957, only three industries would not have been developed in the country, namely, heavy chemicals, oil and the mining industry. In other spheres, we shall be nearly producing as much as we require and, therefore, the field of industrial employment will be saturated after three years, and we can only hope to employ about four lakhs of people. In that field, we have also scope for some further expansion owing to the population addition every year and owing to the standard of living that may increase. On that account, Sir, it is necessary to bear in mind that even if we arrest the growth of the present population, even if we do so, we have the problem of 15 to 18 lakhs of people coming into the field of employment every year by becoming adults. That problem has to be borne in mind. I find that we have not, either in the agricultural field or in the industrial field, sufficient employment for these people, or at least to the degree that is required. That problem is getting daily acute and any political party will have to solve

it if it wants to remain in power. That is the main problem that we have to face. In my opinion, when further expansions are to take place in the industrial sector, we should demarcate where it should take place, whether in the large scale, small scale or in the cottage scale and we have to put a ceiling on the production of large scale units and further expansion should be allowed only in the cottage industries sector. Unless we do that, it is not possible to solve the problem. At present we have invested about Rs. 1,250 crores in industrial development. We cannot afford to throw it away; we want to maintain what is existing; we want to maintain the labour at present existing; we want to maintain the capital at present existing. We should arrest further large scale expansion and that cannot be done without demarcating the field for large scale, small scale and cottage industry scale. We shall not be able to provide employment unless we do this because mechanization and technical investigations and scientific researches are going on so fast in the world that it is easy to increase manufacture of any product, by mechanization. Where you are now employing 100 men, 50 men would be able to do it and, later on, with further mechanization you may do it with 25 or 10 and, sometimes, the ratio of 100:1 comes in. Therefore, unless we adopt a way which is suited to our population and to our country, we will have to stop mechanization at a degree that may be necessary. We have to provide full and adequate employment in the country because no Government can exist, a Government based—as the Constitution has laid down—on adult franchise where every vote counts and where every unemployed also is a voter, with unemployment. We have to look to their demands. No political party will be able to govern the country in a way which they desire. I think from the remarks that have been made, it is very clear that all parties are united in solving the problem of unemployment and, therefore, wisdom lies in co-ordinat-

ing the activities and not in forming different opinions. We should try to adjust between ourselves and, with one voice, go before the country. Just as we have won political freedom, we should win economic freedom; this is an economic struggle. I think in about 25 per cent. of our population each family has an income of Rs. 600. Can they live on that? They are half-fed, half-clothed and they have no energy left. That is the position.

Mr. Ghose said that it might not be necessary to levy a cess. I say that when an article is to be reserved to be manufactured on cottage scale, you will have to provide sufficient relief to those cottage industry workers by levying a cess on the profits of the large scale industries which are already existing.

SHRI B. C. GHOSE: I never said that cess should not be levied; I said that this will not solve the problem.

SHRI C. P. PARIKH: I am not disputing whether you said it or not; I am only making it clear that it will be necessary to levy a cess on the large scale industries.

Then, Sir, when we go fully into the question, we find that large scale industries are importing things from outside which are being manufactured by small scale and cottage industries. We must appeal to those large scale industries to use the products of small scale and cottage industries manufacturers. We should also take measures that small scale and cottage scale industries improve their quality and have quality and price control over them; we must stop imports of those goods which could be manufactured in the country and which may be used with advantage.

Then, Sir, many component parts are manufactured by large scale industries. These component parts can be manufactured on the cottage industry scale by means of blocks, patterns, dies, etc., all hand methods, and then they could be supplied to

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the large scale industries and a sort of integration can be established between the two. Further, Sir, this is not enough. There are various districts in the country which are suited for production of cottage industry products which they were doing just before 30 years. Those industries have been wiped out and now, Sir, we will have to make a survey of the industries and in that survey we will be able to find out what are the districts in which there are raw materials, technical skill as well as a market. Reservation of certain fields of production also will be necessary. Then, as Mr Govinda Reddy has said, we will have to find out what are the articles that can be manufactured on the cottage industry scale and assembled, which at present are manufactured on a large scale.

I will now take up the question of the bicycle industry. The bicycle consists of say 50 parts. It is manufactured in factories and it is good that they are now manufactured in our own factories in our country, whereas till recently they were being completely imported. Without prejudice to the new factories which have now come into existence, I can suggest that some parts out of the 50 parts can be manufactured by the cottage industry and the other parts can be manufactured by the large scale industry and so far as assembling is concerned, it will be a large scale industry. If certain areas are reserved for production of certain parts and certain men are given to manufacture them on a small scale it will enlarge the field of cottage industry. The Planning Commission have demarcated only 10 industries. I think, Sir, the list can be enlarged to 50 industries and you can well provide employment to about 80 lakhs of people. It must relieve under-employment also in the country when these things are done in that way. But this alone is not sufficient. Hereditary skill of the cottage artisan has gone because his art has been swept

away by foreign competition or by production in the country on a large scale. So you will have to impart technical education in the cottage industry areas. There are about 2,500 taluks in the country and in every one of them we shall have to establish one agriculture school and one technical school and we should also establish industrial production centres.

Most of the finances required by the cottage industry worker are provided by the middlemen. By availing of this facility the cottage industry producers who are workmen are losing 10 per cent when buying their raw materials and are losing another 10 per cent on the marketing of their finished goods. So through such loans taken from the middlemen and through the commission paid to the middlemen they are losing 15 to 20 per cent on an average in a month on their products. Therefore, I think, Sir, that the State will have to make statutory arrangements by which the co-operative societies, the Reserve Bank and other banks would give advances on all articles that are manufactured in the cottage industry and in my opinion finances to the extent of 75 per cent or 80 per cent of the value of the goods may be given to them and it will be safe because that no man is running away out of the country and if at all we lose something on it, it is worth while losing it. Also we must provide them with financial assistance in raw materials by which he will be in a position to withstand any competition. If that is done his full margin of profit remains, his income increases, his standard of living also increases.

There is one more point and that is with regard to the food articles. The food articles are very dear in the country and I say, Sir, until agricultural production increases we have difficulties. The most important thing that we should do in this regard is that we must build buffer stocks of the essential commodities, those essential commodities which are enter-

ing into the working of the cost of living index, those essential commodities which are consumed by the low family income groups. Those articles should be ascertained. We may have licensed godowns where the people can store their goods. As I have already said we should pay him advances on such goods stored. Then only will there be inducement to him to increase the agricultural production. We are giving incentive in other directions but this side is neglected. In order to improve their standards of living these are the best measures. The low income groups must be enabled to earn more. Otherwise they will have to go on incurring debts. Therefore we will have to increase their income and if we increase their income then only there will be increased production. What is the use of increased production if there is no buyer demand, if there is no buying capacity in the country? Therefore along with increased production we have also to look to the corresponding fact; namely, whether there is the buying capacity in the country, and if there is no buying capacity then necessary measures will have to be adopted in that direction. All these matters will have to be deeply considered and necessary measures taken. I support the amendment moved by Shri Govinda Reddy.

PROF. G. RANGA: Mr. Deputy Chairman, Sir, I am very glad indeed that on this occasion I am able to say that I am in agreement with most of the suggestions made by my hon. friend Mr. Parikh. His has been a very constructive contribution to our study of this particular problem of unemployment and its solution especially on a short-term basis. I am not able to agree with my hon. friend Mr. Ghose when he doubted the advisability of assisting the big manufacturers

SHRI C. G. K. REDDY: He said it would not solve the problem.

PROF. G. RANGA: He did not think that it was going to be a big enough solution. I am not able to agree there. There is nothing wrong in the approach that the Government has been making towards the cottage industries but what is wrong is in the manner in which it has been neglecting its duty in implementing its own policies. Everyone knows that after the present incumbent had come into office, at least so far as the handloom weaving industry is concerned, he has been trying his best to implement the recommendations of the *Planning Commission and the earlier Planning Conference* by imposing a cess on the textile industry in order to raise a fund of six crores of rupees out of which two crores go to the cotton industry and for the handloom weaving industry with a view to resuscitate the handloom weaving industry.

Too much attention has been paid, I think, to the unemployment that is prevailing in the towns and especially among the educated people. But there is today the very serious problem and that is the unemployment among the handloom weavers themselves. More than a crore of people are depending upon this industry and those of them who are employed on weaving cloth are today finding no sales for their cloth. Therefore they do not know what they have to do for their morrow's maintenance.

SHRI B. C. GHOSE: What is the cess doing?

PROF. G. RANGA: The cess is placed at their disposal. There is a proposal to devote about a crore of rupees by giving an one anna rebate on every rupee worth of production by the handloom weavers. But it is not enough. So much more has got to be done by Government and in that direction if only Government were to place sufficient funds at the disposal of my hon. friend Mr. T. T. Krishnamachari, it might be possible for him to increase immediately the employment potentialities

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and opportunities for these handloom weavers who are there in all our rural areas as well as in towns. Then there are other cottage industrial workers. In regard to them also very little has so far been done. A similar suggestion to impose a cess on oil crushing industry was also made by the Oilseeds Committee as well as the Government and the Planning Commission. Well, nothing has been done. There are several cottage industries of that kind. I want Government to take immediate steps so that it will be possible for them to provide additional employment for the lakhs and lakhs of workers employed in all these cottage industries which today are maintaining not less than five crores of people all over India. Then there is the question of agricultural workers and peasants. In their cases there is under-employment as well as unemployment. There is unemployment among them for a number of weeks and sometimes for even months at a time, but there is under-employment almost throughout the year, except during the rush periods. This problem has got to be tackled. My hon. friend Mr. Ghose said we had got used to it, or rather he agreed with my remark that we have got used to it. Though we have got used to it, we have been up against a great political danger. Till now they had been neglected and with impunity. Possibly they had been neglected till the other day. Now with the emergence of my hon. friends the Communist Party as a constitutional political party in the country and their success at the polls, it cannot be denied that the agricultural workers are becoming vocal. It is no good closing our eyes to the danger and whether you like it or not the Communist Party has derived the greatest possible support from the agricultural workers

SHRI B. C. GHOSE: No. Not in Bengal.

PROF. G. RANGA: ... in the

areas in which they have succeeded and in the other areas the contagion is going to spread, if the people behind the Government and others are neglectful of their duties to the agricultural workers and peasants.

DR. P. S. DESHMUKH: It was only for the time being.

PROF. G. RANGA: May be for the time being. At first I thought so too. We have committed blunders. I know it to the cost not only of myself but also of various other people—the Congress Party and other parties. It is no good blinking the facts. These peasants are becoming vocal and their problem of unemployment and under-employment has got to be tackled in a very serious manner, in a wide-awake fashion, by the Government here at the Centre as well as by the Governments of the States.

The problem of educated unemployed is there even in the villages. The number of our own peasants and agricultural workers, thanks to the steps taken by Mahatma Gandhi to make education cheaper and popular among Harijans and depressed classes, is becoming serious in need. A large number of them is being educated up to school final standard and then they do not know what to do. There are not enough employment possibilities and when they go back to the villages they are not able to go back to agriculture. Those people are crying for employment and their cry is becoming louder and stronger every day. Something has got to be done in order to help them and that is where the suggestion made by some friends but which was not taken seriously will be helpful. That is, recruit as many as possible of these people as elementary school teachers, give them higher training and then ask them to become teachers in the villages, possibly on a lower salary but which could be supplemented by grants by village

panchayats and people also voluntarily helping to maintain them.

Then, Sir, I find from the amendment given by the Government themselves that they have realised the dangerous consequences of the monetary policy that they had been pursuing for the last two years. They were flattering themselves that their monetary policy produced very good results in breaking down inflation and all the rest of it. But here is this dangerous consequence also. When they made it impossible for the scheduled banks to go and invest their money by lending it to various private entrepreneurs, they should have known the consequences that that step would lead to. Now they have come to face the consequences. If private enterprise has to be encouraged, money has got to be advanced to them through their own scheduled banks. The scheduled banks will have to be helped by the Reserve Bank which comes back again to the very home or doors of the Finance Minister. So there has got to be a change in the financial policy of the Government of India whether they like it or not. Whether they are going to admit it or not, their amendment cannot mean anything else than indicate the fact that they have realised their mistake, in addition to various other things. Now I hope they will move in that direction and then when they do it, I would like to endorse the suggestion made by my friend Mr. Parikh when he said that money should be advanced not only to the big industrialists but also to those who are interested in small scale and cottage industries and also agriculturists in order to enable them to organise their own warehouses and various other provisions that are needed to enable them to have their produce stored and preserved and released to the markets at suitable prices.

Immediately if we are to provide employment in the rural areas—and it is most necessary—I think that Government should undertake a rural

housing programme. Till now they had been keen about increasing facilities for urban housing, and even there my hon. friend Mr. Giri himself knows to his own cost that so much has not been done and therefore his headache in regard to unemployment in the towns is increasing. Rural schools could be constructed. Rural communications will have to be improved and can be improved. These are the avenues in which more and more employment can be created for our unemployed and under-employed people in the shortest possible time and also with the smallest investment compared to the investment that would have to be made in bigger industries. Smaller irrigation schemes including drinking water facilities will also have to be undertaken and developed, because these have been neglected for a long time now. The development of such areas will have to be undertaken today with the co-operation of the local public. These may be undertaken immediately but only with some money coming from the Centre or the States as a sort of pump-money and then the peasants will contribute their own labour and their own limited resources in order to improve the land and its equipment. Then diesel engines are needed badly. Government was once saying that there was too much production and all that but there was not much release in the market. If these engines manufactured and kept back could be taken over by Government, may be on loan, and then handed over to peasants or sold to them on an instalment payment system, it would be possible for the Government to really increase agricultural production. Then marketing facilities have got to be improved and they can be improved even on the short run. Sir, in order to increase the standard of living of the rural people the terms of trade between the rural products and the urban products will have to be righted. Today the rural people are not able to get as much for their services as the urban people are able to get in the urban area.

[Prof G Ranga]

An ordinary sweeper is able to get a monthly income of Rs 100 to Rs. 120 in a town, whereas in the rural area the same man's own brother is not able to get more than Rs. 40 or Rs 60 as family income, even when his father contributes half time and his wife and he himself go on working. Therefore, Sir, it is necessary that these terms of trade are set right. In that direction I am also in favour of my hon friend Mr Krishnamachari's revising his own policy of liberalising imports as far as it is possible. I would like him to examine it and see if it is at all possible to stop those imports which today are militating against our own local industry and in that way increasing unemployment. Then the most important thing is the organisation of markets for our agricultural produce as well as for the products of cottage industries and in this direction expeditious steps will have to be taken.

Sir, one can go on narrating various things which the Government can possibly do in order to increase opportunities for employment in the country not only in the short run but also in the long run. They are making some efforts. It ought not to be thought that the State Governments and the Central Government are absolutely blind to their own responsibilities. Only they are not sufficiently alive to their responsibilities and it is in this direction that we want a more intensive effort to be made. I am not able to agree with the general approach that my hon friend Mr Sundarayya would like us to make in regard to some of these problems. Take for instance the land. He has given a rosy picture of agricultural workers if the lands of the landlords are confiscated.

Now, after the abolition of the zamindari system, there are still many more landlords. Although they cannot be considered big landlords they are formidable in number. According to the 'Agricultural Situa-

tion in India' published by the Directorate of Economics and Statistics, Ministry of Food and Agriculture, for July 1953, there were in Bombay—14,793, in Madhya Pradesh—27,600, in Madras—11,248, in Punjab—11,685, in Hyderabad—57,216, and in Rajasthan—15,394 land-holders. These are big figures.

My friend was speaking about expropriation. It is all very well to talk of expropriating these people and taking over the land, but to how many could you distribute these lands? There are millions and millions of people in the land. I do not mean to say that land should not be expropriated. But lands from these people should be removed after paying them adequate compensation. If you expropriate the lands from small land-holders you will only be transferring unemployment and unhappiness from one section of the people to another. There are people who though they are not actually engaged in tilling the land are supervising agricultural operations, brain work is as good as manual work or labour on the land. The brain workers and the field workers have got to be treated as agricultural workers and agriculture business has to be secured a modicum of employment and in addition more employment opportunities should be provided to them. For this, you should undertake the development of subsidiary industries. Therefore, I am not in favour of the principle of confiscation but in favour of compensation, and in favour of some constructive thinking on under-employment and unemployment.

SHRI B P AGARWAL (West Bengal) Sir, this problem of unemployment is one about which all of us are anxious very deeply. There are various measures suggested from time to time and this is not a problem which has been arisen today, although it has aggravated in course of years. The difficulty lies in the fact that instead of realising the reasons underlying this problem of unem-

ployment and analysing them carefully, we want easy solutions. The matter is that it is an interplay of economic forces; unless we see it from that angle, we cannot find an easy solution. Science has made rapid advances in this age, and competition in modern industries in the spheres of production is very high. It is therefore desirable that we understand these implications thoroughly.

Similarly, there is the policy of import from various other countries. We are getting imports of various articles; and tariffs have also got to do a good deal in this. All these require a very careful synthesis of large-scale industries of modern kind, and scientific production, in cottage industries. Unless these are looked into from that angle of vision, Sir, a solution is not possible. I would humbly suggest that we create a small committee to go into every item of our essential needs and say which of these items can be produced by cottage industries and which by large-scale industries. We will require the co-ordination of the scientists, the businessman, the financier, the social worker, etc. All these have to put their heads together and find out which are the items which can be economically produced and which can stand competition. Besides, it has been very wisely suggested that we shall have to demarcate the field of production for small as well as large-scale industries. Unless this is done, it is very difficult for cottage industries to stand in competition with large-scale industries. I think, therefore, it is essential that this step may be taken at an early date by which we can find out which are the items that are feasible to be handled by cottage industries, and which may relieve the problem to some extent. It is an admitted fact that large scale industries alone cannot be expected to solve the problem. The problem is so vast that howsoever it is tackled we cannot employ the whole personnel of unemployed.

Another great difficulty has also been that our system of education

has been contributing to this state of affairs. The system is such that it is driving more and more people into the field of unemployment. I have seen that sons of artisans who are earning 3 to 4 rupees a day have, after matriculating or after taking their degrees in colleges, become clerks getting Rs. 40 or 50 a month; that is a very ugly feature.

This defective system of education requires close looking into or every year we shall be throwing into the field of unemployment many many people. Now, it has been suggested that we may open up more schools and absorb a large number of educated people in the educational service. That is a step which is in the right direction for those people who are now coming from the schools and colleges, if they are to be good citizens. I think, Sir, Mr. Parikh has suggested, very rightly, that in every district or tehsil there should be an industrial school which should impart education in all arts and crafts by which people may be prepared for their struggle in life.

In the rural sphere we do not know what is the extent of unemployment, but there is no doubt that people are under-employed. And, I think, in this direction, the steps taken by the Government for the electrification of the villages and the rural areas and for the spread of irrigation in the interior may go to help this problem to a certain extent. Every nook and corner of the country should have electricity and irrigation facilities. If these two facilities are available and if manure is available, it should be possible to do away with the shortage of food and absorb the rural population who are not fully utilised. By extending electricity to rural areas, a part of the unemployed population may be diverted to cottage industries run by means of electricity and a part may be absorbed in agriculture. In our country some of the lands only are irrigated and some have to be dependent on rain; but with the help of electricity the

[Shri B. P. Agarwal.]
 fallow lands could be brought under irrigation and the land may be made to grow more than two crops. Therefore, in these circumstances, there will be no necessity for the rural people to migrate to the urban areas and big towns in search of employment. Their time will be better employed in the village itself. These steps need to be fully explored. It is possible, Sir, that we can solve the problem of unemployment successfully but I am afraid that the solution which is being worked out every time is not done in a proper way. Either theoretical people are put in charge of the village industries schemes, or people who have no business ideas. The remedy, as I suggested, would be to create a Council wherein would be economists, scientists, businessmen and social workers; all these people should put their heads together and find out a solution to this problem. I think it should not be very difficult for the *fine people we have in the country* to find out a successful solution to this problem on these lines. Of course, there is the reason of the economic forces. But if we do not study this question very seriously, we shall have to wait for decades to come. Therefore, Sir, I trust that all these suggestions of mine will receive careful consideration at the hands of the Government.

SHRI S. MAHANTY (Orissa): Mr. Deputy Chairman, it is a thousand pities that the *Odyssey* of our Five Year Plan has resulted in a new nightmare of scarcity, unemployment and famine conditions. Indeed I am very much grateful to the hon. mover of the Resolution for having been able to invite our attention to this problem. But, Sir, I consider that any discussion on this problem is bound to be a leap in the dark inasmuch as we have no statistical data, no accurate information, as to the magnitude of the problem. Therefore, I am afraid, I will not be competent enough to offer any solution to the problem. But I will only

content myself with inviting the attention of the Government to certain aspects of the problem.

Sir, as I have said, we have no accurate information, no accurate statistics about unemployment. The Planning Commission have calculated that rural unemployment is of the order of 30 per cent. But if we take into account the under-employed, the disguised unemployed, then we will come to the conclusion that more than 50 per cent. of the persons in the rural areas are unemployed.

Sir, this House must have been aware of the much advertised Eleven-Point Programme that has been circulated by the Planning Commission. In that Eleven-Point Programme we find that lop-sided emphasis has been placed on urban unemployment. Am I to understand that the urban unemployment is more in magnitude than the rural unemployment? Not that. I condemn the very principle that underlies this approach to the problem. The rural people rightly are the sons of the soil and they have inherited the quality of infinite patience and stoic resignation from the mother earth. They do not know how to shout slogans. Probably they do not know how to influence the electoral prospects of parties and Governments. Therefore the Government has paid no attention at all to the rural unemployment problem. Even if we analyse the Eleven-Point Programme, we will find that it says, in regard to the development of road transport, that the position should be re-examined with a view to stepping up road transport development particularly through private agencies. Sir, some time back, many of the States had the mania to nationalise all road transport. I do not know what is the state of affairs in other States, but so far as my own State is concerned, road transport was in the hands of the private agencies. But, for the sake of efficiency, for the sake of providing more employment and for the sake of providing more amenities to the general

public, the Government nationalised all the road transport. That is the story in the State of Bengal as well, and so far as I understand, in Bihar also. And now here we are coming back and saying that road transport should be de-nationalised and should be again restored to the private agencies.

Then, Sir, the Planning Commission had laid so much emphasis on the major irrigation projects. I had been at one time to a major irrigation project. There I found, Sir, huge earth-moving machineries imported from America and purchased from loans incurred from the World Bank at the rate of 3·4 per cent. interest. If you just calculate the price of one earth-moving machinery, the spare parts purchased, the foreign experts that we maintain for looking after those machineries, the technicians and the operators, it will be a very staggering amount. But do you know, Sir, each earth-moving machinery is robbing hundreds of able bodied men of work and means of livelihood?

Then, Sir, so much has been said about cottage industries. I may be excused if I say that this is merely playing to the gallery. I really fail to understand how cottage industries are going to solve the unemployment problem. So much is being said about cottage industries. But no one says what really those cottage industries are. One major sector of the cottage industries is the hand-woven textiles. As our hon. friend Prof. Ranga—one of the most enthusiastic patrons of weavers—has already said, huge stocks of hand-woven textiles are lying in store. You have to take into consideration the consumer's point of view. Who is really going to purchase your hand-woven textiles which are dearer than mill-made cloth? Then, Sir, another factor has also to be taken into consideration. Though in season and out of season we have been patronising our cottage industries, we have taken no steps so far, nor have the

Government taken any steps so far, to standardise the cottage industries, so that they may enjoy a market. Unless you standardise the production of cottage industries, it is never going to enjoy a market. Therefore, all this talk about the cottage industries is just playing to the gallery, if I may say so, and it has got no serious implications.

Then, Sir, another thing to be considered is this. So much of emphasis, so much of stress, has been laid in the Five Year Plan on this problem of unemployment. And still we have not been able to achieve the targets which were set up by the Five Year Plan. Of course, it is a matter of deep regret that we have been afforded no opportunity so far to analyse, to examine, the progress of the Five Year Plan. But if we analyse, if we examine, the progress of the Five Year Plan, we will find that we have never been able to achieve the targets. It is only because the State Governments, which had such an important role to play in achieving the targets, have not been able to raise the necessary funds in order to make the necessary progress. Sir, this apprehension was raised while the Five Year Plan was being discussed; but at that time the Government had very optimistic words to say. But now, too late in the day, they have admitted that this was mainly because many of the development schemes included in the Five Year Plan were started before the Plan was formulated. And some of the important social and economic policies recommended in it had not yet been implemented sufficiently which would have ameliorated the unemployment situation. That means, the Five Year Plan has opened no new opportunities for work. When we are really so much solicitous about the unemployment problem, we should ask the Government to explain why the targets laid down in the Five Year Plan have not been achieved, and why the Five Year Plan, which was supposed to open up new vistas of employment, has not

[Shri S. Mahanty.]

been able to achieve anything substantial. Then, Sir, I come to another point. A lot has been said about the reform of the educational system. I wonder how the reform of our present educational system is going to solve the unemployment problem. In the Five Year Plan it has been said that steps should be taken to further the scope of primary education and they have made a Rs. 12 crore education extension scheme where they are going to employ 80,000 teachers. On one side they say that our educational system should be reformed and then on the other side they are extending that very educational system by providing employment for 80,000 teachers, who are the products of the present educational system. Am I to understand that our present educational system is only capable of producing automatons which are only fit for offices and other non-productive work? I am not prepared to accept it. Our educational system has its own value. The whole trouble is that, instead of making our plans labour intensive, they are making it capital intensive. We go on rationalising the industries and at the same time crying that it has resulted in unemployment. Take the case of China. The other day we heard that a big river valley project was being worked by 50 lakhs of workers, and they could complete it in six months. There is no need to be scared of the growing population. Men are assets of the country. It is neither machine nor money. If a big river valley project, as big as any of our projects, could be completed within six months by employing 50 lakhs of people, what are we doing in India? Of course, we are importing men like Mr. Slocombe and his gang.

MR. DEPUTY CHAIRMAN: Use more dignified words, please.

SHRI S. MAHANTY: I withdraw. We are importing Mr. Slocombe and his tribe, and then we are paying them unbelievable amounts, while

this country is starving; and then we come here and say that there is unemployment. When we ask the Government spokesmen to explain the present economic phenomena they say that economic tendencies are as inscrutable as the ways of a woman's heart. When they are asked to check the increase in prices, they say that economic tendencies are against them. If their own plans are against the Government, if the food problem is against the Government, if famines are against the Government, then I do not think there is any question of at least this side of the House being with them.

DR. SHRIMATI SEETA PARMANAND (Madhya Pradesh): Mr. Deputy Chairman, I am glad that this Resolution has been brought before the House as it gives an opportunity to Members of both sides to express their views on the acute situation that is facing the country today. Nobody will have any quarrel with the Resolution. In fact, Government itself has told us that it is fully possessed of the situation and has suggested an amendment to the Resolution, which is calculated to carry out the purport of the Resolution. Sir, it is such a difficult situation that even eminent economists who have been lecturing to some of us recently in Parliament House have done nothing beyond giving facts and figures about the situation and have frankly confessed that economists will have to appear as pessimists or as people who will be drawing a dark picture of the situation, because they have no ready solution to offer. They have not given any ready made solutions because they have felt handicapped by certain policies which Government had already adopted, and unfortunately in drawing up those policies Government had not always been able to give full consideration to what some of those economists may have had to say. The mover of the Resolution has suggested certain remedies. Unfortunately I was not able to listen to the other speakers

on the other side The mover of the Resolution has suggested that foreign capital should be stopped They perhaps also suggested as usual that all land should be confiscated, that all private capital should be confiscated, and various other things of a similar nature I was talking the other day to one of the members of the Opposition with regard to the Resolution moved by Mrs Munshi, and I asked him why they opposed such a progressive Resolution and what solution they had to offer for the growing population He said, 'Accept our Communist principle That will solve all the problems' Destruction of the present order is the one remedy for everything I ask the mover whether in Russia they had solved all their problems overnight The food problem was not solved till 1926 or 1927 For seven or eight years after the Revolution even the daily bread was a nightmare to the people Was that position better? I am not speaking in favour of the position in our country today, but it is in no way worse We know the poverty of the country, and the entire capital of the country Even if all the lands are confiscated, even if all the capital is taken over—I do not see why there should not be socialisation; I am all in favour of it—still it cannot solve our problem Government have tried to find a remedy through the Five Year Plan by making an adjustment between the Socialist and Congress ideologies The Congress is more or less a socialist body, except perhaps on the point of payment of compensation to the Zamindars

SHRI C G K REDDY Except'

DR SHRIMATI SEETA PARMANAND: Yes, except for one or two points of difference I would ask my Communist friends to remember that whatever little the Congress has been able to do it has been done by spending so much money for the Five Year Plan The Congress has been asking for public co-operation from various bodies If they could not

co-operate at the Government level, they could at least have co-operated with bodies like the Bharat Sevak Samaj I admire the Communists for their organising capacity and for being able to stir enthusiasm of the people, but if only they would do it in the right direction, they would have come forward to help in the reconstruction of the country which would have eased the employment situation

Now, I would come to a few things with regard to the Five Year Plan itself The Five Year Plan has been drawn up in a very ambitious way, and is based on a planned economy The Plan has been really drawn up in imitation of the Russian Plans Where the Plan has to succeed, there must be a planned way of life, and that I think has been mentioned again and again by the Members of the Commission I would mention that the Finance Minister also who is a Member of the Commission expressed this view But here in the country there is no control over even the essential commodities of life For that reason if Government had given immediate relief and seen to it that whatever their other difficulties, even at the cost of giving subsidies they controlled the prices of essential commodities by way of putting a ceiling on prices and that people below a certain income got food at a certain price below fixed maximum price or seen to it that in organized industries people got paid in kind as in the industrial areas, like collieries, then much of the present discontent would have disappeared Government is trying to do what it can no doubt to help the industries like the sugar industry, the oil industry, and the cotton industry, and yet Government is not seeing to it that immediately these people get relief, they do not raise the prices overnight Government feels absolutely helpless to control the prices The way the prices have soared up within the last few months is scandalous In spite of whatever the cost of living index may show, tea prices have gone up within the last few months

[Dr. Shrimati Seeta Parmanand.] and again even within the last few days, it has gone up by four annas and everything that the poor man requires has gone up in price. Surely the Government could not sit and watch these things complacently and say that within the rules or within the guarantees given for free trade, nothing can be done. That will not be planned economy. Similarly, I would say that better management of the community project areas also is required. I was surprised to see that when Government asks for public co-operation, a Government which was asking the people to come forward with other plans of their own has not been able to send even copies of the plan to such important people like the District Officers until last August. When copies in Hindi and English, printed and typed were being showered on us here, they were not even available in the States even when I wrote to the Planning Commission office on behalf of some M. L. As. They were not even available for reading. When some people's plans of new schemes are sent, the usual answer is that, within the framework of this Plan now, there is no more money! Is there nobody to see, that copies are made available to the people? Is there nobody to see that when even copies of the Plan have not been sent to the people, even literature of the Plan is not available how could they expect the people to come forward with their suggestions and how could public enthusiasm and public co-operation be inspired? The Plan depends for its success on public co-operation. But a proper approach to public co-operation is not made.

Similarly, I would like Government to think of the measure of austerity. Now countries like England in financial difficulties, and which are not as poor as India and which have a better living standard, have seen to it that luxury goods of different kinds are not imported and are not used or are used to a limited extent. At least the richer people here could be expected to cut down their expenditure and if Government were to do this, it would be

possible for people to realize and to visualize that something great is happening in the country. If otherwise life is to continue as it was during the last ten years, people will not be in a position to see what change has taken place. It has been suggested that a Commission should be appointed, or that a new Committee should be formed. We have had so many committees and we have spent so much money on Commissions. We should not waste more money on the Committees and Commissions. The Planning Commission is already there, and it has given its thought to the question, it has before it all facts and figures; all that it has to do now is to revise its plans in the light of the experience as to what is to be done.

Lastly I would ask the Government to take an over-all picture of our economy. I, for one, am not able to understand and I would like the hon. Commerce Minister to explain these points how in one stroke we have a Khadi Bill, how we want to subsidise Khadi with a view to encouraging cottage industries and give some relief to handloom weavers, and how on the other hand we allow imports of big *bidi* plants or allow imports of mill cloth or allow the mills to produce fine and super-fine or art silk cloth and put them in the market here in a manner to compete with Khadi, and we don't do anything in the matter. Why did you import this high-grade Egyptian cotton? We could have saved a lot of exchange on that if we had restricted imports. If on all these things Government were to make an effort to reduce outside imports as much as possible but not wholesale and have a consistent policy it would help. Sir, I would mention about the talk Mr. D. R. Gadgil, the Economist gave to Members of Parliament or rather the Congress Party Members ...

SHRI C. G. K. REDDY: Members of Parliament?

DR. SHRIMATI SEETA PARMANAND: to Parliament. Members of the Congress Party when asked as

to what he thought of the subsidy to Khadi and encouragement to Khadi, with reference to Government's policy about mechanization of other industries like *bidis* power loom cloth etc. which has thrown so many workers out of employment he said that this kind of thing was puzzling and for that reason I would suggest that if Government for a period of 5 years were to follow a uniform policy, people also would know where they are going, and where they are being taken to, they will be able to give better co-operation and Government will be able to show better results from its huge expenditure of the Five Year Plan.

I would only mention one thing. I would say that ours is a democratic set-up and it may be looked upon as a sacrilege to mention anything sounding autocratic, but looking to the habits of our people, and looking to the habits of some of us, sophisticated people who question everything that is being taken up, to express our mental reservation and differences, we should have a benevolent dictatorship with the consent of all the people. Otherwise it would be almost difficult to get the support that is quickly required to make the country developed under the Plan.

One word more I should like to say, it is possible perhaps the United States, after hearing a lot of criticism on the floor of the House in the papers and on account of their own difficulties in that country, is likely to reduce its help. That will be the time for our Communist Members and others—those of our countrymen who disagree with the Government's methods of tackling the food problems—to show the way in which they could do it. I should like the Communist Members and others who differ from us to show how exactly they will tackle the situation—not in words but in deeds. It is no use talking cryptically that this is wrong or this is right but it is necessary to show it in deeds, as to how it should be done. I would appeal to the Government that they should hand over one community project to these

people and ask them to show how they would run it as a model plan.

SHRI H. N. KUNZRU: (Uttar Pradesh): Mr. Deputy Chairman, the question of unemployment has been with us for a very long time. Before we became free, our main argument for governing our own country was that we alone would be able to use all the resources of the Government in order to raise the standard of living of the people but as the unemployed people in the rural areas were not vocal and were patient, not much attention was paid by the British Government to the solution of their economic problems. Now that power has come to our hands, the problem which was always there is finding ever-increasing expression in the country. The responsibility that leaders of public life feel towards their unemployed countrymen and the greater consciousness amongst the people have resulted in making the question not merely important but acute.

The magnitude of the problem, either of rural unemployment or of urban unemployment, is not accurately known. So far, however, as rural unemployment goes, I take it that the Five Year Plan will help to create a hope in the villages that their problems will be satisfactorily dealt with in course of time. I do not say that the Five Year Plan will solve the question of rural unemployment; but to the extent to which it is carried out, I think it will prevent the growth of unemployment in rural areas and will provide the means for the creation of new avenues of employment in future. There are certain schemes which will help not merely the rural areas but also the urban areas, for instance the National Extension Service Schemes. So far as these are carried out, they not merely provide leadership in rural areas, but also employment and a fair proportion of the people who would be employed in future under these schemes would be educated men. But the problem of urban unemployment has not so far been either fully understood

[Shri H N Kunzru]
 or vigorously grappled with We are hearing today a great deal about the question of unemployment because of the unemployment in urban areas We have had recently the views of the Planning Commission on this subject before us I shall not go into the statistics that have been given by the Commission in their letter to the State Governments But I was rather surprised to find the Commission saying in it

"It has to be emphasised that measures for reducing admission to universities are urgent and are not to be regarded merely as long-range objectives If the present output of intermediates and graduates is to continue to increase, the problem of the educated unemployed will become impossible of solution"

And then the Commission goes on to say

"It is also essential that State Governments should take steps to restrict the growth of mushroom schools and colleges without adequate provision for teaching science subjects which make the problem of the educated unemployed increasingly more difficult"

Now, the drift of our young men to schools and colleges is the result of unemployment

It is their inability to support themselves and their families that makes them linger at schools and colleges longer than they should Having nothing to do, they say, "Let us pass the Matriculation examination The possession of a Matriculation Certificate may increase our chances of employment" But, even when this Certificate does not help them, as they fondly hoped, then they think that it might be useful to them to go a stage further and so on I know that everyone connected with the Universities knows that there are young men who have passed their M A examinations and who take up research work simply because the

University gives a certain number of scholarships to research workers Now, if the advice of the Commission is acted upon without immediate steps being taken for the diversification of education and the employment of the trained persons that the new schools turn out, the result of their recommendations will be no more in the interests of the country than the results of the present system I think, Sir, that this is an entirely wrong approach to the problem If the State Governments are so unwise as to act on the suggestions of the Planning Commission, they will add to the question of unemployment and political tension which will be spread throughout the country We know what is happening amongst students at least in one State Do we want to magnify that problem ten-fold or twenty-fold by following such an unwise policy? Sir, measures like this will not do Let us have schools providing courses of instruction in Commerce, Agriculture and so on, and the students themselves will stop overcrowding the schools in which only literary instruction is given. But, when education has been diversified, we shall have to make every effort to see that the young men who have received commercial or technical or agricultural education find suitable opportunities of utilising their knowledge in order to support themselves and their dependents

Sir, various suggestions have been made The amendment before us—the amendment to the Resolution moved by Shri Sundarayya—suggests that a Committee should be appointed to survey the problem

MR DEPUTY CHAIRMAN The Resolution itself is moved by Mr Sundarayya

SHRI P SUNDARAYYA Mr. Ghose has moved an amendment

SHRI H N KUNZRU The amendment has been moved by Shri H D Rajah It suggests the appointment of a Committee to ascertain, I think

the magnitude of the problem of unemployment and the directions in which it is found so that suitable steps might be taken to relieve unemployment. I gather from the Planning Commission's letter to the State Governments and from the debate that took place on unemployment in another place that Government themselves are examining this problem and are trying to collect such statistics as will enable them through the National Sample Survey—and I suppose in other ways also—to understand the problem fully and to devise proper means of dealing with it. One of the ways in which employment can be increased is improvement of agriculture but that will mainly affect the rural areas. The attention of the country has been drawn repeatedly to this problem of urban unemployment. I should like to deal only with such measures as will reduce this kind of unemployment. This can be dealt with successfully only by bringing about a rapid industrial advance. The Five Year Plan deals with this matter but I personally think that it has not laid that much stress on this question that it should have done. The finances at our disposal are undoubtedly limited and we have to settle what are the purposes for which the limited amount of money that we have should be first utilised. But in a matter like this I do not think that we can lay down a rigid order of priorities. We must retain sufficient flexibility in our measures to deal with important problems as they come up and the problem of urban unemployment is one of them. I think that unless we have more industrialization both in the large-scale sector and in the small-scale sector we shall not be able to tackle this problem. Those are right who think that the development of cottage industries is the main thing that should be concentrated on. I think various ways have been suggested of giving fillip to cottage industries. There was nothing new in the measures that were suggested. They are at least 30 years old. But the trouble

is that no effect has been given to these measures. Only one new thing, I believe, was suggested and that was that more cesses may be levied on the products of organized industries in order to help the cottage industries. In order, Sir, to know whether this line of approach is sound, I should like to know to what extent the Bill that we passed the other day in order to help the handloom and khadi industry has resulted in increasing the sale of handloom and khadi cloth and increasing the output of these industries. If the Bill that I have referred to has been helpful to the handloom workers and the persons engaged in the khadi industry for this purpose, then we can adopt similar measures in regard to other industries with a fair certainty that they will prove successful. But if the limitation of *dhoties* and *sarees* etc. to certain grades of mills and the levy of the cess has not led to an improvement in the sale of the industries for which these measures were meant, then there can be no assurance that if we take similar steps with regard to other industries they will be any more successful than they have been in regard to the textile cottage industry.

Another thing that I should like to know is whether Government have surveyed their own capacity for the development of cottage industries. If cottage industries are to be developed, the co-operative societies will have to be developed on a large scale and steps will have to be taken to provide them with the necessary finance and to secure their efficient management. I think that while a survey of the problem of unemployment will be useful, Government should attach even more importance to a survey of their own human and material resources for the development of co-operative societies. We are all talking in the air when we suggest measures of various kinds if the rate at which cottage industries can be developed remains as disappointing as it is at present. I

[Shri H. N. Kunzru.]
think, Sir, that if industries, both large and small, are to be developed we should see whether the incentive given to private enterprise for the starting of new industries and new businesses is adequate. Whether we are Communists or Socialists or Capitalists, we are all faced with the same question at the present time. Given a democratic form of Government, it is obvious that Government cannot commandeer the entire resources of the nation and use them in any way it likes.

AN HON. MEMBER: Why not?

SHRI H. N. KUNZRU: Because of the limitations on Government action inherent in a democratic society. My hon. friend as a student of democracy seems to be somewhat anxious; perhaps some day he will give us an interesting exposition of his views on the subject but for the present we have to consider practicable ways of dealing with the question of unemployment in the light of such views as are common with regard to the functioning of a democratic society. I think, Sir, when we want to levy greater taxation in order to provide money for the execution of the Five Year Plan and when we are thinking of various steps to reduce the inequality of incomes, we should at the same time think of the important problem of unemployment that faces us and the solution that we adopt should be such as would be consistent both with our long-range and immediate needs. I do not suggest any individual remedies because they have been suggested by the Planning Commission and reference was made to them by my hon. friend Mr. B. C. Ghose. But, none of these suggestions will be effective unless the Government are able to provide the finance and the training required for the development and the maintenance of co-operative societies and adequate incentive is given to private agencies to develop new avenues of employment. We

have to use the profit motive to the advantage of society. Unless both these requirements are satisfied, I am afraid that no scheme that may be put forward will bear any fruit in the near future.

MR. DEPUTY CHAIRMAN: Dr. Punjabrao Deshmukh.

SHRI H. N. KUNZRU: I would like to ask one other question now that Dr. Deshmukh is here, about which I was not aware. I should like to draw the attention of the Government to one matter. I did not raise it as it would be unfair that the Minister for Commerce and Industry should answer that question, namely, that of a substantial rise in the food-grain index and in the cost of living index in certain places. The problem of unemployment will create greater bitterness and will have more serious political repercussion if the prices of the necessities of life continued to rise. I have not been able to obtain an analysis of the prices of the various foodgrains from which the foodgrains index is determined every week. But, I see from the latest figures available to me that the index has risen since December 1952 by 65 points or nearly more than 16 per cent.—between, say, 15 and 20 per cent. I have with me the index for food articles up to the 15th August 1953. I should also like to draw the attention of the Government to the index in the working classes cost of living in certain areas, for instance, in Bombay and Ahmedabad. I will not develop this, Sir.....

MR. DEPUTY CHAIRMAN: Mr. Kunzru, I have called on Dr. Punjabrao Deshmukh.

SHRI H. N. KUNZRU: Sir, I should like to ask my hon. friend to tell us why, if the prices of wheat and rice have gone down, as the Food Minister has been repeatedly saying,

there has been an increase in the working class cost of living in any area

DR P S DESHMUKH It would be very difficult, Sir, within the time available to me to dispose of this controversial point. The only reason why I wanted to intervene was that there are in the Resolution the words "famine and food scarcity". My hon friend Shri Sundarayya referred all sorts of instances as if the condition in the country had not undergone any change. I would like very briefly to summarise the present features of the food situation in the country.

First and foremost, the acreage we have reached in 1952-53 constitutes a record, being 200 million acres. Secondly, there has been a very noticeable and substantial reduction in the imports

In 1951	4.7 million tons
In 1952	3.9 million tons

We thought we would require in 1953 some 2.9 million tons, but in all probability, we will be happy with 2.1 million tons.

So far as rice is concerned, we imported 7.9 lakhs tons in 1951, 7.2 lakh tons in 1952. This year (1953) we have so far imported 1.9 lakh tons and we are depending upon our good crops not to import more at exorbitant prices. In all probability, we will not buy anything more.

Then, Sir, last year, our deficit was 27 lakh tons so far as the deficit states are concerned, out of which we got from our surplus states 2.5 lakh tons. As compared with this, the deficit this year has been 16 lakh tons, out of which more than 5 lakh tons, 5.18 to be exact, has been already obtained from inside the country. We have also, even at the end of August substantially a very much large balance of nearly 22 lakh tons which shows that our stock position is good.

I must state categorically that we have not raised the prices anywhere in the statutorily rationed areas. Not only that, in many places, we have substantially reduced the prices. So far as the general off-take is concerned, in 1951 it was 7.9 million tons, in 1952, it was 6.7 millions. This year, it is likely to be—for the whole year—only 4.5 million tons. There has also been a very substantial reduction in the monthly off-take of wheat. So, I think the picture that my hon friend wanted to paint has considerably changed and the various instances which he has quoted are only instances appearing in the newspaper reports which, when subjected to investigation, are not always found to be correct.

In any case, Sir, I must deny the charge that we are suffering from any complacency, either in the Ministry of Food and Agriculture or in the Government as a whole. We do not suffer from any complacency. We are aware of our responsibilities and in dealing with famine areas we have taken upon ourselves responsibilities which did not constitutionally and legitimately belong to us. So, I think it is very wrong to say or try to speak in the same strain as if we do not care for the sufferings of the people and we make no efforts to improve their condition. This is totally wrong. I will briefly mention the steps that have been taken by us in trying to keep the prices down. We have invoked the aid of the Central Foodgrains (Licensing and Procurement) Order, 1952. We have opened fair price shops. For instance, in West Bengal modified rationing has been introduced in 13 districts including 40 municipalities since May, 1953, and District Officers have been given discretion to introduce modified rationing in other districts whenever and wherever they find it necessary. Then, we have increased the quantum of foodgrains issued to card-holders. In Madras, the rice content of ration has since the 28th June been increased from 4 oz to 6 oz per adult per day in all the ex-

[Dr. P. S. Deshmukh.]
 statutorily rationed urban areas. In Travancore-Cochin a temporary increase of 2 oz. per adult per day in the rice ration was allowed in the middle of July.

SHRI M. MANJURAN (Travancore-Cochin): Was the price raised?

DR. P. S. DESHMUKH: No.

SHRI M. MANJURAN: For these two ounces?

DR. P. S. DESHMUKH: These two ounces are available at the fair price shops. Then, Sir, we have reduced the issue prices of foodgrains. In Madras, the retail price of rice sort No. I has been reduced by six pies per Madras measure and that of rice sort No. II by one anna per Madras measure, with effect from the 28th June. Ten thousand maunds of rice was allotted from Assam to Manipur for sale at a concessional rate of Rs. 15 per maund. Then, Sir, we have taken the steps for supplying overseas wheat at subsidised rates for sale in scarcity areas. Under this arrangement Bombay has been allotted 200 thousand tons of wheat, Mysore 40 thousand tons, West Bengal 20 thousand tons and U.P. 20 thousand tons at a specially reduced price of Rs. 14 per maund for sale to persons employed on distress relief works in the scarcity affected areas. We have tightened up the anti-smuggling and anti-hoarding measures. And then, Sir, the Government of India have reduced the prices of imported wheat by Re. 1 per maund in March, 1953, and by another Re. 1 per maund from 1st July, 1953. The State Governments were asked to pass the benefit of this reduction to consumers by suitably reducing their issue prices. So, Sir, it will be seen that all these measures that we have taken have had very favourable results and I think, Sir, that we have consistently made every effort to keep the prices down. It is also undeniable that at

the present moment there is a tendency almost everywhere for the prices to come down. Sir, I do not wish to take any more time of the House because I see that you are anxious to finish this Resolution and my friend also wants to speak.

All that I would like to add is that in so far as the food situation is concerned, we are going to do whatever we can. If we compare the prices ruling this year, we will find that they have either remained steady or they have definitely gone down. So far as cereals are concerned and so far as food is concerned, I can certainly state that there has been no deterioration in the position so far as this year is concerned. That is all what I wanted to say.

SHRI O. SOBHANI (Hyderabad): Mr. Sundarayya mentioned something about fallow land. Will the hon. Minister kindly tell us what is happening about that?

DR. P. S. DESHMUKH: There is fallow land and we are making efforts to reclaim fallow land, but the efforts of some of the States in reclaiming land by the use of tractors have not been very successful. The Central Tractor Organisation however has reclaimed 10 lakhs of acres and that has been fairly successful. I admit that the States' endeavours to reclaim land by tractors have not been equally successful.

SHRI T. T. KRISHNAMACHARI: Mr. Deputy Chairman, I am afraid the time at my disposal is very short to deal adequately with the points raised by hon. Members

MR. DEPUTY CHAIRMAN: Anyway, the debate will not finish today.

SHRI T. T. KRISHNAMACHARI:but I do wish to impress upon the Council the fact that the Government is fully seized of the problem and the amendment that I have sought to move is just to indicate that the Government are alive to the

seriousness of the situation. We feel that the circumstances of the case demand that the Planning Commission must examine the whole question and, if necessary, suitably amend the Plan to suit present conditions. I think, Sir, in my own way, that it is rather a matter to congratulate ourselves upon that our Plan is such that we are in a position to revise it. Somebody said that the Plan is wrong and that is why the Government is revising it. I think that contention is wholly wrong. If the Government accepts the Plan with its rigid and fixed targets and does not take into consideration the mutations that occur in our economy from time to time, the Plan will be vitiated. I feel that the Plan is very flexible and very resilient. It is also true that the Plan has emphasised the public sector to a very large extent and that was necessary for the reason that our problem is mainly the agricultural problem, and then we left a fair field for the private sector. It may be that the private sector has not operated in the manner in which we had wished it to operate. It may also be that owing to several factors coming into the picture there have been marginal contractions in regard to the scope of the private sector and therefore, for one thing, there might have been a slight diminution of the rate of employment and it might also be that because there has been no substantial expansion, the private sector has not been able to absorb the whole quantum of people who are eligible to be employed. It is true that the Plan has not envisaged the possibility of things taking up this line, but I do not think that it is a defect of the Plan, and I do believe that the fact that we are prepared to go back to the Planning Commission and ask them to re-examine the whole Plan from the point of view primarily of unemployment is a thing which would help rather than hinder progress, and therefore much of the criticism of the Plan in this country is beside the mark.

I would like to mention at the outset certain general propositions which we took into account in dealing with this question of unemployment and also the resultant problem of food scarcity and food prices. My hon. friend to my right has emphasised the point that food production has materially increased and that we produced over 5 million tons more than last year. On the question of industrial production also, I see that there has been no deterioration. On the other hand, there has been gradual improvement. It may be that the improvement is not of the nature or magnitude that we now desire, but there has been material improvement. The unit for 1946 being 100, for 1950 it was 105·2, for 1951 it was 117·2, for 1952 it was 128·52 and during the first half of this year it has been 132·6. There is another fact which I would like to submit with all deference, after having heard the views of my hon. friend Prof. Ranga, that we may say, generally speaking, in regard to our monetary and fiscal policies, that the economy as a whole is now in better balance so far as demand and supply is concerned and I claim that it is a matter about which Government can feel satisfied that the monetary policy of the Government has eliminated practically the inflationary pressure that existed in the country. The hon. Mr. Ranga has been in the Central Assembly for a long time and he knew the position as it was some time in 1950 when the new Constitution came into being. I think because of hard work and rigid pursuit of a disinflationary policy my hon. colleague the Finance Minister has been able to more or less eradicate the inflationary pressure, so far as the monetary side is concerned. It may be that there are other factors which do look inflationary but on the monetary side I claim that the policy of the Government has succeeded 100 per cent. Along with it, it is also a matter for congratulation that in a country like ours where the economy is not a fully planned one, where our management is halting in

[Shri T. T. Krishnamachari.]
 very many respects, we have been able to achieve not merely a balance in our favour in the balance of payments position but a sizable one which during last year was about 55 crores of rupees. All these, I agree, are there but nonetheless I must admit that there are portents in the situation that are not exactly pleasing which, if left unchecked, might bring into being a circumstance which we probably will find difficult to control but that does not mean that we have done nothing or that all that we have done is wrong.

Sir, the question of data in regard to employment and cost of living has been made much of by the hon. Mover. With regard to cost of living my hon. friend Dr. Panjabrao Deshmukh mentioned certain figures but I would like again to emphasize that point that in regard to percentage rise in the cost of living indices of 1950 over 1948, the all India average increase has been 3 per cent. I shall mention a few other countries:

Australia	..	20 per cent.
France	..	31 per cent.
Netherlands	..	16 per cent.
U. K.	..	6 per cent.

I am not only living in 1950. My hon. friend Mr. Sundarayya is smiling. I will take the period 1950 to 1952. The increase in the cost of living between 1950 and 1952 has been 2 per cent., so far as the all India average is concerned. There has been an increase from 20 per cent. to 41 per cent. in Australia, a further increase of 13 per cent. in Canada, 31 per cent. in 1950 over 1948 and another 31 per cent. in the subsequent two years in France, in U. K. from 6 per cent. to another 19 per cent. in the subsequent two years.

SHRI B. C. GHOSE: It should be linked up with employment and wages also.

SHRI T. T. KRISHNAMACHARI:
 I agree that these factors, taken as an isolated factor, do distort the picture; but I was only comparing. I want the hon. Member to realize that while in the other countries the cost of living having gone up, wages have also gone up perhaps, in U. K. it has not gone up during the last two years but wages have gone up; but in our case the increase has been in the first two years 1948 to 1950 only 3 per cent and in 1950—52 only 2 per cent. I am not minimizing the gravity of the situation with regard to the cost of living but I am only mentioning it to hon. Members that it is not as big or as grave as it might conceivably be if the monetary policy that we pursued had not been pursued. I think the fact that the cost of living indices show that this is within manageable size is a triumph of the monetary policy that we have been pursuing.

SHRI C. G. K. REDDY: In relation to the other things that are happening, they are very immense and the hon. Minister should also give us the other figures in comparison with the other countries.

SHRI T. T. KRISHNAMACHARI:
 I am afraid the other side of the medal might be anything that we may imagine.

With regard to the question of unemployment being rural and urban, there has been a lot of controversy. Some hon. Members said that the Planning Commission in its letter to the States emphasised urban unemployment. Somebody points out that rural unemployment is bigger. Prof. Malkani, I think, said that rural unemployment is something which is very big. Here again, there is one fact which must be remembered. There is an increase of 5 million tons in the production of foodgrains in the rural sector. Does any man say that this has had no effect on the economic life of the rural sector? But Government is not idle about it. We have—though we are

a trifle old—made some survey some time back in regard to the unemployment in rural areas. This shows that the average number of days for which an adult male agricultural labourer was employed during the year, both in agricultural and non-agricultural operations was 218 days. The balance is left as unemployed period. That figure is a year and a half or two years old. But I think this increased production of 5 million tons must have some effect on rural unemployment and there must be diminution rather than increase in it, though of course, it has not taken into account the increase due to the number of persons who are born every year, and who come of employable age. But the situation cannot, by any stretch of imagination, be worse than what it was.

That brings me to the psychological atmosphere in which we are now living. To a large extent, I think this consciousness of lack of improvement in our economic position is the direct result of the Plan itself. The fact that Government is thinking and concentrating its attention on certain basic economic defects, on certain basic mal-adjustments in our economy and has brought forth a plan, has made the people conscious of something that the Government has done; and they say there is something more which ought to be done. I do claim that in one sense we have, more or less, regenerated in the mind of the people, the necessity to demand what they want and it is due to this fact that there is a discussion of this nature and people feel that what they have is not enough and that will undoubtedly in course of time, make the people put in more effort and produce more and achieve what we have in mind. Therefore, the present concentration of thought on unemployment is partly contributed to by ourselves and by the planners. I have mentioned this merely to show that while the quantum of unemployment may not be large, while there is possibly no addition to the percentage of the un-

employed, the fact is that the same question has existed all along and we have pointedly drawn the attention of the people to it and this has brought the problem to the surface and we see it on the surface. It does not mean, I submit, that there has been any deliberate neglect on the part of the Government or that they have contributed materially to the increase of the unemployment problem.

Sir, there is another fact to which I would like to refer and it was referred to by Prof. Ranga and also by my hon friend Mr. B. C. Ghose. What should we do in regard to the future? There are various suggestions put forward not merely in this House but also elsewhere. Dr. Mathai said that we should work down investment in the public sector. We find that Prof. Ranga complains that the monetary policy is all wrong, that there must be more investment

PROF. G. RANGA: I did not say that it is "all wrong".

SHRI T. T. KRISHNAMACHARI: What we do now really is not to get scared by that fact. Government is not scared by the fact that one of the remedies suggested is to work down investment in the public sector and increase the pressure on the private sector. We do propose to keep pressure in regard to the public sector. We have to guard against the inflationary potential that would develop.

If we show a certain amount of caution in this regard hon. Members will realise that between the two conflicting opinions of experts on either side, Government have to choose the middle path and it is often the path of golden mean.

SHRI C. G. K. REDDY: Confused path.

SHRI T. T. KRISHNAMACHARI: Sir, before I go further in regard to the speeches made by hon. Members, I would like to deal with some of the

[Shri T. T. Krishnamachari.] points raised by Mr. Sundarayya because by right he must claim the largest amount of attention. Mr. Sundarayya has dealt with the problem from his own angle, namely, to show up that Government is not doing what he thinks they ought to do. In short, what he has said is, migration of rural workers to urban areas must be stopped and, it can only be done by a wholesale process of eliminating the landlord and bringing in all fallow land under cultivation. Well, in one sense, I suppose he is trying to preach to converts. We, as a Government feel that there is a lot of work to be done so far as the redistribution of land is concerned and quite a lot of legislation that the State Governments have enacted are there in this direction. So far as bringing in fallow lands under cultivation is concerned, my hon. friend, Dr. Deshmukh has mentioned the efforts. More can be done undoubtedly. Then, for urban unemployment, he says, confiscate British capital of Rs. 600 crores, stop foreign imports and reduce the profits of industrialists. To some extent, I think, these sentiments were voiced by my hon. friend Mr. Rajah as well. It does not mean that it will solve the problem of unemployment. It might increase the problem of unemployment. If we confiscate the money of the British here and nationalise the various businesses that they are conducting probably we will have a huge amount of unemployment in trade.

SHRI C. G. K. REDDY: How?

SHRI T. T. KRISHNAMACHARI: How?

HON. MEMBERS: No.

SHRI B. C. GHOSE: The institutions won't cease to exist; only these people will not be there.

SHRI C. G. K. REDDY: The institutions will exist.

SHRI T. T. KRISHNAMACHARI: There is no use your saying 'no'. Let

me develop my argument. The question really is this: In some form, we have this question daily—not that we do not want changes to take place. An European firm is sold in Calcutta and is bought by an Indian. Well, to that extent, though there is no actual confiscation, there is a transfer. Even though Mr. Sundarayya does not like the Indian capitalist he is prepared to prefer him to the British and that Indian capitalist comes in. There are about 300 people employed in the higher section drawing somewhere between Rs. 150 to a thousand rupees; a few, probably not more. Somebody comes from Pilani and he gets about Rs. 250 and these people get a notice one by one. It is a problem which I have to deal with. What is the use of hon. Members shouting 'No'. I have to face it everyday. Numerous representations come to us. A firm has been sold in Calcutta. I have to face the problem and I know where the shoe pinches. If I have to allow a foreigner to go—and I do want him to go in regard to the trading sector—I have to see that the process is gradual so that I may not have another unemployment problem on my hand. If Mr. Sundarayya says, "All right, let it be somebody from Pilani, does not matter. Tomorrow when we come into power, we have a way of disposing of such people and that is very easy", we do not believe in that nor do we think that he is going to come into power. We believe that this is a problem which is going to be on my hands and on the hands of my successor. I have got to solve it in my own way.

Then comes the question of reduction of foreign imports. I hear this kind of thing being mentioned so often by hon. Members, responsible people who are having statistics. I am supposed to have liberalised imports. An hon. Lady Member has said before, "You don't allow imports to come in. We should have only exports.." The hon. Lady Member thinks that others are fools who will take only our goods and not send anything here. As there is an unemployment problem here, every coun-

try has an unemployment problem and they all want to solve it by the same method that we want to solve it.

DR. SHRIMATI SEETA PARMANAND: There is not so much of import as it is here.

SHRI T. T. KRISHNAMACHARI: I have got figures and I can mention about exports. We have liberalised certain exports and I believe the liberalisation has resulted in the last year in licences being granted to the extent of Rs. 107 lakhs.

It may be that they were granted before but licences for Rs. 107 lakhs have been given. It does not necessarily mean that the goods are coming, but licences were granted. Rs. 70 lakhs happen to be for fabrics out of which Rs. 30 lakhs happen to be for fabrics which are not manufactured in this country, e.g. typewriter ribbon fibre, umbrella cloth, etc., but Rs. 40 lakhs happen to be for fabrics which we manufacture or something of a near quality which we manufacture. Hon. Members advise me to ban imports but they do not realise that if I do not allow these Rs. 40 lakhs worth of fabrics to be imported I lose exports to the extent of about 250 million yards of cloth. At least some of the countries to whom we export this cloth and from whom we import the fabrics may refuse to take our cloth if we ban the import of fabrics from those countries. Our exports even now are between 600 and 700 million yards of cloth of different grades. To that extent it is creating national wealth. Another thing is that these Rs. 30 to Rs. 40 lakhs worth of goods that are imported are subject to a duty of 66-2/3 per cent. to 100 per cent. Hon. Members who have mentioned about inflation and deflation must allow some kind of leeway as a sort of mopping up the well-to-do classes' surplus money. Out of these Rs. 40 lakhs my hon. friend the Finance Minister is getting 30 lakhs of rupees as revenue. To that extent we are mopping up that amount of money from the well-to-do people who go

in for the quality goods imported and if this is not done the inflationary potential will be there.

I have heard this question of imports being complained about and so I did have a survey made of one of the shops where the goods were exhibited wrapped up in beautiful paper so as to satisfy anyone that they were manufactured in the United States, Japan or England. I was told by the surveyor who had a look at the 120 articles that were there in that shop that only 27 articles were articles which were imported and the rest though not imported looked like imported goods. So you will see that the percentage of imported goods is very small. Every half year the licences issued are for goods within the range of 33 lakhs of rupees and I do not think the problem is a very big one. If we do not take the perfumes from France they won't take our sports goods. After all if I go on banning imports and thereby losing our exports I will simply be accumulating the balances elsewhere. Not merely is it something wrong but I will be pumping money into foreign reserves. If mine is not an exporting country our balance in the reserves will be a low figure. Also I am denying goods and services to our own people who have the surplus money to purchase those imports and thus there is scope for an inflationary potential. Formerly our imports were Rs. 700 crores and our exports about Rs. 650 crores. Today our imports I think are about Rs. 500 crores and we have a surplus of Rs. 55 crores. So some imports have to be allowed not merely for the reason that we want to pump in from other people's coffers but also because we have to have a two-way trade. People outside are taking more of our exports and when the import-export position is favourable to us why should we deny certain luxury articles to our own people the import of which produces a revenue to the country which is very nearly the cost of the imports itself so that we are mopping up that amount of money in the well-to-do people's hands, in

[Shri T T Krishnamachari]
whose hands if that money remained
idle it will lead to inflationary trends

Sir, I am afraid I won't be able to do justice to the several points raised and if the debate is not concluded, I think my hon colleague the Finance Minister might be able to deal with them effectively. But the one point I would like to refer to is the point made by Mr Ghose namely, the question of demarcation of small scale and large scale industries. I am happy to see, Sir, an echo of my own feeling in this matter. He says that industrialisation is more or less the sole remedy so far as urban unemployment is concerned. I would only like to add that industrialisation is not merely a remedy for urban unemployment but also a remedy for rural unemployment. If we can start between now and the next five years about 40 new industries in different places—not in Calcutta and Bombay, not in Bihar but somewhere right in the middle of the country—we will have about 40 townships and each will give employment to not merely 5,000, 10,000 or 20,000 labour which will be actually engaged in the factories but perhaps to 20 to 25 times that number. I would like to give you my experience which I have had recently. I went to Bhadravati which you, Mr Deputy Chairman know very well. I went there to see if we could sanction some expansion schemes and I marked the interest in the people in the Bhadravati scheme. Right as far as Sagar there was interest. The people in Sagar were very much interested in the Bhadravati scheme because the life of the people of Sagar is dependent on the maintenance of the Bhadravati township, because Sagar supplies charcoal; it supplies bamboo, it supplies goods and services to these people. The way in which we find more than one area the results of a particular industrialisation is the only cure for unemployment both rural and urban. I am happy to see Sir, that my hon friend opposite has confirmed that view. As I said when we put this

matter to the Planning Commission we probably have to tell them what we shall do about it. If urban unemployment can be directly solved and rural unemployment indirectly solved by a process of industrialisation, let us get hold of it.

I will interpret my hon friend Mr Ranga's criticism of the monetary policy as meaning us to be a little more bold in future. We will probably be a little more bold in the future. We have come to a time when we have stabilised. We can ride this rather difficult horse of exports and imports we can balance it, and hold a little more in reserve. Now we feel a little bold and we might probably take a little step further. We can achieve what Dr Mathai wants without constricting the public sector. All these matters are under the consideration of the Finance Minister.

On the question of demarcation of village industries, there are a number of people who are interested in village industries. My hon friend Mr D Narayan believes in village self-sufficiency, but my colleague the Finance Minister did show me some papers which have been placed at his disposal on village self-sufficiency. Now, town self-sufficiency leads to other problems. It is all right up to a point. Then it leads to greater unemployment. I think it is good if it is applied in moderation but not in absolute terms, it will become a boomerang when we pursue it with the zealotry of a person who has absolute faith in it. I am glad Mr Ghose said, 'Let us demarcate it'. Then my friend has mentioned our difficulties in regard to reservation. We have reserved certain things. But the reservation has taken all kinds of turns—higher prices in Bengal, higher prices in Orissa, in UP in Punjab, in Rajasthan—prices going up to about sometimes 40 per cent. Mr Ranga simply says 'does it help Madras?' Here it has reacted in a different way. These short-cuts to our economic malady oftentimes create more maladies and I would

beg of hon. Members to bear with us. We do wrongs and there is this fear. That has to be. But we have to synthesise the various points of view and that is the difficulty of Government. In a small way my difficulty is to synthesise my export and import policy. The industrialists think I do not help them. The man who uses industrial goods also thinks that I am not helping him because he sees prices are going up for the things which he wants. Dr. Seeta Parmanand thinks that all imports are sin. Between these bewildering types of advice that I get, I am more and more confirmed in my belief that I

am on the right track and the Government is on the right track.

Sir, if the discussion continues I have no doubt that the Finance Minister will be able to take up the threads where I have left, but for the time being I have nothing more to say.

MR. DEPUTY CHAIRMAN: The House stands adjourned till 8-15 A.M. tomorrow morning.

The Council then adjourned till quarter past eight of the clock on Saturday, the 12th September 1953.

COUNCIL OF STATES

Saturday, 12th September 1953

The Council met at a quarter past eight of the clock, MR. DEPUTY CHAIRMAN in the Chair.

THE ANDHRA STATE BILL, 1953—continued

SHRI T. S. PATTABIRAMAN (Madras): Mr. Deputy Chairman, it was not my intention to participate in the discussion on the Seventh Schedule, but the provocative speeches made on the other side have compelled me to speak. Sir, the hon. Shri Kommareddi Suryanarayana was saying that the Madras Government had been very harsh to them all those days and the people of Andhra had been neglected for the past so many years. He said, "Let us have 1920 as the basic year and we shall proceed on that basis." When I questioned him about the sanctity of the year 1920, he could not say anything. He had fixed the year 1920 peremptorily. Sir, even if we take 1920 as the basic year, from 1920 up to 1937 the Justice Party was in power in Madras and all the Ministers were either Andhras or Malayalees and there was not a single Tamilian.

SHRI C. G. K. REDDY (Mysore): Does the hon. Member mean the Premier or the Minister?

SHRI T. S. PATTABIRAMAN: The Chief Minister. The diarchical system was there. The Justice Party Chief Ministers were either Andhras or Malayalees. And if they did not get a proper share or equal treatment at their hands, it is not our fault. Sir, then Rajaji came in 1937 and remained in power for two and a half years. But at the same time our revered leader Shri Prakasam was the Deputy Chief Minister, and he had nothing to complain about all those two and a half years. And even then the Britishers were in power. Sir, it will be better if we take 1947 as the basic year. Prior to 1947—to use a very off-quoted phrase—the British

imperialists were there in this country. Whatever has been done in the Madras State or in any part of India, should be attributed to them—the British imperialists—because they did not want our country to prosper and they had no soft corner either for Tamilians or for Andhras. So, prior to 1947, whatever was done, was by the British Administration. On August 15, 1947, we attained freedom and it would be better if we see from August 15, 1947, whether the State of Madras has been unfair or partial to the Andhra State. Sir, it has been claimed here by my friend Mr. Kommareddi Suryanarayana that enormous money has been invested in Tamil Nad out of the funds collected from the Andhra people. Sir, the facts are clear. Even till the very end of the last Ministry, an Andhra had been the Finance Minister, and it would not have been difficult for them to get the necessary figures from him. It is now said here that they were not supplied with the figures. They had enough Andhra officers in the Secretariat Departments, and I do not think they would have refused them the figures. But because the figures were not convenient for them to be quoted, they have tried to take shelter under the plea that they were not able to get the necessary figures. Sir, out of Rs. 117 crores of investment made in the capital expenditure in the State of Madras since 1947, a sum of Rs. 87 crores was raised by means of loans either from the public or from the Government of India and only Rs. 30 crores have been spent from the Revenue Reserves. Out of that, Sir, the total expenditure in the residuary Madras State is Rs. 68 crores in the Andhra State it is Rs. 35 crores, and in the territories that are going to the Mysore State it is Rs. 14 crores. Sir, in respect of the loan of Rs. 87 crores, the Andhra State is not going to be burdened with repayment of the loan. It will be seen, Sir, that even then the allocation has been quite unfair to us. We have been asked to shoulder more responsibilities than what legitimately belong to us. Sir, I am not going to