

SHRI V. V. GIRI: I am not sure. I will find out and let the hon. Member know.

SHRI M. MANJURAN: It was on the 31st January 1953 that this came into being and it was inaugurated by-Shri Abid Ali, Deputy Minister for Labour of the Government of India.

SHRI V. V. GIRI: I take the information, but I am not sure about its correctness.

SHRI M. MANJURAN: May I know whether Government have taken up a hostile attitude towards this leftist union?

SHRI V. V. GIRI: Certainly not.

SHRI M. MANJURAN: Who were the people affected by the firing?

SHRI V. V. GIRI: The workers.

SHRI M. MANJURAN: The workers of which Union?

SHRI V. V. GIRI: The workers of both unions, I take it. As I have stated, I have not got full information in the matter. I have written to the Government of Travancore-Cochin and I am awaiting the report.

SHRI M. MANJURAN:- Was there any report to the effect that the functioning of the Leftist Union was in any way detrimental to the workers at the Port of Cochin?

SHRI V. V. GIRI: I don't know about it.

SHRI ABDUL RAZAK: Is it a fact that policemen suffered bullet injuries?

SHRI V. V. GIRI: The policemen were injured. Whether they were bullet injuries or not I cannot say.

SHRI ABDUL RAZAK: Does it mean that policemen were also divided into two camps and fighting each other?

SHRI V. V. GIRI: I don't know about it. The hon. Member must give information.

SHRI P. SUNDARAYYA: Is it not a fact that the labour leaders were arrested when they were returning from negotiations with the harbour authorities?

SHRI V. V. GIRI: About that really I am not quite clear. I wanted the Government of Travancore-Cochin to tell me about it and give me more details.

SHRI P. SUNDARAYYA: Is it the policy of the Government to start I.N.T.U.C. unions and thus bring about a split in the working class and use its police force and fire on the workers?

SHRI V. V. GIRI: The Government's attitude is entirely neutral and impartial.

SHRI K. C. GEORGE: What is the sort of enquiry that is instituted now?

SHRI V. V. GIRI: The Government, have instituted an enquiry. What it will enquire into and all that I cannot say because I have already said I am awaiting a full report from the Government of Travancore-Cochin.

(Shri K. C. George rose)

MR. CHAIRMAN: No more. We will now take up Mr. Sundarayya's resolution on unemployment. Mr. Reddy.

RESOLUTION RE. STEPS TO DEAL WITH UNEMPLOYMENT, FAMINE AND FOOD SCARCITY—continued.

SHRI C. G. K. REDDY (Mysore): Sir, we had a very interesting, if not illuminating, address by the hon. Minister for Commerce and Industry the other day when he almost wound up the debate on this Resolution. Sir, he gave us quite a number of figures and quite an amount of

statistics but he also, I regret to say very much, made two very surprising observations, it I may say so. Answering the suggestions from hon. Members on this side of the House as also on the other side regarding the liquidation of British assets in India, he went to the extent of saying that he would rather have British concerns operating in India than risk these British institutions being taken over by our own nationals so that the unemployment position might increase.

Now, the hon. Minister is quite within his rights to hold his own opinions, but I would be very much distressed if this indeed is the opinion and policy of the Government of India. I would like to know whether the Government of India thinks that because if Indian nationals take over the British concerns certain consequences will follow, therefore they are keeping these British institutions and will keep on nurturing them for years to come. This is a categorical statement I should like to have from the Government. Sir, it appears to me that this sort of statement almost equates to the statements which used to be made by some of our friends before we got our independence. One of the reasons which they put out for Indians not having their independence and not having their own right to manage their own affairs was that if the British Government went away and an Indian Government were to take over, then things would be far worse. It seems to be that the same logic is behind the hon. Minister's assertion.

Sir, I agree with him to some extent that it is a fact unfortunately that concerns managed by our own nationals do not show the same solicitude, same treatment, towards employees. But does that mean, if I may ask, that British institutions should carry on? Is there no other alternative? Cannot Government take over these institutions and see to it that they not only manage the institutions to the benefit of the

country but they will also be able to treat labour fairly and rightly? Therefore I would very much welcome a modification of that statement if not a complete rejection of that statement, so far as Government's official policy is concerned.

Now, Sir, there is another point which arises out of this discussion on unemployment. If the House will recall, almost in the very first speech I had the privilege of making in this Council during the Budget Session last year, I had pointed out that so far as our economy is concerned, if steps have to be taken to see that our economy is developed and we go rapidly towards economic progress, then we have to take up certain methods which may be different from the methods adopted by Western countries.

It has been suggested that it is necessary for us in this country to employ labour incentive methods. We have probably hardly any capital at all. There is no reason why we should not employ methods which make use of a commodity which is abundant in this country, namely, labour. Why should we, with a material like labour which, in my opinion, is perhaps one of the most important, if not the most precious commodity with which the world can go towards economic development, allow it to be wasted in India? Today the amount of unemployment that exists in this country is really something which is staggering and it is a shame indeed that with so much of manpower idling away, we should think of methods which would cause further unemployment and further wastage of labour.

I should like to ask the Government whether they have agreed upon a basic policy as to how we are going to tackle this economic problem. On the one hand we hear the cries of the small scale and cottage industries. On the other hand, we hear statements from the hon. Ministers to the effect that we must have large-scale in-

[Shri C. G. K. Reddy.] dustries, industries which will mean rapid recovery of our economy and rapid progress towards economic development. I should like to know whether the Government is clear in its own mind, as to what policy they are going to follow. Have they in their own mind at least,—we have not heard any public statement as yet—as to what spheres of economic activity would be reserved or demarcated for small and cottage industries and what spheres of economic activity would be reserved for large-scale industries. This confused policy in my opinion, is further deteriorating not only the economic situation but also the employment situation. I do feel that if two years ago, or even a year ago, the Government had taken a clear stand on this issue and stated what they were going to do regarding the tackling of the economic problem, there would not have been a further increase in unemployment in this country.

There is another thing which I regret very much which came from the lips of the hon. Minister¹ for Commerce and Industry. He gave a wealth of statistics to show that the situation is not very grave. But in my opinion, statistics are something like a very fashionable swimming suit which exposes the obvious and hides the most interesting and vital. They give us a completely different picture altogether. He quoted figures and though we tried to make him quote the figures for the other side of the picture, in spite of our interruptions from this side, he would not. He told us that the increase in the cost of living in our country as compared with that in other countries was negligible. May I know if the Government do not agree with me when I say that in our present economic situation so far as wages are concerned and so far as the general unemployment position is concerned, even the most imperceptible increase in the cost of living would mean havoc to the community at large. It may be that the cost of living may

have increased only by 2 per cent, or 3 per cent, compared to 10 per cent, or 20 per cent, in other countries. But what about the wages here? What about the employment situation?

If, Sir, we can take it that the average income of an Indian citizen is only Rs. 20 per month, has the hon. Minister calculated what damage can be done if there is only an increase of one rupee or even one per cent, in the cost of living? Can a man earning Rs. 20 per month afford to spend one rupee more per month? Therefore, while I find that there is a slight dawning of realities in the Government's policy, I feel very much distressed that they should underplay the situation as it is. I find that the situation is extremely serious, serious because any small addition or accretion to the distress already obtaining in the country is disastrous to the community. If things were more normal, a little increase or decrease in unemployment would not have mattered very much. But with things already abnormal, even a little increase would mean so much, much more than what it would mean in other countries.

Therefore, I would insist that the Government should realise the utmost gravity of the situation. The situation is such that we have to make up our minds quick as to how we are going to tackle it. So far as the situation itself is concerned, I am glad the Government has accepted that the situation is grave, if not as grave as we would like them to realise. Certainly they realise that it is grave. Then what are the measures that they are going to take? Are they still going to hang between the two policies? Are we going to encourage the handloom industry and see that at least the present employment is kept up? Or would they go the other way and encourage all large-scale industries and increase further unemployment? If they think that small-scale and cottage industries can give more employment then I would like to ask the Government

what steps they are going to take immediately. What recommendations can we expect from the Planning Commission? And so far as the Planning Commission is concerned, perhaps the chapter on unemployment is the most distressing chapter of the whole report of the Planning Commission.

AN HON. MEMBER: They are going to revise it.

SHRI C. G. K. REDDY: They should have revised it long ago. This is intimately connected with the economic development of the country and with the economic development of millions of people who are idling away their time. With so many millions idle, how is it possible to produce wealth? We hear tall talks of "produce or perish". We hear from our Prime Minister that everybody in India should work and work hard. Yes, everybody is prepared to work, provided you give him the work. You should first give him employment so that he may work. Is he to sweat away on work for himself or by sitting at home? Should you not show him the avenues of employment so that he may work hard and produce the wealth that is so necessary for the economic development of our country?

(Time bell rings.)

Have I finished my time, Sir?

MR. CHAIRMAN: Yes.

SHRI C. G. K. REDDY: Sir, I want two assurances from the Government. Firstly I want them to tell us clearly, in so far as tackling this unemployment problem is concerned, which I have already stated is intimately connected with the economic development of this country, in what way they are going to solve this problem. Are they going to refer it to the Planning Commission? If they refer it to the Planning Commission, that Commission would probably recommend that we must start more industries. But the hon. Minister knows how many industries are

necessary to alleviate the distress that has already been caused. On the other hand, are they thinking of small units of industries which can be spread all over the countryside and which can solve not only the unemployment problem but also put our country on the path of rapid economic development? We would like to have a clear statement from the Government as to how they are going to tackle this problem and only then will the country be satisfied that this question is being dealt with in the manner that it deserves to be dealt with.

MR. CHAIRMAN: Dr. Mookerji.

I want hon. Members to be as brief as possible. I shall request the Finance Minister to speak at 9-15 and the mover of the Resolution after the Minister concludes.

DR. RADHA KUMUD MOOKERJI (Nominated): May I know roughly the time-limit?

MR. CHAIRMAN: The time-limit is not more than ten minutes; but we should be obliged if you content yourself with less.

DR. RADHA KUMUD MOOKERJI: Sir, my method of approach accordingly would be somewhat different. I want to explain the facts of the unemployment situation and would rather leave it to the Government to find out remedies in the light of the facts and figures that I propose to place before them.

In my opinion, the problem of unemployment is really a problem of poverty, the colossal poverty of our country. It is the problem of production, consumption and purchasing power. Now, as regards this poverty, I feel that we are up against certain facts and figures which are as unalterable as the natural features of our country—the geographical features like our hills and rivers. Just as you cannot change the geographical environment of the country, so also you are not in a position to change

[Dr. Radha Kumud Mookerji.] certain fundamental facts of our economic life. As regards this poverty, we should have a clear perspective of the real situation in which we stand. Well, this poverty is reflected in our budget. We have a budget of only Rs. 400 crores which is very, very inadequate as compared to the expanding needs of a vast population of 36 crores of people. As against that, I should like all of us to consider that such a small country as the United Kingdom has been able to produce a monthly revenue of Rs. 500 crores as compared to our yearly revenue of Rs. 400 crores. We must really know where we stand.

Then, thirdly, there is the United States of America. Theirs is a colossal revenue which runs into astronomical figures and, on calculation, I find that the United States of America's revenue will be about Rs. 100 crores per day. Over and above that, we find—and that may be interesting to the Communists—that out of a population of 36 crores of people, only about 7 lakhs are assesseees, that is those who pay income tax and, only about 14,000 people have wealth enough to pay any super tax, that is, those who have incomes above Rs. 40,000 per annum.

(Interruption.)

I am quoting from the London "Economist." The figure may be changing from year to year, but I think that it is a very correct figure. I had it checked by the "Economist" of London. However, it may be 14,000 or 20,000 against a population of 36 crores of people. I, therefore, wish to place this matter for the special consideration of our Communist friends, that with this inadequate revenue as compared to the millions of our people, India has already become a classless society where there is no distinction between the haves and the have nots.

SHRI P. SUNDARAYYA (Madras):
No difference between Birla and the
bcggarl

DR. RADHA KUMUD MOOKERJI:
All of us are reduced to equality in
poverty. That is my contention.

From the proceeds of taxation itself, I find that only about 13 per cent, of the vast population are taxed and the vast majority of about 85 per cent. remain untaxed. That is also a glaring disparity in the distribution of wealth. I have no quarrel with anybody; I am simply placing before you facts on the basis of which you are free to arrive at your own conclusions with regard to any theory or any doctrine. Now, all this paucity of revenue is ultimately due to a poverty of production. Our standard of production has gone down very much in every field. It has been estimated that the standard of production is roughly about 1/4 of the standard obtaining in other countries of the world. Now, if really the country cannot produce wealth, how can you hope to solve this problem of unemployment, because the problem of unemployment can be solved only by opening up fresh avenues of acquiring new wealth? If we do not show any better record in the field of production, what hope can there be for all of us where, before our very eyes the country is growing poorer and poorer every day for the simple reason that our production is not very well attended to?

Now, take the problem of agriculture, for instance. I happened to serve on an Agricultural Commission which worked for about a year and a half investigating the agricultural conditions of this country and came to the conclusion that agricultural production had gone down very much. We found that there were off seasons of agriculture. Then, agriculture is being pursued in small uneconomic holdings, which puts a limit on intensive cultivation and, therefore, there is hardly any scope now for increasing the yield of agriculture on the basis of small farming that is now prevalent all over this country. Of course, I do not dare to suggest immediate nationalisation of agricultural holdings; you may distribute

land on a new basis; whatever you do, you should face this fact in order to set up standardised holdings in place of the under-sized small farms. But, if you do it immediately, you will immediately throw out of the land and out of work many of your agriculturists because there is not enough of land going round in the country. The quota of land available per head is less than one acre according to my Commission's report; I do not know—of course, I am speaking subject to correction as regards the statistics. However, my general point is this: you do not have any short-cuts to improvement of the yields unless you change the size of the holdings and make them economic holdings. Now, you have to consider that by that process you will throw out of work millions of agriculturists and you have to find out what you shall do with them in trying to give the country a number of economic holdings.

Now, the next point is that we find that all the able-bodied millions of our agriculturists live in a state of enforced idleness for about half the year and the only remedy that could be sought for in solving this colossal problem of unemployment would be to develop, under a planned scheme, regional handicrafts and cottage industries in the light of the raw materials that are available in the neighbourhood. On this subject also, I think that the Government will be well advised in having a regular scientific scheme showing how these handicrafts and cottage industries may be developed all over the country so that the whole country may be covered—as my hon. friend Mr. C. G. K. Reddy said—with a network of these small industries in order to solve the problem of unemployment. They should stand on their legs and they should have the advantage as regards the supply of raw materials and supply of local labour. So, in that sense, there is a possibility of solving the agricultural unemployment problem by means of a well-planned scheme of development of the small-scale industries.

Now, another fact of the distressing unemployment situation is this that practically you should say that industries, both the large-scale industries, and small-scale industries, are able to employ today only 30 lakhs of people as against 25 crores of our agriculturists who have work for three hours a day. This valuable bit of statistics, I owe to my esteemed friend over there, Mr. Chandulal Parikh; he has been harping on this fact on many occasions. I take that as granted. Therefore, the unemployment situation means that you can employ only 30 lakhs of people in your so-called boosted industries whereas you have to find employment for about 25 crores of agriculturists who are under-employed and who have work only to the extent of three hours a day.

(Time bell rings.) Is

it my time-limit, Sir? MR.

CHAIRMAN: Yes.

DR. RADHA KUMUD MOOKERJI: I have not been able to touch even the fringe of the problem.

SHRI D. NARAYAN (Bombay):

श्री डी० नारायण (बम्बई) : सभापति महोदय, मनुष्य अपनी जरूरतों को पूरा करने के लिये उद्योग करता है और इसी निगाह से हमें इस सवाल को देखना चाहिये । आज हमारी प्रजा देहातों में बसी हुई है इसलिये सब से पहले हमें यह देखना चाहिये कि हमारे देहातों की क्या जरूरत है । मनुष्य की सब से पहली जरूरत अन्न की होती है । हमें यह देखना चाहिये कि आज हमारे देहातों में जरूरत के अनुसार अन्न पैदा होता है या नहीं । मनुष्य की दूसरी जरूरत वस्त्र की होती है । हमें यह देखना है कि देहातों की यह जरूरत देहात में ही पूरी होती है या नहीं । हमें यह भी देखना है कि मनुष्य को जो उद्योग मिलता है वह उस की ज्यादा से ज्यादा जरूरतें पूरी

[Shri D. Narayan.]

कर सकता है या नहीं। आज हम देखते हैं कि हमारी देहाती जनता वर्ष में छः महीने आलसी सी बैठी रहती है क्योंकि उस के पास कोई उद्योग नहीं होता। छः महीने के उद्योग में से उसे अपना पेट भरना पड़ता है, अन्न पैदा करना पड़ता है और वस्त्र तथा दूसरी चीजें भी लेनी होती हैं। इसलिये मेरी निगाह में प्रथम आवश्यक बात यह है कि उस की जो जरूरतें हैं उन जरूरतों को पूरा करने का उद्योग उसे वहीं दे दें जिस से कि वह अपना पैसा बचा सके और अपना समय उद्योग में लगा सके। तो हमें आज यह देखना है कि देहातों की आवश्यकतायें क्या हैं। अन्न की आवश्यकता तो वह किसी तरह से पूरा कर लेता है परन्तु वस्त्र की आवश्यकता को नहीं पूरा कर पाता है। यदि वह चाहे तो देहात में वस्त्र पैदा कर सकता है और हिन्दुस्तान के देहातों के लिये वस्त्र पैदा करना कोई मुश्किल बात नहीं है। परन्तु उस के लिये यह आवश्यक है कि आप लोग उसे मिल के कम्पीटीशन से (competition) से बचावें। वस्त्र के बाद तीसरी चीज जो देहात में पैदा हो सकती है वह चमड़े का उद्योग है। देहातवालों को भी जूतों की जरूरत होती है। आज हम देखते हैं कि देहातों का जो चमड़े का उद्योग था वह उन से छीन लिया गया है और हजारों चमार आज बेकार और निरुद्योग हो गये हैं। इसी तरह तेल का उद्योग है। तेल के उद्योग को हमारी मिलों ने एकदम बर्बाद कर दिया है। तो मेरी सब से पहली सूचना यह है कि देहातों को पूरा उद्योग देने की निगाह से दाल की मिलें बन्द कर दी जायं, चावल की मिलें बन्द कर दी जायं, आटे की चक्कियां जो इंजन से चलती हैं वे बन्द कर दी जायं और देहात में चमड़े का उद्योग बढ़ाने के लिये बाटा और पर्लवस जैसी कम्पनियां बिल्कुल बन्द कर दी जायं।

यह मैं ने देहातियों की निगाह से कहा, कुछ शिक्षितों की निगाह से भी कहना चाहता हूं। कहते हैं कि शहरों में पड़े लिखे लोग बेकार होते जा रहे हैं। जरूरत से ज्यादा आप इन को पैदा करते जा रहे हैं और फिर शिकायत यह है कि वे बेकार हैं और यह कहा जाता है कि श्रम की प्रतिष्ठा बढ़नी चाहिये। श्रम की प्रतिष्ठा बढ़े कैसे? श्रम वालों को अधिकार नहीं मिलता, प्रतिष्ठा नहीं दी जाती। श्रम वालों को पैसा—मेहनताना—कम दिया जाता है, आठ घंटा काम करते हैं तब बड़ी मुश्किल से दो रुपया पैदा करते हैं और एक वकील घंटा दो घंटा काम करता है तो हजार रुपया कमाई कर लेता है। तो आप सोचिये कि क्या इस से श्रम की प्रतिष्ठा बढ़ेगी? यदि आप शिक्षितों से श्रम कराना चाहते हैं तो श्रम की कीमत बढ़ानी चाहिये, श्रम की मजदूरी बढ़ानी चाहिये। आज आपने बुद्धि की कीमत इतनी बढ़ा रखी है, शारीरिक श्रम और बुद्धि में इतना अन्तर पैदा कर दिया है कि किसी कदर यह बेकारी का सवाल आप हल नहीं कर सकते। मुझे जो खास बात कहनी है वह यह है कि बुद्धि और श्रम के बीच का जो अन्तर है उसे आप कम कर दीजिये।

तीसरी बात जो मैं कहना चाहता हूं वह यह है कि उद्योग तीन प्रकार के होते हैं, एक प्रोडक्टिव (productive), एक अन-प्रोडक्टिव (unproductive) और एक डैस्ट्रक्टिव (destructive)। आप जानते ही हैं कि जो हमारी खास जरूरतें हैं, जिन से हम जीवननिर्वाह करते हैं उन्हें प्रोडक्टिव उद्योग कहा जाता है और जो सरकारी कर्मचारी हैं, कुली हैं, वकील हैं, और जो लोग उत्पादन नहीं करते हैं, ऐसे जितने उद्योग हैं वे अनप्रोडक्टिव हैं और डैस्ट्रक्टिव उद्योग वे हैं जो कि दूसरों को बेकार बनाते हैं यानी यंत्र कारखाने चला कर जो किसी का

उद्योग खीन लेते हैं। जैसे कि बीड़ी का उद्योग लीजिये। बीड़ी के उद्योग में मशीनें चलने वाली हैं। आज बीड़ी के उद्योग में ६ लाख मजदूर काम कर रहे हैं तो उन में से काफी बड़ी संख्या बेकार हो जायेगी। तो मैं कहूंगा कि यह डिस्ट्रिक्टव उद्योग है और इस तरह के बहुत से उद्योग जो कि डिस्ट्रिक्टव कहे जा सकते हैं उन को हमें बन्द करना चाहिये।

चौथी बात जो मुझे कहनी है वह आयात निर्यात के बारे में कहनी है। जिस तरह से हम दूसरे की जमीन पर आक्रमण नहीं करना चाहते, दूसरे के मुल्क पर आक्रमण नहीं करना चाहते, उसी तरह से दूसरों के उद्योगों पर भी हमें आक्रमण नहीं करना चाहिये। परतंत्रता और परावलम्बन, ये दोनों एक सी खतरनाक बातें हैं इसलिये आप को यह सोचना चाहिये कि दिन ब दिन इस देश में हम कैसे पूर्ण स्वावलम्बी हो सकते हैं। हर एक मुल्क यह चाहेगा कि वह अपने देश में पूर्ण स्वावलम्बी हो। परन्तु आज हम देखते हैं कि जरूरत की भी चीजें बाहर से आती हैं और बिना जरूरत की चीजें भी आती हैं यहां तक कि हमारे देश में फल बाहर के देशों से आते हैं, तरकारियां आती हैं, बिस्कुट आते हैं, केक्स आते हैं, कपड़ा आता है, साबुन आते हैं, कागज आता है और भी बहुत सी निकम्मी फेशन की चीजें आती हैं। फेशन की चीजों के बारे में मैं इस वक्त कुछ कहना नहीं चाहता लेकिन जो मेरा खास झगड़ा है वह यह है कि जो जरूरत की चीजें यहां बेहतरी से पैदा की जा सकती हैं वे भी बाहर से मंगाई जाती हैं।

AN HON. MEMBER:

एक माननीय सदस्य : सैकंड हेड कपड़ा भी लाया गया।

SHRI D. NARAYAN:

श्री डी० नारायण : सैकंड हेड कपड़ा लाया गया लेकिन अब नहीं लाया जायेगा

ऐसा मझे भरोसा है। तो मेरा कहना यह है कि आयात निर्यात के बारे में हमारी नीति यह होनी चाहिये कि जो रोजाना की जरूरत की चीजें हैं और जो कि हमारे मुल्क में ही पैदा हो सकती हैं उन को कभी नहीं आने देना चाहिये और इसी निगाह से इस नीति को बनाना चाहिये। हमें यह देखना चाहिये कि जिस तरह से हम अपने देश में हर एक चीज पैदा करना चाहते हैं उसी तरह से हर एक देश अपनी चीजें पैदा करना चाहता है और वह दिन नजदीक है जब कि ऐसा नहीं होगा कि कोई देश अपने लिये बाहर के देश से खास जरूरत की वस्तुएं मंगाये। जीवनोपयोगी जरूरत की चीजों का लेनदेन होता रहे, ऐसा नहीं होगा। आज हम क्या देखते हैं, यह देखते हैं कि मुल्क अपने उद्योग को चलाने के लिये दूसरी जगह जरूरत पैदा करते हैं, जैसे कि इंग्लैंड, अमेरिका अपने उद्योग को चलाने के लिये दूसरे मुल्कों में जरूरत पैदा करता है। इस तरह की बात अब चलने वाली नहीं है। इसलिये हमें अपनी आयात निर्यात की नीति इस निगाह से निर्धारित करनी चाहिये कि हम स्वावलम्बी व स्वयं पूर्ण बन जायें। ऐसी चीजों को कभी नहीं आने देना चाहिये जो कि हमारे देश के उद्योग को कम करे और जिस से कि बेकारी बढ़ने वाली हो। यह भी कहा जाता है कि यहां की चीजें महंगी मिलती हैं : सस्ताई और महंगाई, ये तो ऐसी बातें हैं जिन से आप अपनी बुद्धि से हर एक को धोखा दे सकते हैं। सस्ताई और महंगाई को इस निगाह से देखना चाहिये कि मनुष्य को उद्योग मिलता है या नहीं। आज उद्योग नहीं है, आज गरीब भूखे हैं तो हमें केवल यह देखना है कि महंगाई हो या सस्ताई हो परन्तु हमारे भाइयों को उद्योग मिलता है या नहीं ?

यदि उद्योग मिलता है तो भले ही हमें चीज महंगी लेनी पड़े, क्योंकि कोई चीज

[Shri D. Narayan.]

यदि महंगी भी लेनी पड़ी तो क्या फ़िक्र । हम भी तो उन को ८ घंटे के २ रुपये देते हैं और स्वयं ८ घंटे का ८०० रुपया लेते हैं । अगर लोगों को उन की मेहनत का ज्यादा दे भी दिया जाय तो क्या उज्र है और सस्ती का विचार न किया जाना चाहिये । सस्ती और महंगी का विचार आप इसलिए करते हैं कि आज देश में जो विषमता है उस को कायम रखना चाहते हैं । यदि आप समता की निगाह से इस प्रश्न की ओर देखेंगे तो यह महंगी और सस्ती का सवाल कभी नहीं पैदा होगा ।

अन्त में, मेरी बायें और के मित्रों से यह प्रार्थना है कि इस अनइम्प्लायमेन्ट (unemployment) सवाल को पार्टीबाजी का सवाल न बनायें, क्योंकि यह भूखों का सवाल है, यह हमारे देश की दरिद्रता का सवाल है, उस पर खिलवाड़ न करें । यह सारे देश का सवाल है, यह सिर्फ कांग्रेस सरकार का ही सवाल नहीं है, कोई खास लोगों का सवाल नहीं है या किसी पक्ष का सवाल नहीं है, यह तो सारे हिन्दुस्तान का सवाल है । हिन्दुस्तान के सवाल को आप इन्सानियत की निगाह से देखें, न कि पक्षबाजी से । सिर्फ प्रचार के लिए ही इस सवाल पर खिलवाड़ न करें । इसे अपना अखाड़ा न बनावें ।

[For English translation, see Appendix V, Annexure No. 111.]

SHRI KISHEN CHAND (Hyderabad): Mr. Chairman, Sir, the hon. Prime Minister has often laid stress on the fact that our wealth consists in our large manpower. The Planning Commission has also laid stress on unemployment but I submit, that it has failed to consider and devise methods for relieving unemployment in our country. The hon. Finance Minister has stated in his amendment

ment, etc.

that the Five Year Plan is going to be amended. I submit, that amendments only will not do. A large part of it will have to be completely scrapped. We will have no objection to that part of the planning which is connected with irrigation and power projects. As a matter of fact we welcome such projects. We even say that they are not enough; more may be taken in hand but that will not be a solution of the problem. The hon. Finance Minister is an orthodox economist. As he has stated, sometimes we must take calculated risks and unless we take calculated risks and follow a bold policy we cannot relieve unemployment.

I will suggest now a bold policy for relieving unemployment. It is a bold policy, albeit with minor adjustments and alterations it can be executed. Let us think that in our country of thirty six crores of people there are 55 per cent, able-bodied persons who may be gainfully employed. That means we have got to find full employment for nearly twenty-one crores of people. It is not a small figure and out of these 21 crores of people nearly 16 crores are living in the rural area where there is no acute unemployment but there is under-employment which is still worse. The problem has to be really tackled first in the rural areas and if we can increase the earning capacity of the rural area, the urban area will find employment for itself. In the rural area the problem is to find employment for 16 crores of people. On a rough basis it may be estimated that for finding employment for a single person we require an investment of about Rs. 500 in capital needs, in implements, in working capital etc. That means for the employment of these 16 crores of people in rural areas, we have to plan for nearly Rs. 8,000 crores, that is, four times the present Five Year Plan. As against these Rs. 8,000 crores, in the rural areas there is land, there is cattle, there are implements and so on and if we subtract the value of all these things which are already available, we still require for the plan nearly Rs. 4,000 crores.

Similarly, in the urban area for finding employment for five crores of people, if we estimate that the capital requirements are Rs. 2,000 per worker, this will mean another plan for Rs. 10,000 crores. If we subtract from this our present assets in the shape of transport, in the shape of organised industry, in the shape of trade, and in the shape of other amenities which may be put at Rs. 4,000 crores, it will leave a balance of Rs. 6,000 crores. That means for tackling this problem both in the rural and urban areas, we require a plan of Rs. 10,000 crores which is five times the present Five Year Plan. Until and unless we are prepared to have a plan of this huge scale, it will not be possible to find employment except for a few hundred or a few lakhs of people here and there and that will not solve the problem. It will be just an eye-wash and the main problem will remain there.

The hon. Finance Minister may ask - where this amount of Rs. 10,000 crores is going to come from. Nations who want to be great have got to make sacrifices; they have to resort to austerity measures and until and unless every countryman of ours is prepared for austerity measures, we cannot have a bold plan to find employment for every person who is born in this country. Of these Rs. 10,000 crores, equipment and machinery to be imported from foreign countries will cost nearly Rs. 3,000 crores. This amount has to be paid to foreigners. It has to be paid on a cash basis and therefore we have to so adjust our import and export trade that we are able to find this Rs. 3,000

• crores. How can we adjust our import and export trade? The hon. Commerce Minister at one time stated that after all, foreign countries do not want only to import our goods without exporting to us. That is quite right. It is always a balance. We must import as much as we export. We cannot go on accumulating balances. Therefore we must so guide our import policy that we get our requirements by our exports.

Our export trade is about Rs. 730 crores. In the import trade, we are importing foodgrains for about Rs. 150 crores, cotton and other luxury goods for nearly Rs. 100 crores and machinery worth about Rs. 80 crores. This gives a figure of Rs. 330 crores. And let us suppose luxuries to the extent of Rs. 30 crores are allowed, that will still leave a favourable balance of about Rs. 300 crores. Can we not enter into multilateral barter agreements with foreign countries so that on Government level, we can import machinery worth Rs. 300 crores on a planned basis every year? If the Government imports every year, through its export trade, machinery worth Rs. 300 crores, in ten years' time we can have equipment for Rs. 3,000 crores. And during these ten years if we continuously go on building up our industries, it is possible that within the ten years' time we can change the shape of our country. We can find full employment for everybody. But if we only make a Five Year Plan of Rs. 2,000 crores based on the orthodox style of economics, our progress will not at all be commensurate with our needs. Now, a question will arise that out of a plan of Rs. 10,000 crores, I have only suggested measures for Rs. 3,000 crores and that still leaves a huge balance of Rs. 7,000 crores. Sir, in the rural areas it is a short-term requirement. After all, every six months there is crop production and therefore the requirements of the rural area are not on a long-term basis. As such, mere credit facilities in the rural areas by the Apex Bank will meet the situation and the entire requirements of the rural area can be met internally through this credit facility. As for the balance, naturally, if from year to year our national income goes on increasing—our present national income is Rs. 9,000 crores every year—and if we assume a saving rate of 20 per cent., we can easily with this saving rate make up the balance of our requirements. I will, therefore, conclude by saying that tinkering with this problem is not going to

[Shri Kishen Chand.] solve it, nor will an ordinary revision of the Five-Year Plan do, but if the hon. Finance Minister makes up his mind to follow a bold policy and completely recast the Five Year Plan, our problem of unemployment can be solved.

SHRI B. B. SHARMA (Uttar Pradesh): Mr. Chairman, the problem of unemployment which has been tackled from different angles has been mostly concerned with industrial unemployment. My suggestion is that the problem cannot be solved in such a petty way. It has to be considered from a very broad point of view and the broad point of view is that unless we solve the problem of unemployment among the villagers in rural areas, we can never solve the problem of industrial unemployment. People from the villages, able-bodied persons—are running to industrial centres only in search of employment. They are going there, because they do not find sufficient employment in their villages and even if they find themselves employed throughout the year, their resources run dry and they find it difficult to live there for the whole of their life. Consequently, most of the able-bodied people are running away to the big towns and industrial centres making them congested areas and also supplying a breeding ground for the left type of thought. The type of unemployment in the villages is agricultural unemployment. It is due to the fragmentation of holdings, growth of population and other causes which have led to the lack of other avenues of employment—the industries which used to be prevalent in the villages, for example, handicrafts like the work of carpenter, the potter (the shoe-maker, the weaver etc. have all been killed. They are all being thrown out of employment because they cannot compete with the big industries which have been implanted in the country, and the Government has not yet been able to so regulate the industries as to make it possible for every small handicraft industry

to grow along with the bigger industries.

The bigger industries are producing at very great speed and producing a large amount of commodities making them cheaper as well. So, the smaller industries are finding it difficult to compete with the prices and thus they find themselves thrown out. This thing has to be planned in such a way that every man, whatever education he gets, must get the education which fits him for the employment which he is capable of, and then find for him the necessary work. This can, again, be done only on a governmental level. The government should do this not for merely increasing production but for the good of 'man'. This seems to be conspicuously absent in governmental planning. My suggestion, therefore is that there must be a Ministry of Unemployment or rather Ministry of Employment, which must look after and take care of the people who are finding it not easy to procure employment.

AN HON. MEMBER: But all the Ministries are there.

SHRI B. B. SHARMA: No, but a Minister who is in charge of this work only; because every Minister thinks of the problem in his own way.

SHRI GOVINDA REDDY (Mysore): The trouble is that they are unemployed.

SHRI B. B. SHARMA: Again, Sir, the Government has prepared several statistics of the people who are unemployed and methods of solving that problem. I am not very much concerned with them. My problem is: How much should people get to make both ends meet? This can only be done if you put agriculture on a scientific basis. Here also, again throwing out a number of people should not be the case. There should be compact and small holdings. The consolidation of holdings which was started many many years ago, is still hanging fire. Scattered holding makes it very unprofitable

for the agriculturists to make improvements.

MR. CHAIRMAN: Shri S. N. Mazumdar; you will have five minutes.

SHRI S. N. MAZUMDAR (West Bengal): I do rise, Sir, at this stage in order to put some straight questions sharply before the hon. the Finance Minister rises to reply so that the answers may not be lost in the wide generalities of the discussion on this problem of unemployment. They are:

- (1) Are the Government prepared to sanction a sum of Rs. 50 crores for relief for six months in the form of cash and free rations?
- <2) Are the Government prepared to promulgate an ordinance banning retrenchment and closure of factories?
- <3) Will the Government put a moratorium on all peasants' debts?
- <4) Will Government put a ceiling on the profit of monopolists, British and India, to 6J per cent. ?
- (5) Will Government ban all export of profits by foreign concerns?

Sir, I want a clear answer to these -questions by Government.

The amendment moved by my hon. friend, Mr. T. T. Krishnamachari, is not going to be accepted by the people at large. People who are unemployed, who are faced with the problem of starvation or semi-starvation, cannot derive any satisfaction from the knowledge, that the Olympians of the Planning Commission are attempting to devise ways and means to check the problem of unemployment. Sir, the very amendment moved by the Government is itself an admission of their failure, and gross neglect to take serious

stock of the problem which was brought to their notice earlier in connection with the discussion on the Five Year Plan, and therefore, the unemployed people are not going to derive any satisfaction.

Secondly, I have no time at my disposal nor do I wish to encroach on your patience or that of the House, but I would like to mention one point. My hon. friend, Mr. T. T. Krishnamachari, spoke in a way as if the problem was not acute, that the cost of living had risen only by 3 points. He is an expert in jugglery in statistics and mystification but what is the actual fact? The cost of living index has risen over three points only from December 1952, but actually during the forty months that the Plan has been in operation, there has been a rise of 20 points in the cost of living. During the forty months that the Plan has been in operation, the real income of workers and employees has come down by 20 per cent. If the spokesman of Government could do jugglery with statistics and mystification we cannot accept this amendment. If this Government does not deal with this problem of unemployment as seriously as they ought to, then it will fall like a house of cards. It is not my intention or that of my party to score a debating point on whether the Plan has failed or not, but the important necessity is to find out means to provide immediate relief to the people who are facing starvation or semi-starvation, who are facing further unemployment and retrenchment. We are concerned with immediate relief and if the Government really takes some serious steps in this direction, we shall not be so much concerned with making it a question whether Government is in the wrong or in the right.

THE MINISTER FOR FINANCE! (SHRI C. D. DESHMUKH): Sir, I rise to support the amendment moved by my colleague, Mr. T. T. Krishnamachari. I do so in my capacity as a Member of the Planning Commission and as Finance Minister of the Union,

[Shri C. D. Deshmukh.] but not as an economist either orthodox or otherwise.

Sir, unemployment is a basic problem, and in its study one must go to the fundamental features of our economy. But we must recognise that at the present moment it has also an emergency aspect. Let me say clearly in the first place it has many aspects and its causation is multiple and complex. It would be wrong, therefore, to assume the potential danger from the operation or the lack of solution of this problem merely in terms of what is seen on the surface or to base conclusions regarding its magnitude merely on the variations in the aspects that come to our notice on the surface.

First, Sir, as regards facts, to which allusion has been made by Shri Sharma. It is common knowledge that in assessing the magnitude and character of the problem, we are handicapped by lack of adequate data.

I do not know if the Members of the House know that the Planning Commission has already instituted certain inquiries and data are being collected in various directions which I shall briefly give. In the first place, there is going to be a study of the trend of migration from the rural areas to the urban areas, and that was the point to which attention was drawn by Mr. Sharma. This was recognised as an important cause of the growing unemployment in urban areas.

Secondly, there is going to be a survey of households in Calcutta because it is suspected that in that part of the country, owing to the operation of various causes, this problem is in its most acute form. Thirdly, there is going to be a sample enquiry into the live registers of the Employment Exchange in Delhi. The reason for that is that one ought to be quite clear as to the implications of the figures recorded in these Exchanges and that cannot be done until there

deal with unemploy- 3182.
ment, etc.

is a certain amount of sample inquiry. Fourthly, there is going to be a special study of the employment potential of the irrigation and power programmes in the Plan, because it is claimed that so far as labour intensity goes, these programmes are calculated to give employment to a very large number of people, and the object of this enquiry is to verify such an assumption. Such data as are available at the moment have been scrutinised and the results of the scrutiny were placed before the House of the People by Shri Bhagat, Parliamentary Secretary, a few days ago. Now, several speakers here also have made reference to the available data, and I do not think it is necessary for me to go over the whole ground again. But broadly speaking, and concerning oneself with the aggravation of the problem rather than with the fundamental problem, one could say that what we are dealing with for the purposes of relief is mainly an urban phenomenon.

SHRI S. N. MAZUMDAR: Why urban phenomenon? Rural unemployed people may be provided with free rations, so long they are unemployed and you can stop evictions of peasants from land thereby reducing the further growth of rural unemployment.

SHRI C. D. DESHMUKH: Sir, the hon. Member is coming to remedies rather prematurely. I am dealing with what I regard as the facts of the situation. Well, Sir, contrary to the view generally held, from the statistics available we find that the problem is acute as much among semi-skilled and skilled labour as among persons seeking clerical posts. The statistics of Employment Exchanges show that while the numbers of the unemployed registered with the exchanges have been going up steadily over the last twelve months, placings have been going down and there has been a large fall in the number of vacancies notified, especially by the private sector. It does not appear, however, that

aggregate employment in organised industries has gone down, though it is conceded that in some industries and in certain units of industries, difficulties have been or are being experienced. It is principally in the trade and ancillary services that employment opportunities appear to have declined. These, Sir, are significant conclusions because they indicate the remedies that are likely to be successful. Now, in the rural areas, Sir, cottage industries and traditional handicrafts have now been fighting a losing battle, and of course, as everybody knows, in this country, in agriculture there is a great deal of chronic unemployment. Now, in agriculture, of course, it is not a question of overt unemployment in an economy in which land and capital equipment are scarce and population is continually rising. Large numbers have to remain with work of low productivity which is only a semblance of employment. Therefore, one may designate this as covert unemployment. Now, Sir, few will contend that the economy of India as a whole has been running down or has often been stationary during the last two years. Despite what certain hon. Members have said—I think it was Dr. Radha Kumud Mookerji—foodgrain production in 1952-53 was about 5 million tons higher than in the previous year, and probably about 3 million tons higher than in the year preceding that. Industrial production rose from an average of—this is an index number—105.2 in 1950 to 117.2 in 1951, to 128.5 in 1952, rising further to a level of 132.6 for the first quarter of 1953. Therefore, for the economy as a whole, the problem, so far as one can see, is not so much one of declining employment opportunities as one of a lack of adequate expansion relatively to the increase in the labour force coming on to the market.

DR. RADHA KUMUD MOOKERJI: Sir, I referred to the standard of production and not to

SHRI C. D. DESHMUKH: I am sorry, Sir, if we are at cross purposes.

My purpose is to show that the total production has increased, and therefore, *pari passu* the total employment opportunities must have increased. And the point I am making is that they have not increased sufficiently to absorb all the job-seekers that are coming on to the market.

DR. RADHA KUMUD MUKERJEE: Why is the cost of living rising more-and more?

SHRI C. D. DESHMUKH: Sir, this is going to be an interrogation that will disturb the thread of my argument. I submit that what I say is important.

SHRI C. G. K. REDDY: Yes, yes.

SHRI C. D. DESHMUKH: Now, Sir, I do not deny that there has been some ebbing of demand in certain lines, and that undoubtedly is an aspect of the problem which we must take note of. But it is no less important to keep before our minds the overall situation. Now, as also for many years to come, the central problem of our economy would be to see how best employment opportunities could be increased rapidly so as to absorb the large labour supply available. That is common ground. We would also have to add substantially to the volume of production and economic activity. This is all as regards facts.

Now as regards the diagnosis, one thing to be remembered is that this problem, in its long-term aspect or in its more permanent aspect, is **not** with us here and now today. One has short memories. The public has short memories.

SHRI P. SUNDARAYYA: Not at all.

SHRI C. D. DESHMUKH: Well, some people are unable to forget and forgive. But I am referring to the fact that since the beginning of the war there has been a great deal of what was bound to be spurious expansion in employment, and therefore, we are now reverting to the state of affairs that existed, certainly

[Shri C. D. Deshmukh.] in very acute form, just before the war. Secondly, Sir, to say that the problem of unemployment is a problem of poverty, it seems to me, is to argue in a circle. The real problem is our inability to utilise our resources to the optimum extent. Resources, Sir, become employable only subject to the removal of certain limitations, and not all of these limitations can be removed at our discretion or simultaneously. And that in essence is the core of what I call the long-term unemployment problem. Now, Sir, if our facts are not complete, and their inter-connection is not fully understood, then the diagnosis must necessarily be tentative. Translated into practical terms, this means that it is necessary to be particularly watchful in regard to new trends and to keep on checking and rechecking our working hypothesis. I shall have to revert later to this question of the criteria in terms of which we must work out our employment policy. So far as we can diagnose the situation at present the recent accentuation—I now come to the short-term aspect—of urban employment would seem to be due to the following factors: One is, as I have already stated before, the disappearance of the inflationary conditions which began in 1939 and assumed a more accentuated form after the end of the war. The disappearance of this started since the beginning of 1952 partly as a result of domestic policy and partly as a result of the operation of various international factors. Connected with this is the adverse movement in the terms of trade in the last two years. Now, in simple terms, this means that we have to export much more or increasingly in order to obtain the same volume of imports. In other words, that brings us to the next reason, i.e. our exports are finding it increasingly difficult to find markets outside. What is the reason? The reason is the high cost structure of certain industries or units which had been built up as a result of the inflationary factors which were in operation during

the last thirteen years and the need to retrench and rationalise by way of adjustment to this transition from a sellers' to a buyers' market. I should like to observe here that, if we fail to do so, we do so at our peril. Then, there are subsidiary reasons like the growing urbanisation which, I think, was encouraged by the rationing systems which were in perfect operation in most of the industrial towns in a large number of areas and the large increase in the number of educated men seeking employment. I think it has been stated that during the last five years the number of matriculates and graduates has almost doubled. Then, there are psychological factors which are difficult to measure but which are important nevertheless. There is a general transition from a sellers' to a buyers' market with the general bearish psychology based on the short-fall in prices in 1952 which naturally has reacted with varying degrees of adverseness on private investment for the time being.

Now, Sir, hon. Members will ask—and they have asked—why the employment situation should have taken an adverse turn while the Plan is being implemented. The answer to this question is two-fold. Firstly, the implementation of the Plan in the first two years has necessarily been at a relatively low rate. The Plan had already started operation when the Planning Commission was called into being and it had proceeded for nearly two years before the final version of the Report was brought in. Over the two years 1951—53, the expenditure in the public sector was only about 30 per cent, of the total, instead of 40 per cent, as envisaged. Secondly, there has been a change in world conditions and here we come to factors over which we had no control and which could not have been foretold. There has been a change in world condition and as I have said, a general change-over from a sellers' to a buyers' market. Now, it was not entirely unexpected that in the first

two years the rate of development expenditure under the Plan would be comparatively low. Some of the schemes like the Community Projects—very important schemes—were introduced in the Plan at a late stage, and in some areas the necessary administrative machinery for implementing the Plan to the full extent has not been built up and is not available. In certain States, for example, in the sphere of social services like education and health, progress has been slow for lack of trained personnel, and it takes some time to train personnel. So, while it is true that in the first two years of the Plan the development expenditure has been stepped up progressively and that in the current year it is expected to be something like 78 per cent, higher than in 1950-51, the position on the whole is that the Plan has only just started to gather momentum, and therefore the full impact of the Plan on employment has yet to come. In the current year, as the House is aware, the development expenditure of the Centre and the States together will be over Rs. 400 crores. Next year it will have to be stepped up by another Rs. 100 crores, that is to say, without taking into account the readjusted Plan, to a level of Rs. 500 crores, and some further stepping up will be necessary in the year after. So, it is necessary to keep in mind this phasing of the plan of expenditure while appraising the Plan as a whole and indulging in a mood of defeatism.

Now, Sir, there has been a distinct change in the economic climate in this country as well as abroad since the Plan was prepared. I think that even the most hostile critics of the Plan might be prepared to admit this. The major problem at the time the Plan was formulated was to see how best investment could be stepped up without accentuating the existing inflation. The accent of policy under those conditions was to combat or eliminate the inflationary pressures and in this, Sir, we have fully succeeded. The need now, it is recognised, is to shift

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the stress to investment and employment. The disinflationary policy adopted in 1951 has on the whole, it has been recognised the world over, I think, had very beneficial effects on the economy of the country. On the one hand, there has been a substantial increase, as I have already stated, in agricultural and industrial production. On the other hand, the money supply has been steady or has fallen slightly over the last twelve months. I think it has fallen by about Rs. 28 to Rs. 30 crores. The economic climate is on the whole in much better balance than it was one and a half or two years ago. Altogether, therefore, the stage is set and conditions are more favourable now for a more intensive effort at development. When the Plan was first formulated, the change that has now taken place in the world economic conditions, could not have been foreseen, although the trends might have been known. No one could predict for instance that the world wheat situation would alter so radically in such a short time. The changes now taking place in the rearmament programmes of major countries or in their stock-piling programmes are also developments to which adjustments have to be made from time to time as the situation clarifies. Now, considering the increase in domestic production and the outlook of world supplies, one could say today that the stage has arrived when investment in the economy could well be stepped up to a level higher than what was contemplated or has materialised so far.

Now, coming to the various remedies suggested, Mr. Mazumdar has asked various questions. I had better deal with them straightaway. Are we going to give free rations and spend Rs. 50 crores on this? The answer is, 'No.' Are we going to compulsorily retain the profits of British enterprises here? The answer again is, "No." Are we going to stop retrenchment altogether? I say, "No" subject to what I am going to say. Now, my reason for giving these categorical answers is this, that these

[Shri C. D. Deshmukh.] remedies will only take away the symptoms and will not solve the problem of unemployment.

SHRI S. N. MAZUMDAR: Take away the intensity of the disease and then come to the radical cure.

SHRI C. D. DESHMUKH: Sir, they will have the opportunity of replying to this. There is no reason why they should take up my time.

SHRI S. N. MAZUMDAR: I am afraid that no time will be left by you.

SHRI C. D. DESHMUKH: They are very anxious to get this off their chest. Sir, I sincerely believe that the remedies that they have suggested will only aggravate the problem in the long-run. They are like distributing poverty because they are all unproductive and likely to be regarded as political, although I do not regard them as such. I think they are shortsighted. Now, Sir, the other remedies suggested were ban on imports, and promotion of swadeshi as suggested by businessmen as well as by several hon. Members here, then encouragement of cottage and small scale industries, then land distribution, construction of roads, education, social services etc. In the other House somebody suggested the abolition of capitalism as a capital remedy for this disease. Then confiscation of British capital has been suggested. Reduction of prices in the cost and revival of food subsidies is a remedy that seems to find favour in certain quarters. Then there are even suggestions for the scaling down of expenditure in the public sector so as to release resources for the private sector and then there is some reference to austerity measures.

Now, before I take up the discussion of some of these—and it may not be possible for me to deal with all of these—some of it will be covered indirectly by what I am going to say,

I should like to refer to the letter to> the State Governments which the Planning Commission has already issued. I have heard another criticism that these are only suggestions and that there is no specific way of implementation that has been indicated. I would submit that this criticism is premature. We expect answers from the States working out in detail some of the programmes that have been suggested and giving an indication of the cost involved. Then it will be for the Central Government to consider how best such of the schemes as appear to be practicable and likely to be effective could be financed. The Planning Commission has issued follow-up letters in regard to each suggestion giving some guidance and ■ directive in the matter. Then reference has already been made, I think either by me or by my colleague, to certain plans for establishing an Industrial Development Corporation. Then there is this question of State Finance Corporations and an examination of any difficulties that might be coming in the way of their establishment. A scheme for the spread of education which is intensely labour intensive has already been sent, worked out in detail, together with an indication of the division of financial liability to all the States.

Now, Sir, I had better deal with the fundamental issue, i.e., this question of abolition of capitalism as a remedy for the relief of unemployment. In other words, the feasibility of what has been called the mixed economy approach which has been adopted by the Planning Commission, and on its recommendation, by the Governments, has been questioned. The argument is that unemployment arises because the private sector is not playing its part and will not do so. The remedy, it is suggested, is to abolish capitalism. I would like to state in this connection that the concept of mixed economy in which the public and private sectors would operate side by side has been accepted;

by the Government After full consideration of the pros and cons and yesterday I had occasion to remark in some other connection that this really involves a judgment as regards human capacity and human ability to subject the community to various kinds of control and discipline. Now, Sir, whatever may be the merits of capitalism and socialism and that is what it amounts to here, a wholesale alteration in the economic system cannot be made overnight. That I think must be conceded by the most ardent advocates of socialism. It is also—and that is the Government's view—not desirable to have a completely monolithic structure, so to speak, in which all the crucial decisions will have to be made by the State because in the ultimate analysis, the decisions of the State will mean decisions taken by a hierarchy of officials.

SHRI C. G. K. REDDY: Not necessarily.

SHRI C. D. DESHMUKH: Very largely, Sir.

SHRI C. G. K. REDDY: The ideology has advanced.....

(Interruption.)

SHRI C. D. DESHMUKH: In my experience of Government I find it impossible for the very thin layer at the top level to keep control over the thousand and one matters that come up for decision. The capacity of the official machinery to stall, not necessarily viciously but on account of inexperience, on account of their special attitude to things, is immense. On the other hand—and I hope the advocates of socialism will agree with me—if abolition of capitalism means a judicious expansion of the public sector, a recognition of the vital role of the State in promoting development, a narrowing of economic inequities, a social direction of investment and a cutting down of class barriers, then certainly these are the underlying objectives of the Plan as they must be the underlying objectives of

the advocates of socialism or any other—I was going to say—'leftism'. Now there is nothing very much in a name and indeed one would hope that in the not distant future we should have changed the economic structure substantially in the light of the social objectives we have in view, but it should be realized that in dealing with short-range plans, it is dangerous to change horses in midstream or, if I might alter the metaphor, to change the direction of the ship in the middle of the course, once having decided upon the goal after due consideration. It would be possible for me to elaborate this but I pass on.

Now, Sir, another issue is whether the scale of investment visualized for the public sector comes in the way of private investment. I refer to this because this suggestion has come from a very experienced and important quarter. Sir, now the view is that expenditure in the public sector should be scaled down in order to release resources for investment in the private sector. Whatever the general case for stepping up of private investment may be and we certainly admit that there is a very good case, it is difficult to see in the context of unemployment how a given amount of investment in the private sector could create more employment than the same amount of investment in the public sector. During the last year there was, as I have said earlier, a certain amount of deflation on money incomes, partly as a result of domestic policy and partly in consequence of developments abroad. Now, looking back one may argue that to some degree disinflation was, in fact, carried too far. Now, in these matters, it is rarely possible to predict and we have to readjust our sights from time to time in view of the changing trends that make themselves felt or become measureable. I should like to stress, however that investment in the public sector, at this stage and for many years to come, is of the highest importance for the development of the

[Shri C. D. Deshmukh.] country's economy. It is certain over a period of years to assist the development in the private sector and that is the important point. It is just the kind of investment which will, in course of time, expand employment opportunities in the entire economy, because in short, it is directed towards the creation of additional social capital. At the same time, Government have been directly assisting the private sector in a variety of ways—loan assistance, retention price policy, channelling of external aid etc., etc. Now, we readily admit that perhaps there is need for doing more in this respect; but that is a matter for detailed examination. However, it appears to me that the malady is not that there is over investment in the public sector, but that investment in the economy as a whole is not high enough to sustain the increasing economic activity and employment. That appears to me to be the crux of the matter. Judicious support to industries in the private sector rather than an overall change in priorities defined in the Plan or in fiscal or monetary policy would, it seems to me, meet the requirements of the case. Of the other remedies suggested, as I have already stated, doles must be rejected as economically as well as socially undesirable.

SHRI S. N. MAZUMDAR: What about putting a ceiling on profits gained by British and Indian monopoly concerns here and banning the eviction of peasants?

SHRI C. D. DESHMUKH: I cannot talk of three things in the same breath. Well, as I have said, they might even aggravate the malady. At present our old social institutions like the family and the caste provide a measure of social insurance against unemployment—it is an insurance of a kind—and the incidence of the cost is widely spread. These institutions are, we recognise, becoming less and less capable to afford the necessary protection and the State will have to

take over-increasing responsibility in this direction as the economy expands and develops. But obviously, Sir, this is a big task which can be undertaken only as the economy generates larger surpluses through increased productivity of the resources that it employs.

Then there is this suggestion that British capital should be confiscated; and there are elegant variations of it, that, the profit should be compulsorily ploughed back or that the management should be transferred to Indian nationals and so on. But I am unable to understand the implication of the last point in the present context. I am not now arguing the case for or against, in respect of this limited point; but I cannot see how change of management is going to create increased employment opportunities. Now, reverting to the main issue, to me it appears to be extremely unwise to even put out ideas of the confiscation of foreign capital, because I feel that what we need here is not so much management as capital. That is to say, everyone has recognised that all the resources that we can muster, are going to be inadequate for the development that we are planning. And certainly confiscation of the existing sources or concerns is not a very admirable way of inviting additional capital resources from outside. It is common ground that foreign capital must work within any codes that may be agreed upon and I am quite certain that that matter is in very capable hands.

I come now to the fundamental issue of how to readjust the plan and what are the criteria for a better employment policy. I should say that the three criteria, the main criteria in terms of which one should frame an employment policy are: (i) prices, (ii) measurement of the state of employment itself, and (iii) the state of foreign exchange resources.

As regards prices, in the short run, it is difficult in an under-developed economy, to increase the supply of

consumer goods which the newly employed would want. This is an economic platitude and this is what limits the rate of advance in the direction of full employment. If the increasing incomes which result from larger employment are not matched by a corresponding increase in the supply of essential goods, then the result will be inflation with all the dis-

tortious and hardships that are familiar to everybody. Therefore, Sir, in trying to provide more employment, it is necessary to keep in mind the necessity of avoiding sharp price rises. ! During the last eight or nine months, ; the index of wholesale prices has risen by 8 to 9 per cent. Ordinarily this should indicate a high level of effective demand in the economy and an increase rather than a decrease in the level of employment in that economy. But on analysis one finds that there are certain limitations of the existing series of index numbers and I think it may not be altogether safe to infer the course of action to be taken in the matter of employment merely from a reading of these series of indices over a short or over a long period of time. A considerable part of the rise in cost has been due, undoubtedly as it appears now, to seasonal factors in particular commodities. For instance there is tea. The revival of external demand has raised prices and this, incidentally, is not an unwelcome feature because it adds to our export receipts. In the last few weeks there has been, I think, a small downward trend in prices and considering the overall demand and supply situation, we might expect that in the coming months, the prices will reach a plateau—and that is an important finding so far as the Government is concerned—around a level somewhat lower than was reached in June and July of this year. Now, if one takes a long view of the matter the rise in the prices since the pre-Korean War period has been, as my colleague has already pointed out, about 3 per cent. And over the last five-year period our prices have risen much less than the prices of many other coun-

tries, including the United Kingdom and the United States of America. We use this argument only to counter the argument that our prices are rising. When we institute comparisons, we are told that these comparisons take us nowhere. That is what we also say and that is why we are countering the original argument advanced. It seems to me that Mr. Reddy exaggerated somewhat the consequences of price rises in the short run and I think that in a developing economy, a certain amount of price rise becomes inevitable, although since our ultimate objective remains the lowering of the cost structure, it is necessary to aim at a gradual lowering of prices.

Therefore, one has got to separate the short-term trends from the long-term trends. Unless there is a little rise in prices, there will not be that incentive to production which would bring about continued production which will help us to keep the cost structure low.

SHRI C. G. K. REDDY: But, it has been continuous.

SHRI C. D. DESHMUKH: It is not likely to continue.

SHRI S. MAHANTY (Orissa): May I ask one question, Sir? How has the increase in prices resulted in increase in production?

SHRI C. D. DESHMUKH: The hon. Member ought to know that in Orissa the procurement price of rice has been raised by Rs. 2 per maund in the last year or two and this year Orissa has supplied about three times more rice than it was willing to supply in previous years.

SHRI S. MAHANTY: That is because there were more rains.

MR. CHAIRMAN: He says that it is due to more rains and not to the rise in prices.

SHRI C. D. DESHMUKH: Whatever happens, he will not be prepared to give credit to Government for this.

[Shri C. D. Deshmukh.]

Now, Sir, there are many aspects of this price issue into which one cannot go but the position appears to me to be that while the picture which is sometimes drawn of prices rising rapidly and inflationary forces, by implication, gathering strength—because that would be the only cause of an anticipated continued rise in prices—'that picture, I think, Sir, is unwarranted although we recognise that there is need for caution in stimulating the demand excessively without sufficient safeguards. Now, Sir, a problem of special importance in this country is the relationship between prices and costs in the economy. If a large and continuing increase in demand is to be sustained and if our position in the export market has to be strengthened, the cost structure of the country must adjust itself to the new circumstances created by the emergence of the buyers' market. That is a vital fact. Now, up to a point, a judicious expansion of purchasing power can, under present conditions, be undertaken with good effect, but, in view of the relatively high level of prices and costs in the country, the need for ultimate reduction of costs and increasing productivity all round remains paramount.

Now, Sir, I come to the next indicator which is the balance of payments position. In 1952-53, the balance of payments left us with a sizable surplus of Rs. 55 crores and our foreign exchange position at present would permit larger imports of essential goods. To that extent, it would be safe to increase domestic investments; but, here again, there are limits which we must recognise. Part of the improvement in the balance of payments last year was of an altogether exceptional and non-recurring nature—I think it was remittance of capital by our nationals—and, as the Plan gathers further momentum, I (>eieve that import demands are bound to go up either for raw material or for essential goods. One has alio to be prepared to meet other

unforeseen developments such as sudden drought or any other untoward circumstance. A country's external account is perpetually variable; it depends not only on domestic policy but also on developments abroad. Nevertheless, in so far as we have not been drawing down our sterling balances at the rate expected, there is certainly scope for the liberal financing of domestic developments.

10 A.M.

Sir, there was some reference to the banning of imports by, I think, Shri Deokinandan. The suggestion assumes various forms and it was dealt with by my colleague but I would like to deal with it in its economic aspect. It is that we should ban or at least progressively reduce imports. Now, it is true and it is Government's policy that our aim should be to make this country more and more self-reliant. I will not say self-sufficient because I do not know of any country in the world which is self-sufficient unless it is Tongue Island or Christmas Island or some other islands, I do not know. But, Sir, an analysis of our imports at present will show that the quantity of what may be called non-essential goods which are imported is very, very small. And, in the interests of domestic development, we are, at present, protecting some forty industries and it cannot, therefore, be said that our commercial policy is determined only in terms of immediate cost differences. That, Sir, would be grossly unfair to my colleague as well as to myself; nevertheless, relative costs are an important consideration. It must also be borne in mind—and that is of immediate importance in the present context—that the banning of imports does not by itself lead to an increase in domestic output. It might merely create monopoly profits for the favoured producers.

Then, Sir, in regard to essential imports like food, we are at present in the happy position of being able to reduce our demands from abroad.

But, one must have it always at the back of one's mind that more employment means greater demand for food, and here I join issue with Shri Kishen Chand that there is infinite room for austerity in a country run under a democratic constitution. As the development outlay increases, larger quantities of food might have to be imported. In any case, I think it is necessary before we re-adjust our plans, to be prepared to import food as and when required. Similarly, Sir, we shall need more capital goods; as the economy develops, the character of our exports as well as of our imports is bound to change. This has happened in the case of all countries in regard to their development and they themselves have had to adapt themselves to changing conditions. As industrialisation progressed in areas hitherto undeveloped, those other countries had to switch over to capital goods—from the simpler types of goods at first which they sold to the more complex types. Now, it is in the light of these more fundamental considerations that our export and import policy has to be framed.

Now, Sir, I come to the question of the adjustment in the Plan. Now, there is a certain conflict between the short-term remedies and the long-term solution of the problem of unemployment. Short-term remedies I even amount to providing work irrespective of whether it is productive or unproductive and, to that extent, one might say that owing to a concatenation of circumstances one has to lower the efficiency co-efficient of our Plan. Now, these certainly have a place; for work, even if it is not fully productive, is, in our opinion, better than idles or acute discontent or frustration. Nevertheless, Sir, short-term remedies which come in the way of a satisfactory implementation of a long-term solution must be eschewed. I admit, Sir, that the choice is difficult and there is need for keeping a balance between these competing or conflicting considerations. Here, therefore, I do support the plea that was

put forward by Dr. Radha Kumud Mookerji that what we want is increased work and increased production.

Now, Sir, therefore, all the considerations that I have put forward suggest that whatever measures we take for improving the employment situation must be fitted generally into the structure of the Plan. Over a period, the Plan, and the continuation of such plans for successive periods—some hon. Member referred to ten years; I might go even further and say that we must have a succession of plans—is the answer to the problem of unemployment. The Planning Commission is at present considering what adjustments have to be made in the Plan in view of the present employment or unemployment trends. It is proposed, for instance, to increase the provision for minor irrigation. It is also intended to substitute some of the existing schemes—and that refers to scrapping which an hon. Member mentioned—which will immediately provide considerable employment in the rural areas for the educated. That is to say, we are proposing to replace some of the existing schemes by new ones. Training schemes for certain classes are also being prepared. The Planning Commission has written to the State Governments indicating the directions in which the Plan could be expanded or adjusted. This is a series of follow-up letters to which I have referred and it is hoped that decisions would be taken in about a month's time after discussions in the National Development Council which is due to meet early next month. The need at the present moment is therefore to concentrate on the fullest possible implementation of the Plan, and our motto has to be "full steam ahead", even if it means some increase in the total expenditure envisaged under the Plan. It is through such adaptations of the Plan that we can take care both of the long-term as well as the short-term aspects of the problem of employment, or rather, as we have put it in the amendment.

[Shri C. D. Deshmukh.] "of increasing the employment opportunities."

Lastly, Sir, I should like to close with a message to the public that whatever we may provide for a plan, no implementation will be complete unless one revises one's attitude towards work and I find that in this country somehow a spirit of despondency is growing in certain sectors and is actively encouraged which has the result of reducing this zest for work. Hon. Members might be able to recall the mantra in Rig Veda

Samhit* "qKf^T srfRHTWTT fV^ I " meaning that on whichever object you fix your mind you can only get it by endeavour and, Sir, it is this purposeful endeavour that I urge and advocate with all the sincerity at my command.

SHRI P. SUNDARAYYA: Mr. Chairman, Sir, I rise to answer to this debate with great sorrow because when we ask for bread what the Government proposes is to continue its policy of giving stones. For every concrete suggestion made for the relief of the unemployed and for relief of the people who are starving, the categorical answer given by the Finance Minister is, "No".

It is not for us to get angry on the floor of the House. It is for the people, the hundreds and millions of masses who are suffering and who are unemployed, it is for them in their anger and in their hatred against this Government which keeps on this kind of unemployment and starvation to storm the bastions of reaction. Then only the Government, I think, will come out of their complacency.

Sir, when I opened the debate I accused the Government that they are fiddling like Nero when Rome is burning. I accused them of criminal complicity but the three Ministers who replied have not done anything to Qisprove it. In fact it has gone to confirm it. I take one after another tne speeches of the various Ministers.

deal with unemploy- 5202*.
merit, etc.

I shall first deal with the speech of the Minister of Agriculture. He gave a picture of two hundred million acres sown, and said that five million tons of extra food was produced last year more than the year before, and that naturally we reduced the imports. "Then we have calculated that the deficit will be less and less and in the ration shops which we have provided, the offtake of ration is becoming less and less which shows a-picture of prosperity. People have got plenty. That is why you need not have more imports. That is why you need not have more ration shops and that is why we need not increase even the rations. Therefore everything is all right." This is the picture which he painted. I should like to-remind the Minister concerned that we are a population of 360 million^ and to give full food for everybody we require 90 million tons whereas even with this increased production' you don't have even including the-oil-seeds, the various dais and cereals more than 60 million tons which means that one-third of our population is starving completely without food or all our people are starving to the extent of one-third and still the-Government is so complacent that it says that nothing need be worried at all.

Then I come to Shri T. T. Krishna-machari's arguments about the quantum of unemployment. "While the quantum of unemployment may not be large, while no additional percentage of unemployment has been there it has been existing always. It is only because of our effort to solve this unemployment that there is so much talk of unemployment." So everything is all right according to him. There is more unemployment today and the people are becoming vociferous because we are trying to solve it. If this is not complacency what else is it? Another queer argument is brought by Mr. T. T. Krish-namachari, "We have increased the foodstuffs by five million tons and therefore there should be naturally no-..

unemployment. At least there should have been reduction in unemployment." What a queer and strange argument! If at all, the increased production of foodstuffs as an argument can be advanced for the reduction in the unemployment, then America which has got so much foodstuffs—enough for them and to spare for other countries—should be a country where there should be no unemployment whatsoever, but that is not the case. Even the statisticians of the American Government say that there are millions of unemployed in America also. Therefore that argument that because they produced five million tons extra there has been a reduction in unemployment is totally a false argument.

Then I come to the argument of our Finance Minister. He devoted nearly three-quarters of an hour and more and gave his interpretatio

n on many aspects of the economic situation in the country and within the short time at my disposal I cannot enter into any arguments. I agree with him when he says that the problem is to solve unemployment, to cure the economic malady from which our country is suffering; to do this we have to utilise our resources and only to the extent that we are capable of utilising fully our resources we will ultimately be able to solve the question of unemployment. It is exactly for this reason that we have also suggested measures which he has rejected as short-sighted. He says, "There are limitations under which we are working—limitations which we cannot remove at all." What are those limitations which we cannot remove at all? If he is going to give only this answer for ever then in his scheme of things unemployment is bound to continue till eternity. Let me analyse what are the limitations due to and why this unemployment situation has come to stay in this country. It is because the foreign imperialists dominated our country and prevented us from utilising all our resources. And now when we suggest remedies, even now

after six years of independence, why not take steps to confiscate the British capital? They have taken away many times what they have invested, if they have ever invested at all in our country.

DR. SHRIMATI SEETA PARMANAND (Madhya Pradesh): That would be licensing brigandage and banditry.

SHRI P. SUNDARAYYA: It is far better to license such brigandage and banditry than to allow our starving millions to go on starving.

So among the limitations that are-to be removed one is the limitation of foreign capitalist domination.

He used another argument. "The situation in our country becomes so> bad because our exports are facing a critical situation. We cannot increase our exports and as long as we cannot increase our exports we are going to-suffer from under-employment and unemployment. Today our exports are falling because there is the high cost of production and our cost of production should be reduced." Of course, he has not said it openly in this House. But to reduce the cost of production we know the proverbial remedy which he and his colleagues always hold and that is either the re-

j duction in wages or increasing the prices keeping the wages as they are. That means that on this question of fighting unemployment and starvation
1 the solution of the hon. the Finance Minister on behalf of the Government is to increase our exports and fur-
j ther to reduce the cost of production.

(Time bell rings.)

They have taken two hours. You have given me ten minutes. How | can I put forth all my arguments?

MR. CHAIRMAN: But Mr. Sunda-I rayya, specially to accommodate you all I gave this additional two hours. I do not think we can allow the work of the House to suffer. You must stop, I am sorry.

SHRI P. SUNDARAYYA: Even then, Sir, how many more minutes have I got?

MR. CHAIRMAN: You have no more minutes.

SHRI P. SUNDARAYYA: In fact, we began the debate only from 8-20.

MR. CHAIRMAN: I have taken in to account the two minutes provided for the short notice question. And they know all the arguments. Don't you?

SHRI S. N. MAZUMDAR: The arguments of the Government are also well-known.

(Interruptions.)

SHRI P. SUNDARAYYA: Sir, I would like you to give me two more minutes.

MR. CHAIRMAN: Just two minutes? All right.

SHRI P. SUNDARAYYA: Sir, the picture which he gives is one of increasing the exports, which is no solution whatsoever. Why don't we increase the purchasing power of our own people? Whatever we produce, why don't we think in terms of consuming it in our country? Their economy is not planned on that basis, and as such they are never going to solve the problem. Then, for every suggestion we give, the categorical answer is 'no'. When we asked them for Rs. 50 crores for free rations and for unemployment relief, he said 'no'. When I asked him, 'Are you going to stop retrenchment and evictions', his answer was again 'no'.

SHRI C. D. DESHMUKH: I did not say that.

SHRI P. SUNDARAYYA: Yes, subject to some limitations. We know what those limitations are. Practically it will mean that the Government is not going to do anything to stop retrenchment and evictions. Then we

asked him: 'Are you going to take over the stocks of handloom cloth? Are you prepared to take over those stocks and sell them so that the cottage industry could be subsidised?' For this also the categorical answer was 'no'. Similarly whenever we ask other questions, the categorical answer is 'no'. How many decades you want to solve this unemployment problem? How many centuries will you want?

SHRI C. D. DESHMUKH: Ten years.

SHRI P. SUNDARAYYA: You have already had six years and from the way in which you are proceeding, I am sure even if ten more years were allowed to you, you would not be able to solve the problem of unemployment, but you will starve millions and millions more to death. You don't deserve even a single moment of respite and the people will remember that when they demanded unemployment relief, they got stones from the Government and they will see that this Government have no right to exist. The earlier they go the better.

MR. CHAIRMAN: We now take up the Estate Duty Bill.

THE ESTATE DUTY BILL, 1953— *continued.*

MR. CHAIRMAN: Clause by clause consideration. Clause 41. There is an amendment to this by Shri J. R. Kapoor.

PETITIONS COMMITTEE'S REPORT (ESTATE DUTY BILL)

[MR. DEPUTY CHAIRMAN in the Chair]

SHRI J. R. KAPOOR (Uttar Pradesh): May I, Sir, first present the Report?

MR. DEPUTY CHAIRMAN: Yes.