

**THE BUDGET (GENERAL), 1953-54—  
GENERAL DISCUSSION—continued.**

DR. K. L. SHRIMALI (Rajasthan) : Sir, before the House adjourned yesterday, I was referring to certain significant trends in our Education Budget, and I drew the attention of the House to some of the important work being done in the field of basic education. The Budget shows, that that work will be continued during this year also. Since the introduction of basic education there has been a lot of confusion with regard to the methods and objectives of the scheme. It is, therefore, proper that the Ministry of Education should organise, with the collaboration of the State Governments, pilot projects in different States. When these projects have been successfully worked out, and when the necessary number of teachers required for mass education have been trained, we shall have prepared the ground for launching schemes of basic education on a mass scale. It is therefore very gratifying that the Government have undertaken these pilot projects.

With regard to secondary education, some Member's raised objections with regard to the appointment of the Secondary Education Commission. They said that the University Commission, was appointed some time back and there was no need for the appointment of a Secondary Education Commission.

DR. SHRIMATI SEETA PARMA-NAND: The suggestion was that it should have been done at the same time by a committee which could have been attached to that Commission. That was the objection. It was not to the appointment of the Commission.

DR. K. L. SHRIMALI: It was for that very reason that another Commission was necessary. There has been a complaint all over the country that secondary education is dominated by the universities. Therefore another Commission was necessary to examine and to make a survey of

the whole field of secondary education and to suggest remedies for the existing defects in our educational system. The Commission is already doing its work, and when the report is published, we shall see that there was a need for such a commission. As it is, our secondary education is a single track system. When our children proceed from the academic high schools to the universities, there is no diversification of courses, and a large number of our youths who proceed to the universities feel frustrated as they have no openings. It is high time that we reorganised our secondary education. And, as I pointed out yesterday, though secondary education is a State subject, it is the duty of the Central Government to co-ordinate the systems that exist in the different States. At present there are varying standards in different States. and we have certain problems which are common to the whole country. It was therefore essential to go into the whole problem of secondary education and suggest remedies so that we might be able to have a system which will enable the products of these secondary schools to become efficient citizens on completion of their education.

Now, with regard to university education, it is true that two years back the University Commission submitted its report and the Government have not been able on account of financial reasons to implement most of its recommendations. But it is gratifying that the Government have decided to appoint a University Grants Commission and they have provided a sum of Rs. 1 lakh for this Commission. We hope that the Commission will start work shortly and will not only co-ordinate the work of different universities but will also to some extent minimise the wastage that is going on in our universities. We have to raise our standards with these limited resources and limited funds placed at the disposal. It is also hoped that in future more funds will be placed at the disposal of the University Grants Commission so that our universities may be able to raise their academic

1 Dr. K. L. Shrimali.1 •

standards. It is very unfortunate that our universities today are not centres of research. A large number of professors who should have stayed in the universities carrying on research and guiding studies are today driven to business or to administration because they provide better salaries. We cannot attract first-rate talent by giving third-rate salaries. This is very obvious, and the Government of India, I hope, will soon place more funds at the disposal of the University Grants Commission so that the recommendations of the University Commission can be implemented.

As regards scientific and technical education, the Government of India are trying to implement the recommendations of the Scientific Manpower Committee. They have made a grant of Rs. 44,20,000 to engineering and technological institutions, and there is a grant of Rs. 88 lakhs to universities and institutions for development of scientific and technical research. There is another additional grant of Rs. 9 lakhs for the award of practical training stipends, and another grant of Rs. 8 lakhs for research training scholarships. It will thus be seen that the Government are fully aware of their responsibilities not only in the field of basic education and secondary education but also in the university, as well as in technical education. This year a large number of grants have been provided for the development of cultural activities. A sum of Rs. 2,50,000 has been provided for the propagation of the Hindi language. This was a long-felt need. Having accepted Hindi as the official language of our State, it is necessary to propagate Hindi and produce suitable textbooks and literature so that it may take its due place and become a truly national language. The Government have also provided for the establishment of an Indian Academy of Dance, Drama and Music and of a National Art Gallery as well as an Indian Academy of Arts and an Indian Academy of Letters. When all these Academies are established, I

am sure that we shall have taken the first step towards preserving our cultural heritage. When we look at these various activities of the Ministry of Education—the pilot projects for basic education, the appointment of the Secondary Education Commission, the appointment of the University Grants Commission, the establishment of various Academies of Arts and Letters, etc.—I do feel that in spite of the criticism that has been made by the Opposition parties, the Ministry of Education will have laid a solid foundation for our new democracy.

There are however one or two suggestions which I should like to make with regard to this Budget. The Budgets of the State Governments, will indicate that there are great disparities between different States in the provision of educational facilities. The Planning Commission had accepted the principle that as far as possible serious inequalities in the States should be removed and for the removal of these, the Central Government have to take some steps. Now if we look at the grants of the Ministry of Education to various States, we find that Madras gets 4 lakhs and 40 thousand rupees, Bombay gets Rs. 77,000, West Bengal gets Rs. 63,80,000 and U.P. gets Rs. 40,81,000. There is no provision for any grants for the poorer States like Rajasthan, Bihar and Orissa and various other States. They are still educationally very backward States, but in order that we might be able to develop our country as a whole, it is necessary that the level of education should be raised in these backward States also. If we do not do this, then the States which are already well advanced, will continue to advance and the States which are backward will become more backward. We do not want to apply the principle here that the poor should become poorer and the rich should become richer. It is, therefore, necessary, Sir, to examine these grants a little more carefully and see that the States which are financially handicapped, the States which have been backward in the past, are also brought to the same level. This,

I think, is the primary task of the Central Government.

In the field of technology and research also, we find the same kind of disparity. Most of the grants are divided among three or four major States and nothing is left for really backward States. In order therefore that these backward States may also progress, it is necessary that some grants should be made to these States also.

With regard to the implementation of the schemes of intensive development, also some of the States have found it difficult to contribute their part of expenditure for working out the schemes, with the result that all the grants to which they were entitled have lapsed. This is, Sir, a very serious State of affairs. The grants are made to the State Governments in order that they might work out the schemes of basic education. But as they are not in a position to contribute their quota, the grants to which they are entitled also lapse. If this state of affairs continues, I am certain that the backward States will never be able to advance. I therefore strongly recommend to the Finance Ministry that more grants should be made available to the really backward States.

There is one more point to which I wish to refer. It has been remarked by some Members on the opposite benches that Government are not sincere about seeking co-operation from the various parties. The Government have extended their hand of co-operation for working out the Five Year Plan. The Government are also keen to push forward the Five Year Plan as will be seen from all the social welfare activities which the Government of India are organizing. But if the misguided people are not willing to cooperate with us, the Government will still carry on and push forward the Five Year Plan. I can understand those people who have a different ideology, and who do not believe in constructive work, opposing the constructive schemes of the Government. But

I cannot understand people, belonging to the parties which have more or less a similar approach as that of the Congress Party, opposing the constructive schemes of the Government. I do hope, Sir, that good sense will prevail, and we shall be able, with the co-operation of the people, to push forward the Five Year Plan and lay the foundation for true democracy in our country. Thank you, Sir.

SHRI H. N. KUNZRU (Uttar Pradesh): Mr. Chairman, I should like to say a word or two about the Budget for 1951-52 before I consider the Budget Estimates for the coming year. Sir, the Budget Estimates for the year 1951-52 provided for a surplus of about 26 crores. The Revised Estimates show that a surplus of about 92½ crores was expected. But the actual surplus amounts to 128 crores. The discrepancy between the Budget Estimate and the revised figures was explained by the Finance Minister as being due to the extraordinary buoyancy of the receipts from customs. I suppose what he meant was that the increase in the customs revenue had been due largely to the unexpected yield from the jute duty. But the Revised Estimate of the surplus was based on the actual figures for nine or ten months. How is it that there is a discrepancy of Rs. 36 crores on the figures of two or three months only? When the Revised Estimate for 1951-52 was placed before the legislature, it could be understood that on account of the uncertainty of the position, the estimate originally framed by the Government might prove to be wide of the mark, but I cannot understand how the estimates for the remaining two or three months of the year 1952 fell short by Rs. 36 crores of the real surplus. I hope that my hon. friend, the Finance Minister, will throw some light on the matter.

Now, I shall deal with some Doints raised by the Budget for 1953-54. The Finance Minister has told us in his Budget speech that the expected payment of an instalment of Rs. 9 crores by Pakistan in repayment of the debt;

[Shri H. N. Kunzru.] that it owes to India has not been realised. Undeterred by this, he has provided for the payment of two instalments in the next Budget. I should like to know whether there is any chance of any conference being held between Indian and Pakistan representatives to discuss this matter. We do not even know as yet what the total amount owed by Pakistan to India is. We had, before India became independent, a publication known as the "Finance and Revenue Accounts of India", which gave figures not merely with regard to the income and expenditure of the Central Government but also with regard to the budgetary position of the provincial Governments. I think the last issue of this publication was for the year 1946-47. Since then, no such issue has appeared, because the liabilities of Pakistan towards India have not yet been finally determined. I have no doubt that this matter is constantly engaging the attention of the Finance Minister and the Government of India, but I think we are entitled to have some information on this subject. The repayment of its debt to India by Pakistan does not concern the Government of India alone, but it concerns Parliament and the people also. If the Finance Minister has nothing to say on this subject, and all that he can say on this he has already stated, let him just say that much, so that we may know what the exact position is. He should not maintain any silence about it.

The most important question that the Budget raises relates to the manner in which the difference between the total receipts and the disbursements has to be made by the Government of India. I think the Finance Minister has told us in his speech that there would be a deficit of Rs. 150 crores at the end of next year, and that he proposes to raise a loan of about Rs. 110 crores. I am not against the principle of an unbalanced Budget if the money is to be used for productive purposes and is expected to yield a fairly quick return, but one

would like to know before accepting the resort practically to the creation of new money, what the entire deficit is likely to be. The Planning Commission has told us that the gap between our resources and our expenditure in regard to the Five Year Plan would be about Rs. 655 crores. This is based on the assumption that all the parties concerned would fulfil the responsibilities allotted to them. The Finance Minister has said in his Budget speech that he can assure us that the Centre will be able to fulfil the obligations laid upon it in the Five Year Plan, but in regard to the States he said:

"I am sure that the State Governments are also animated by the same purpose....."

—i.e., as the Central Government—

".....although I fear that some of them have not shown the necessary determination, matching their keenness, in raising the resources expected from them after full consultation."

The Planning Commission has made the following remarks on this subject in its report:

"From a preliminary review of the working of the State Plans for 1951-52 and the budgets of the State Governments for 1952-53, it would appear that the task of organising finances to the pattern required for implementing the Plan has, by and large, yet to begin at the State end. The revenues of State Governments have been rising over the last two years, but expenditures outside the State Plans have been more than absorbing these increases....."

There is a clear difference between what the Planning Commission has said and what the Finance Minister has said. What is this difference due to? Is it due only to the Finance Minister's innate courtesy and sense of expediency or does it correspond to facts? If the situation has

improved since the Commission's report was published, we should be told so. It would be most welcome news for all of us but I am afraid that the Finance Minister has given greater consideration to the susceptibilities of the States than to the realities of the situation. Coming to a few details on the subject, the States are expected to meet an expenditure of about Rs. 408 crores out of their revenues. As no information has been given to us with regard to the amounts already spent by them out of the revenues and the amount that they are expected to save on revenue account in order to meet their further obligations, I cannot say what their surpluses are expected to be in the course of 5 years but taking the figure of Rs. 408 crores, I can break it up into its constituent elements in this way. The States will be helped by the Centre to the extent of Rs. 229 crores or say, Rs. 230 crores to meet this expenditure. The States will therefore have to find about Rs. 178 crores out of their revenues. Now are they expected to be in a position to lay by so much or to spend out of their revenues every year to the desired extent? I am afraid that though the States are keen on their developments, they are not extending that co-operation to the Central Government that is necessary for the fulfilment of the Five Year Plan. I hope I am doing no injustice to them when I say this. This suspicion exists not merely in one or two minds but generally. It is felt rightly or wrongly and the remarks of the Planning Commission show that this suspicion is right that the States will not be able to fulfil their part and that any deficiency on their part would throw a corresponding additional burden on the Centre. Now, my hon. friend, the Finance Minister, though the author of the Five Year Plan and optimistic as a Member of the Government, can still. I am sure, take an objective view of the situation. Can he tell us after taking into account the state of things in the last two years that the States will be able to shoulder their responsibility? If

not, what would be the extra burden that the Centre will have to bear? If the Finance Minister does not like this way of putting the question to him, may I put it to him in a different way? It always happens in all human concerns that our expectations are not realized and it is quite possible that in respect of the States, they may not be realized because of what is happening. I throw no blame on anybody and I take the facts as they are. Looking at them, how does the Finance Minister feel? Does he think or not that the State will have to shoulder a heavier responsibility than what the Five Year Plan lays on it? If he thinks that the responsibility of the Centre will increase, can he tell us what his guess in this respect is? This is not a matter of academic interest. Before going in for deficit financing, we have the right to know what we shall be in for. If resort is had to the creation of new money. It is a matter of very great importance and I am sure, the Finance Minister will not consider it unreasonable on our part, and will, I am sure, consider it perfectly reasonable that we should be anxious to have all the information that he can give us on this subject. The consequences of any action that is taken will have to be borne by all of us, by the public at large and it is necessary, therefore, that it should know in advance how heavy its burden will be in case the expectations on which the Five Year Plan is based are not realized. Before I pass on from the problem raised by the States, I venture to make a suggestion to the Finance Minister. When Rs. 2,000 crores are going to be spent on the Five Year Plan, it is necessary that we should be given adequate information about its progress. I am not here referring to the results of the expenditure that might be incurred in the course of a year but the progress of the expenditure itself. There is, so far as I know, no publication now that enables the public to know what is the budgetary position of the States. The Government, of India publishes no documents which brings together the budgets of all the States—Parts A, B

[Shri H. N. Kunzru.]

and C. I suggest that this should be done and that it should contain full information with regard to the Five Year Plan. It should show how much expenditure has been met out of the revenues of the States, how much has been raised by way of loans and how much has been met in other ways and the publication might cover the Centre too so far as the Five Year Plan is concerned. If we have this consolidated information, we shall be in a much better position than now to know what the exact situation is and to give such thought as we can to it. The Finance Minister, the Government of India and the Planning Commission all depend on public co-operation and ask for it day in and day out. I suggest that in order to receive that co-operation they should take the earliest steps they can to give the public the fullest information with regard to the progress of the expenditure and the fulfilment of its part by each of the agents mentioned in the Plan. If along with this we can be given also an estimate of the results yielded by the expenditure, such a review would be doubly welcome, and I hope in view of the anxiety of the Government of India to see that the development expenditure turns out to be fully fruitful, that they will set up an agency which will give them full information with regard to the results achieved in the various sectors. I am not aware, Sir, whether in the Planning Commission there is any section which is in a position to control expenditure, or be able to estimate the extent to which the Plan has been realised in practice. I cannot suggest in concrete terms what exactly should be done; but broadly speaking, I suggest that there should be a section in the Commission—if there is **not**, as I believe—the object of which will be to scrutinise the expenditure on behalf of the Government of India and to estimate from its own observations whether the expenditure has yielded a commensurate result.

Sir, the next point that I should like to refer to in this connection is the res-

possibility of the Railways for finding Rs. 320 crores in five years for their development programme. It seems to me from the fall in the Railway revenues that the Railways may not be able to meet this obligation. When the Plan was framed, the position of the Railways was much better. I think in 1951-52 the surplus on the Railways was a little over Rs. 28 crores. The situation has changed greatly since then, as the Finance Minister knows and he must have taken this situation into account, a situation which is expected to last—at least by the Railway Ministry—till the end of the year 1953-54, and have estimated what should be done in case the Railways are unable to provide all the money required, that is, all this sum of Rs. 320 crores which they are required to set aside, to take out of their resources, for the completion of their development programme. I shall be very happy if the Railways .....

(.Time bell rings.)

SHRI H. N. KUNZRU: Is my time over?

MB. CHAIRMAN: Just a minute or two more.

SHRI H. N. KUNZRU: I shall give up the other points, but I would like to complete this one. Here again, I fear that the responsibility of the Centre will be heavier than it has so far been assumed to be. Can the hon. Finance Minister, taking all these into consideration tell us what his view is of the future burden that will have to be borne by the Centre? It is only when we have this information that we shall be in a position to know how much we shall have to do in order to fulfil the Plan.

There is only one word more. Sir, before I sit down. If we have to meet heavier obligations and if we have even to meet the obligations laid by us in the Plan, even though we may get Rs. 290 crores out of our sterling balance, we shall have either to impose new direct taxes or new indirect taxes or both, or to create new money. Now,

what is the conclusion to which the Finance Minister has come so far? I do not say that he should tell us what exactly he proposed to do; but he should take us more into his confidence than he has done and tell us what are the various courses that might be adopted if the Plan is to be fulfilled. Apart from this, it is clear that if new money is to be injected into our financial system, we have to take very good care that inflation does not set in again. The Finance Minister is fully alive to it. He has assured us that he will carefully watch the position; but I feel, Sir, that he will be able to fulfil his duty only when the controls are strictly and fully enforced. And frankly speaking, what I fear is that though the Government of India may talk of retaining the basic controls and talk of supplying things at strategic points, their resolve to control our economy, just as they intend to control the utilisation of our financial resources, has weakened during the last few months. Prices have gone down during the last few months and along with that the prices of cereals have gone down by about 7 per cent, since February 1952. But they are still more than four times as high as they were before the war. It can, therefore, be seen that even a slight inflationary pressure may destroy all the gains that have accrued to us from the fall in prices during the last twelve months. I hope that he will be able to say something reassuring to us on this point.

MR. CHAIRMAN: It is time.

SHRI H. N. KUNZRU: Then I shall say what I have to say on other points on a later occasion. I am sorry I have not referred to my favourite subject—the military expenditure—but I recognise that the fault is mine.

DR. M. D. D. GILDER (Bombay): Sir, we medical men are bad at mathematics and the income-tax officers will tell you in what a mess our income-tax returns are. Therefore, when the discussion of the Budget commenced, I have had day-dreams of figures, figures that the hon. Finance Minister spoke of and other figures. We are to have four

days for the discussion of this Budget. Taking four hours per day, it comes to 16 hours and leaving 1 hour for the Minister to reply, it comes to 15 hours or 900 minutes. And there are 216 Members which means less than 4½ minutes for each Member. And there are 17 Ministries and so it comes to 14 seconds for each. And we have been given the items which are under the control of each Ministry and the Ministry of Education and of Natural Resources has 99 items. So it comes to one-sixth of a second for each item—not even time to say "Boo" to a goose—leave aside the Ministers.

Look at it from another point of view. We have 400 crores of revenue expenditure, we have capital expenditure, we have loans to other Governments. The total comes to over Rs. 800 crores, nearly Rs. 900 crores and we have 900 minutes to do it in and so, every minute, Sir, we are slipping a crore into the Finance Minister's pocket, whether we are talking or whether we are silent.

Whatever may be said about the Budget—and I personally do not think that it is quite as stale as the proverbial Curate's egg—there are certain points in it on which the Finance Minister deserves our congratulations. The first is the appointment of the Taxation Commission. Nobody wants to pay taxes and no local body wants to collect them even if you give them the necessary sources of revenue. They would much rather that the State Government collected the tax and, when the State Government gives it in the shape of grants, they all fight like children for lollipops. Well, Sir, I congratulate the Finance Minister and I wonder, Sir, what bait he has used to hook the gentlemen. They are men of experience, capable, of transparent honesty, of patriotism. Much has been made about one of the Members of the Commission. Maybe that he is connected with capitalistic enterprise but, I can assure the hon. House, from personal experience that we could not get a better man. But, what about another man, Sir? What about Shri Vai-

[Dr. M. D. D. Gilder.] kunth Mehta? All his life he has been connected with cottage industries and co-operation and he and his family have never used anything except products of gram *udiyog* (village industry). Surely, he represents the section that my hon. friend opposite wanted to be represented.

Sir, another point on which I wish to congratulate the hon. the Finance Minister is the courage that he has had in bringing before us a deficit budget and deficit financing. Before the war, Sir, deficit financing was regarded as almost going into bankruptcy and it was the First World War and the Second World War that taught us that deficit financing is not bankruptcy, but a way of financing properly, those enterprises the advantage of it will go to future generations. I must also congratulate him on the tax relief—whatever that be—that he has given. He has raised the limit of income-tax to save the labour of the Department. Personally I congratulate him not for saving the labour of the Department but for giving relief to the middle class men whose income is so low.

Sir from the medical point of view, he has exempted penicillin and various other drugs. I congratulate him on that too, but, I would like him to see that the benefit goes to the consumer and not to the middlemen. Then Sir, I must congratulate him also on the increase in the import duty on toilet goods for he is saving our, medical men's, work in a way by that, because, when ladies come to one with red finger nails, red lips, rouged cheeks, it is impossible to find out whether they are suffering from incipient anaemia. When these things do not come Sir, medical man's work will be made easy.

Sir, the Finance Commission has given its decision. Every State in India gains by it except Bombay and, Sir, as to how we feel, I will read a short quotation from the speech of the Finance Minister of Bombay, a former colleague of mine.

" ..... though an additional amount of Rs. 20-81 crores will be distributed. Bombay will be the only State which will be getting Rs. 35 lakhs less than what has been its share hitherto. Our reason for disappointment at this out-come will be obvious when I mention, that every other State in the whole country has got something in the form of a share of excise duty or a share of income-tax or as a grant-in-aid. On the basis of population Bombay contributes relatively more in the way of Union excise duties if consumption, on which ultimately depend receipts of such duties, is taken into consideration. We are also the largest contributors to the income-tax revenue, thanks to the ability, the resourcefulness and the industry of our people and the facilities we have provided for labour. These virtues are evidently at a discount when the wealth so contributed is being distributed among the component parts of the country; not that we grudge what is allotted to other States, particularly to those which are under-developed."

SHRI AKHTAR HUSAIN (Uttar Pradesh): I will be able to correct these figures to the extent to which they may relate to my State. U.P. has actually got Rs. 3 crores less.

SHRI B. C. GHOSE (West Bengal): So has every State.

DR. M. D. D. GILDER: The statistics which the Finance Commission has given do not show that.

Sir, one Member said that there has been famine and Government is not doing enough. We have had famine in Bombay for a number of years and we are proud that no one man has been allowed to die of starvation.

(*Interruption by Shri P. Sundarayya.*)

SHRI H. P. SAKSENA (Uttar Pradesh): That is U.P.'s claim, Sir, not Bombay's.

MR. CHAIRMAN: Strength of provincial feeling.



DR. M. D. D. GILDER: Sir, the hon. Finance Minister gave a speech in Poona, a little while ago which has raised a hornets' nest. I do not know whether the report of the speech is correct or not and I am perfectly sure that the Chief Minister, Mr Morarji Desai must have protested to the Central Cabinet and the Finance Minister, or the Prime Minister and, I hope, Sir, that the House will be enlightened as to what has happened in that connection. But, Sir, when I first saw the report of the speech, the first line that went to my mind was:

*anna hi labhupanisa, anna nibba-nagamini.*

This is the way to gain, to wealth; this is the way to *nirvana*. The hon. Minister for Finance did not forswear Sir, *nirvana* for good, but he thought that, at the present times, the way to *labh*—gain—was the better one.

Sir, I have been a hereditary prohibitionist; my father was a prohibitionist and I had the honour of introducing prohibition in Bombay during the first Congress Ministry. In Bombay, Sir, when we had the first right of speech—some sort of independent speech—the first Council after the Montague Chelmsford reforms passed a resolution appointing a Committee to enquire into prohibition. After the elections, the second Council in 1924 laid it down that prohibition was to be the policy of the Government. Of course the British Civil Servants who, as you know, were neither civil nor servants, talked with their tongues in their cheeks, and in 1930-31 when the depression set in, the excise revenue, which had been 4£ crores in 1924, went down to Rs. 3 crores, absolutely reversed that policy and tried to gain more money by further progress in the sale of liquors. When the Congress Ministry came into power in 1937, when I was there as Excise Minister, the revenue was Rs. 3 crores. It had come down from Rs. 4J crores to Rs. 3 crores when partial prohibition was brought in. Then, the Second World War was

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fought, depression had gone, inflation had come in and the revenue went up to Rs. 9 crores and the sales tax revenue was only at one crore. By a change in the incidence

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of taxation, we undertook to abolish the excise revenue and to increase the sales tax revenue. Last year the excise revenue was Rs. 1 crore and the sales tax revenue was Rs. 14 crores, and this latter made up the deficit caused by the loss of Rs. 8 crores by prohibition. I would draw the attention of the Minister to one more point and that is this. The Government of India—I do not know whether the hon. Finance Minister recollects that or is perhaps too young—had lost nine million pounds per annum by stopping our trade in opium with China, not at the behest of its own people but at the behest of public opinion in the West. That was Rs. 13£ crores per annum lost for making China sober; should we then grumble at some loss in making our own countrymen sober?

My idea in bringing this subject up is only this. At the present moment we have got in the Centre and States, Governments of the same party. We should therefore establish a convention. We have a fixed and rigid Constitution. Certain power has been given to the States, certain power is with the Centre and when the States exercise, that power or when the Centre exercises its power, there should be no misunderstanding and the Ministers should not wash each other's dirty linen in public. If such a convention were not established what would happen if we have Governments of different political complexions in the Centre and in the States? The Centre and the States should establish a convention to agree to differ and still remain friends, and as the labour people would put it, there should be no victimisation.

Sir, I had the honour to be with Mahatma Gandhi in Aga Khan's palace for over 16 months. We were liberated as you know in May 1944. Do you know, Sir, who was the instrument of our liberation? Was it Churchill? No,

[Dr. M. D. D. Gilder.] Sir. When Mahatmaji was seriously ill during the fast. Churchill sent a Member of the Executive Council of Bombay to see that Mahatmaji was properly cremated. Was it Wavell? Wavell was the more polite but he and Linlithgow were brothers under their skin. Who was it then that effected the liberation of Gandhiji? Sir. it was the mosquito that bit him, that gave him malaria, and that ultimately led to a temporary loss of memory for words and to the impairment of his renal function. Do you know. Sir. what we have today? Gandhiji's best 'cheli' who spent many years in his Ashram is coming forward today to kill all malaria mosquitoes. And when the Finance Minister did not see his way to help her, she got the help of a foreign country. In Bombay State we have seen deserted villages, abandoned maths, and people abandoning cultivable lands and going away because of malaria. Now we have been able to colonise these lands and at an expense of six or seven annas per individual per annum. It is a negligible expense and should be undertaken in the interests of the country's health. The Health Minister is to be congratulated for what she has done.

Sir, one thing more about the argument about Prohibition. It has been said that we are passing through a transition stage and should not hasten. I think. Sir, that you have met this stock argument very ably and very pithily on another occasion and you will permit me to quote you:

"It is said—though I cannot vouch for its authenticity—that the first words uttered by Adam and Eve as they stepped out of the gate in the Garden of Eden were, 'We live in times of transition!'"

If we talk about transition and postpone our programme, we shall never get there.

Sir. the hon. Minister for Health in answering a question, put by my hon. friend Mr. Valiulla, talked about what the Medical Council had stated about

homoeopathic medicine. These remarks apply equally to Ayurvedic and Unani systems of medicine. The Britishers appointed the first Surgeon-General in the reign of Queen Elizabeth I. It was one of the conditions of his employment to cut the hair of the employees of the East India Co. for the magnificent fee of a tuppence a month. He was accused of putting the same ointment in different parts and labelling it differently. He was also accused of getting from his subordinate—two months' pay per annum. Though he denied that he put the same medicine in different parts and labelled them, as if they were different medicines, he pleaded guilty to taking two months' pay from his subordinates. Were these people any better than the Vaid and Hakims of those days? And yet they stamped upon the Vaid and Hakims.

Sir, we are the children of our history. I have been in practice for more than 40 years and when I was coming downstairs from seeing a patient, I have seen a Vaid going upstairs and *vice versa* and we have refrained from putting our tongues out at each other because of the inhibitions of civilisation. Doctors have accepted drugs from China, from Egypt. Why not accept drugs from our country if they are good?

Sir, our compounders have set up in practice against us. Packet folders of Vaid have set up in practice. Some Homeopaths are trained by correspondence without ever having seen a sick bed. Are we going to allow this condition to continue in our country and if so, for how long? Let alone the people who are practising now. But in future make it a rule that nobody who has not been properly trained in an institution should be allowed to set up in practice. I would request the hon. Rajkumari Amrit Kaur to consider this matter.

*(Time bell rings.)*

Then, Sir, if you look to the Demands for Grants on page 648, there is a demand of Rs. 50,000—Grants to certain States for the establishment of

a department of social and preventive medicine. But is Rajkumariji aware that the Medical Council has deleted social medicine permanently from its curriculum?

Then, Sir, there has been a proposal before the Health Ministers' Conference—it was there during my time, and I think it was there at the last Health Ministers' Conference—to revive the superior medical service. We accused the Britishers of having a superior medical service. We talked about the disadvantages. And I am glad that State Ministers are very much against it, and I hope Rajkumariji will not follow the old British system.

If you look at page 659, there is an item—D—Public—Health—Expenses in connection with Epidemic Diseases. That is the main heading, and under that heading, the last item is "Family Planning". Is that for the prevention of an epidemic of brats?

SHRI B. C. GHOSE: Sir, this Budget, although superficially it may appear rather pedestrian, really marks the beginning of a new chapter in our economic and financial history, and, if I may say so, a progressively more difficult chapter; for it coincides with many significant events. First, the Five Year Plan has just been finalised. Second, cash balances, surpluses, buoyancy in economic activities—all these have disappeared or are disappearing. Third, deficit financing is just about to begin.

Before I come to the items of the Budget, I should like to refer very briefly to certain general things. Last year I referred to the necessity of having national income statistics and introducing social accounting. The importance of that requires no emphasis. Even the Planning Commission stated that that was an essential prerequisite to systematic planning. Last year, in the course of the General Budget discussion the Finance Minister stated that he was aware of its importance

and that Government had appointed a National Income Inquiry Committee which had already submitted its preliminary report and the final report was to be submitted in about two months' time, and, further, that a national income unit "was also associated with the Government. We do not know what has happened to the final report of the Committee. Nor do we know as to what the national income unit in the Government does. But it is high time that we introduced national accounting in the preparation of our budgets, because, as the Finance Minister should also know, in order to have any significant result it would be necessary to compare these statistics over a period of years.

Secondly, Sir, a serious shortcoming of our budgets is that they do not give us any information of the state of accounts of our public undertakings. As you know, the commercial activities of the Government are increasing every day. Parliament votes large sums of money, and it is but meet and proper that Parliament should know as to how this money is being spent and how those public undertakings are being conducted. It appears to me that it may be necessary to introduce a change in the budgetary system in order that the public may know more of how these undertakings are managed. There are many devices by which this can be done. Two methods suggest themselves to me. One was proposed by Prof. Hicks when he stated that the accounts of the administrative and the trading departments might be shown separately and then they might be combined to form an overall budget account. The second one was suggested in a publication by the League of Nations entitled "Budgetary Structure and Classification of Government Accounts". The idea was that public undertakings should generally be included in the budget on the net basis. The U. N. publication went on to say that "public undertakings should be controlled through a system of annexed budgets which set forth gross receipts and expenditure.

[Shri B. C. Ghose.] Annexed budgets can provide the flexibility required for commercial production and financial operations better than complete integration with the General Budget. The annexed budgets for public undertakings might take the form of profit and loss accounts and balance sheets."

Now, whatever the methods that the Finance Minister may choose, it is absolutely necessary that We should be given full information as to how the public undertakings are being conducted. At the present moment we do not get any information about them excepting in a few instances only.

Thirdly, I come to the Finance Commission. I join with the Finance Minister in appreciating the fine work that has been done by the Finance Commission. But I feel unhappy about two things, for which, of course, the Finance Commission bear no responsibility: First, in relation to the method of assistance to be given to the States; and second, the procedure for determination of this assistance. In relation to the first point, it appears to me that with non-elastic expenditure on the part of States it is not conducive to their interest that they should be recipients of sources of fluctuating incomes rather than have fixed grants. The question is whether assistance should be given by way of grants or by allocation. And I cannot explain this better than by quoting from what has been stated by Mrs. Hicks in her book "Public Finance Survey of India". Mrs. Hicks is the wife of Professor Hicks whom I mentioned earlier. She says:—

"There are several disadvantages from the point of view of the States in using a system of allocation of revenues from defined taxes in preference to grants derived from the central revenue pool. Above all there is uncertainty about the amount that will be available. One of the main arguments for reserving

income-taxes to the Central Government is that national Governments-can better stand fluctuations in revenue of a tax which is closely correlated to changes in national income. To transmit these fluctuations: to State revenues is to lose a large part of the benefit of centralising income-tax. A grant from the central pool has none of these disadvantages."

Secondly, the procedure established of having periodical commissions to decide upon the assistance that should be given to the States also appears to me rather unsatisfactory. There should be a system of continuous examination; instead of *ad hoc* or periodical' committees, we should have a fixed<sup>1</sup> body entrusted with certain defined' tasks. In this context it also appears to me important to ensure that there is some authority to oversee what the States are doing in order that their standards of administration may be raised. Many hon. friends have expressed the fear that we do not know even how the States are spending the money they are taking from the Centre for development purposas. Now, I do not say that a system under which the State discharges this work and the Centre oversees that work will work satisfactorily, because there may be conflict between the Centre and the State, which may be aggravated in the event of—as is likely to happen in future—the complexion of all the State Governments and of the Centre not being the same. It is therefore: necessary that this task of overseeing the activities of the States should be entrusted to some impartial body like the Commonwealth Grant Commission in Australia. It will be the purpose of that body not only to see how the States have been functioning, but also\* to satisfy itself, before granting assistance, that the States have been putting in every reasonable effort to maintain the standard of administration.

Now, coming to Budget items, the first thing that struck me was thb, I

was greatly surprised by the use of a phrase in the opening page of the Budget Statement of the Finance Minister that there was "a marked improvement", in describing the economic condition in the country. In using that phrase it appears to me that the Finance Minister was being more of a propagandist than he was being objective. Probably he felt that the statement in the President's Address, which had incidentally met heavy weather in both Houses, required to be propped up. But the prop appears to me rather weak and hollow. For what is the evidence that he produces in support of his statement? He refers us to prices that have been falling and to production that has increased. But these factors might also coincide with the onset of depression. Deflation may be brought about at a time when prices are falling and there is increased production but at the same time larger stocks accumulating with the producers. But if the Finance Minister had taken other evidence into consideration, he would have found that his contention was not quite true. For example there are indices of variable dividend industrial securities, clearing house returns, number of wagons loaded and employment—Sir, I have not the time. I have the figures here but I have not the time to quote them. These figures show that ever since March or April there has been a persistent declining trend. I saw from the January issue of the Reserve Bank bulletin—all these figures are taken from the Reserve Bank bulletins—that there has been a spurt in the December figures in certain of these items, but nevertheless, the trend is unmistakable and holds good. Therefore, I do not think that the Finance Minister was right in the submission which he had made. And although he was probably preparing his case for deficit financing, when he made a statement in Hyderabad, I had agreed then and I still agree with him that there is a deflationary trend in the country.

I would like to draw your attention, Sir, for a moment to the question of economy in administrative expenditure and that is a very important item. Last year, the Finance Minister stated that the Government was alive to the question, and that efforts were being directed to secure economy both in military and civil expenditure. This year, we find some reference to what is being done or has been done in relation to the military expenditure. But significantly enough there is no mention of the efforts in the civil side. Are we to understand that these efforts have met with very great resistance or that the Finance Minister thinks that it is not worthwhile pursuing them?

Finally, Sir. I come to rather more important questions, namely, the relation of the Budget to the Five Year Plan, on which my friend Dr. Kunzru has spoken at length and also on deficit financing. That is also related in certain ways to the first question. On both these subjects I must confess that the Finance Minister is particularly uncommunicative in his Budget statement and moreover he has drawn a shroud of mystery and seclusion over both these subjects. Taking deficit finance first, what is the extent of it that the Finance Minister calculates we may run into in the coming year? Before that it might be asked what we exactly mean by deficit financing. I am not quite sure from the Budget statement and also from what is stated in the Planning Commission's Report as to whether we are quite clear in our definition of the term. In the Budget statement the Finance Minister states that for the last two years there is an overall deficit of about 82 crores; in the coming year it will be about 140 crores. Instead of lumping the first two years together, I thought it would have been better if he had stated that there was a surplus in the first year of 1 crore and deficit in the next year of 83 crores, because that would have shown how progressively deterioration has set in. But then, when we speak of this overall deficit in those two years, we have been drawing from our cash balances. Now if you draw from

[Shri B. C. Ghose.] cash balances, is it deficit financing? I am not quite sure if it should be really called deficit financing, because if instead of budgeting for one year we had a biennial or a triennial Budget—as it could be framed quite easily—then there would have been no question of any overall deficit during the period. Deficit financing, to my mind, would appear or would come in only from the next year in relation to an amount of 110 crores for which account has been taken—under Treasury Bills. Of course, if the Government can raise loan to any extent, then to that extent the deficit finance will be reduced, *i.e.* after taking into account 100 crores which the Government expect to raise as loan for the conversion of the loan that is to be repaid. As to the success of this new loan, we could have gauged it better if the Finance Minister had given us some estimate of the holding by the Reserve Bank and governmental agencies and institutional investors of the loan that is proposed to be repaid.

Now coming to deficit financing as such apart from the extent to which it may be resorted to, there are certain differences and certain considerations that I should like to place before you. Sir, first, when we speak of deficit financing, we are contemplating the term in a different way from the manner in which it is applied in, say, advanced European countries. There, it is considered in the context of full employment and deficit financing is resorted to with a view to maintain full employment. Here deficit financing is being resorted to for the purpose of financing the Five Year Plan. It is not primarily in the context of full employment, although I do not deny that it will have effect on employment. But then, in the second place, to what extent will it have effect on employment? Only to the extent that additional expenditure may be incurred. If the amount that will be spent will be expended on work already in progress, then there is no additional employment created and therefore, it will not go to increase the employment. And I should

therefore like to know from the Finance Minister as to the portion which he expects will be applied for financing new projects because only to that extent can we say that new employment may be created.

Then another difficulty about deficit financing is that our economy is not so fully integrated as are the economies in certain advanced countries of the world. And therefore the same results may not be obtained here. Deficit financing in our country is not likely to smoothly oil the whole economic organisation. It is likely to develop pressures in certain sectors where inflation will appear and finally if inflation does appear, then the transference of money, we might say, Sir, may be from consumers to the savers and if that happens, then to that extent the economy will undergo further distortion. Therefore, Sir, I am particularly afraid about the results of deficit financing in the context of the circumstances that I have related to you. I am afraid that it may lead not only to sufferings on the part of our people but it may also upset the calculations implicit in the Plan.

Now, coming to the Plan itself, we should have liked, as Dr. Kunzru has stated, to have an idea of how much was expected to be spent, how much has been spent and what has been the result achieved. I am afraid we have not got any of those figures. On the contrary, what happens is that we are inundated from time to time with publications on what the Plan is, what it intends to do, etc. but we have not yet received even a single piece of paper describing what the Plan has achieved in relation to the objectives set forth in the Plan. The record of this Government, to my mind, appears to be too much talk and too little achievement.

SHRI C. G. K. REDDY: All talk.

SHRI B. C. GHOSE: If you analyse some of the figures implicit in the Plan, you will be greatly surprised. I will refer you to only one item. In the Plan it is estimated that the savings from current revenues of the Central

and State Governments, including the Railways, after meeting non-developmental expenditure would be Rs. 738 crores or Rs. 148 crores a year. The figures that we have got for 1951-52, the revised figures, give us for the Centre, Parts A and B States and the Railways about Rs. 120 crores. The actuals may be larger but of the actuals I have not been able to obtain the figures for Parts A and B States. If you take 1952-53, the revised figures show that instead of having Rs. 148 crores, we have *minus* Rs. 6 crores, and the position is likely to deteriorate in future years. So, in this context, how is the Plan going to be financed? I believe the Finance Minister owes an explanation to this House as to what he conceives will be the ways and means of implementing the Plan.

Sir, I do not want to say anything more except to emphasise, because my time is up, that the financial resources that will be available are likely to prove inadequate for the purpose of implementing the Plan. As a matter of fact, the Chapter on Financial Resources in the Five Year Plan has left a large number of loose ends scattered about, and I am afraid the state of the Republic as revealed in this Budget statement does not hold out any hope that they could all be gathered together into a shapely knot.

SHRI S. P. JAIN (Bombay): Sir, the Budget of the Government of India has come to acquire an additional importance. It is in this context that the Budget presented by the Finance Minister should be reviewed. Before I make any observations on the Budget speech and the proposals made by the Finance Minister, I would like to congratulate him on his bold and realistic approach to a very difficult problem. There is general satisfaction with the overall budgetary position and the Budget can be described as fairly satisfactory. I am sure the Finance Minister will have the support and sympathy of this House in the great task of managing the finances of the nation, but there are, however, certain points,

which, I believe, need constant attention. The Finance Minister has referred in his speech to the fact that industrial production during 1952 appeared satisfactory and that all-round progress has been maintained in almost all the important industries. He has, however, stated and stated rightly that it would be rash to assume that all these trends would continue in future. The industrial production has increased by 10 per cent, in the last year and all policies must now be directed to see that this increase in production is not only maintained but further increased. Though there is a change-over from the sellers' market to the buyers' market, I am convinced that our industrial economy can fulfil adequately the role allotted to it under the Five Year Plan and even to do better if certain conditions are fulfilled. There are four conditions, according to me. Firstly, industries must have access to adequate financial resources particularly for meeting overdue replacements; secondly, people must be left with enough purchasing power to buy the goods produced by Indian industries and thus provide it with an expanding market; thirdly, the import and purchase policy of the Government of India should be so regulated as would encourage indigenous enterprise; and fourthly, essential services like transport must be improved sufficiently so that they do not act as bottlenecks in industrial development.

The Planning Commission has given some figures of the estimated requirements of financial resources for industries during the period of the Plan. In the private sector, according to the estimate of the Planning Commission, for purposes of expansion, maintenance and replacements, a sum to the tune of Rs. 383 crores is needed. In addition to this, the Planning Commission has further mentioned a sum of Rs. 40 crores for depreciation during the period of the Plan, which will not be fully covered by the normal income-tax allowances. I feel that the estimate is rather on the low side, but without going into the merits or demerits of this figure, I will accept it. To achieve the objectives envisaged in

[Shri S. P. Jain.] the Plan, adequate attention to the tax structure and certain modifications in it which will leave more money with the industries, needs to be paid. In particular, Sir, I would like a lower rate of tax on undistributed profits and exemption from Corporation Tax on the dividends by a company which invests its surplus funds in another company. The Finance Minister has in this Budget taken note of the second point, but I will deal with it a little later.

As regards a lower rate of tax on ploughed-back profits. I would urge the Finance Minister to give this matter his most serious consideration. Ploughing-back of profits is really a saving, and every effort should be made to encourage this, so that we can have formation of capital and our industries can go ahead from stage to stage. The appointment of a Taxation Inquiry Committee which the Finance Minister has indicated in the course of his speech is a long outstanding need which has been met, and I hope that the work of this Committee would result in improving the tax structure and in modifying it to suit our needs. In this connection I would submit that the time of this inquiry is expected to be about two years. Two years is a very long period, and unless this matter is expedited and the present tax structure amended, the position will not improve. Therefore I submit that this report should be expedited so that we will have the desired results as early as possible. Secondly I would suggest that certain steps should be taken now to overcome the paucity of funds which is being experienced by older industrial units to meet the accumulated replacements at higher cost. Some additional funds to the tune of Rs. 150 to Rs. 200 crores should be available to the industry for this purpose and the Teal capital in the private sector should not be over-burdened on account of higher replacement costs, pending a decision as to the method of allowing for the rehabilitation or the Depreciation Fund, as you may call it, in these

cases I suggest that Government should consider the possibility of providing loans to such units for replacements. These loans may either be granted by Government or through the Industrial Finance Corporation and should be at reasonable rates. It may be examined to what extent these loans are required and on what terms they should be financed. This is a matter of detail and can be discussed to the satisfaction of the industries and Government at a later stage if this principle is accepted by Government. I would ask the Finance Minister to give serious consideration to this problem so that the industries' condition may be improved and for want of funds, they may not suffer for making any improvement. Thirdly, I would say that to maintain a regular flow of production it is absolutely essential that the product of indigenous industries must be bought either by the people at home or must be exported, but the goods must be sold and if they are not sold, my inevitable conclusion is that there is a lack of purchasing power in the hands of the people. The purchasing power has got to be injected in the people and I understand with the introduction of this Budget, to some extent, this problem may be solved, but if it is necessary, it should be further viewed from this point of view and the basis of approach to this problem should be adjusted and efforts be intensified to get the desired economy and industrial development of the country. I would further say that there is sufficient control on the cost of production so far as industrial units are concerned. There are three main factors in the cost of production—one is labour, the other is raw materials and the third is transport. The Government have necessary and sufficient control over these and the industry has little say in these matters. But if the profits of the industry are said to be on the higher side, they can be further examined and adjusted. If it is found that they are on the higher side, steps can be taken to lower down the cost of production but the production, at all costs, must be maintained so that the production which we have rear-bed



may not be returned. In the matter of export market, there should be a constant watch about the export duty and it should be adjusted promptly looking to trends of the foreign markets. The decision of the Finance Minister announced in his speech to reduce the export duty on jute from Rs. 175 to Rs. 80 is indeed welcome but in this connection I would further say that the question of hessian is not considered. If that consideration should also be taken, the industry and the country would have got more foreign exchange. There is one general point which I would like to say *i.e.*, that export duty should not be relied upon as a source of revenue and in any case, no delay should take place in reducing them as and when the economic situation warrants it, and we should not wait for a longer time. In the matter of imports, for developing a country like ours import restrictions are necessary. Last year in some cases imports have been allowed to the detriment of existing Indian industries. Certain industries like diesel engines, power-driven pumps, soda ash, glass etc., etc. have suffered as a result of very heavy imports. Indiscriminate imports not only put a strain on our balance of payments but also affected adversely the employment of the country. I am glad to see that recently sufficient attention has been paid by our Commerce Minister in this respect and I hope he will watch the situation in the future also in the interest of the country as a whole.

Now I would like to deal with the unemployment question. The unemployment question is far more serious today than the inflation and the Government must combat it effectively and immediately. Today unemployment is prevalent not only in the middle classes but also among the educated and uneducated, the middle and lower classes and is causing discontent and unrest. The socio-economic situation is really an urgent and pressing issue and it is to be solved by doing something immediately and if necessary, even at the risk of inflation. If this is not solved, this Plan will be no Plan and will not

bring any result to the masses of the people. Our population is increasing at the rate of 4 millions each year and naturally the working population will also grow up. Therefore we must do something to check this growth of population, otherwise this Plan will be no Plan, if adequate employment is not provided for.

I would now say something about the Plan. This Plan has been in operation for nearly 2 years and yet we don't know how far we have progressed according to the schedule. Members of this House as well as of the other House are aware and it is very difficult to decipher from the Budget statement alone how well or how **badly** we are faring. I would urge upon the Finance Minister to make available to Parliament a White Paper detailing the programme of the Plan which would serve a double purpose. Firstly, it would mean more informed criticism and secondly it would indicate the failure and shortcomings - so that the Government themselves would be in a better position to take prompt and suitable action without any further delay.

I would now come to the question of income-tax and the modification proposed in Section 15-B of the Income-tax Act to widen the scope of exemption for donation to charitable institutions. Sir, I am not a lawyer but a friend of mine has said—and I don't think it is the intention of the framers of the Finance Bill—that if all the 5 conditions which have been stipulated in the Finance Bill about charity are to be fulfilled, the purpose of the Charity will be altogether nullified. It is not clear whether the five conditions proposed therein are cumulative or alternative, and whether the exemption should be possible only when all the 5 conditions are satisfied. By the use of the word "and" after condition 4 in the clause it means that the conditions should be cumulative. If this were so, it is unreasonable. **For**, no institution or Fund can satisfy all the 5 clauses. The conditions should therefore be

[Shri S. P. Jain.] made alternative. In this connection I would say that I am very sorry to note that the limit has been decreased from Rs. 2J lakhs to Rs. 1 lakh and from 10 per cent, to 5 per cent. I think it was a very psychological approach that this charitable concession was allowed. The Government was only paying two annas in a rupee and fourteen annas were being paid by the companies. Not only that, they have been exempted and this concession was given in the hope that more donations and charities would be forthcoming. Worthy causes should be encouraged. But I may point out that, even the Indian Council of World Affairs would be affected if the proposed clause is to be put into operation. Therefore, I submit that this definition or clause should not be made applicable to these institutions. In the light of all this, this clause may be reviewed and the previous limit of Rs. 2J lakhs should be revived. Also about the four conditions, that the institution should be financed wholly or partly by Government or local authority are there. These would clearly be outside the scope of this exemption.

I am further of the opinion that the conditions should be made alternative and also that they should be liberalised in such a way as to benefit the charitable institutions though they may not be registered ones. For example, suppose there is a village and the people want to dig a well there and they ask for some funds. There is no registered society or none run by any trust. But it is all the same a charitable purpose and it should be allowed exempt under this Act. So my submission is that the rules should not be applied too rigidly when the limit has been lowered to such an extent and the part proposed by Government is not very much, being only to the extent of two annas in the rupee.

I would also suggest that these conditions may be applied to institutions furthering art, culture, sports, etc., so that they may get encouragement and they should not be handicapped by the

introduction of these further conditions.

(Time bell rings.)

MR. DEPUTY CHAIRMAN: Two-minutes more.

SHRI S. P. JAIN: Sir, I would like to refer to one or two points about the corporation tax. I rather welcome the concession allowed, but I would make the suggestion that the concession allowed to companies established after 28th February 1953 and only to certain specific industries mentioned, should be extended. Actually this concession will remain on paper if it is to apply only to concerns to be established after the 28th February 1953, for it will take at least three to four years for the concern to come into operation and so the real purpose of introducing this concession will not be fulfilled. Therefore, my submission is that this concession should be allowed to companies which have been established from 1948 or before, so that the real purpose or benefit of this concession may actually go to the people and they may get the desired result. The main purpose, according to me, for giving this concession was to encourage capital formation and if that purpose is to be served, my suggestion has to be accepted, otherwise it will be nullified. So I request the Finance Minister to review the position and see that the concession is given not only to the companies established after 28th February 1953, but to those established before also. And also this concession should be granted to individuals.

Sir, I would like to close my speech by saying a word about the Finance Commission's Report. I fully endorse what Dr. Gilder has said. The Commission's recommendation is that Bombay's share will work out to be much less than what it was. On the basis of population, Bombay contributes relatively more by way of Union customs duty; so also is Bombay's contribution to the income-tax revenue. But these virtues or qualifications stand at a discount when the allocation is made.

I do not grudge other States getting their shares, but it is strange to find that we do not get what is due to us, and what is fair. I am not going into this at the present moment. It is too late and the Commission has already recommended. May I request the Finance Minister, if there is any chance or possibility, to review the whole position and see if anything better could be given to Bombay State.

SHRI H. D. RAJAH (Madras): Sir, the proposals of the Hon. the Finance Minister are clothed in such wonderful words that we have to probe deep into them and see through them to find out what the real state of affairs of this country are. It is like the juggler's wand which creates an illusion in the minds of his spectators. The proposals of the Finance Minister are creating an illusion so pleasant and so praiseworthy that we are at a loss to know where we should stand and where we should leave off. Here is his statement—"that the nine months have witnessed a marked improvement in the economic condition of the country". But I feel these very same nine months have created the greatest misery for the people of this country that you can think of. I do not know how the Finance Minister can speak so complacently when hundreds of thousands of the people in the South are mere walking skeletons—not even corpses moving about, according to the Revenue Minister of the Government of Madras who went through the areas of Madura, Tinnevely and Ramnad Districts. When such is the position, I want to know from the Finance Minister how he is so complacent and how he talks so glibly. Either to him the entire South India does not exist, or he is blissfully ignorant about the events that take place in that part of the country.

Sir, what is the per capita income of our people? It is on the average Rs. 250 per year. Taking away the upper class of people who pay income-tax on their income of Rs. 300 an odd crores with their average income of about Rs. 2,500 or so, the balance left

to the great mass of our countrymen is on an average Rs. 150 as their per capita income. Out of this Rs. 150 the Central Government pinches from them more than Rs. 15 per head. The State Government pinches from that man another Rs. 15 per head—made the Corporation either at Calcutta or Bombay or Madras pinches from that man an average of about Rs. 20 per head a total of Rs. 50 per head.

AN. HON. MEMBER: Rs. 55.

SHRI H. D. RAJAH: Yes. Rs. 55 out of Rs. 150 which is nearly 33 1/3 per cent, and what is left to him to keep his body and soul together? Added to that there are drought conditions in our country and there is no water even to drink and the hon. finance Minister probably sees only milk and honey flowing over this land, this wonderful land of Bharat, but really there is not even water flowing in the land, much less any milk or honey. And what does the hon. Finance Minister expect from the masses of our country? What does he expect them to contribute?

In the statement of the Finance Minister, he expects the masses of our country to contribute and these people can contribute to him only torn clothes and unshaven beard. Beyond these two, our people have nothing to contribute. Jesus Christ said once, "Give unto Caesar what is Caesar's and give unto God what belongs to Him". But here, our poor countrymen can only replace their offerings for Lord Venkatchalapati at Tirupathi to the Gods at Delhi and offer them only unshaven tuft and the beard.

Sir, now coming to the next point, I will take you to the Commonwealth affair about which our Finance Minister has waxed eloquent. What is this Commonwealth business? When people who do not want our country to remain in the Commonwealth put questions to our Prime Minister, he comes out very often with a statement: "Oh! the association of ours is a very glorious thing. We are in the Commonwealth neither by any legal statute nor

[Shri H. D. Rajah.]  
 by any constitutional provision". Then I ask what is your association with the Commonwealth? Is it an illicit love affair? What is the way in which you have associated yourself with (he British? The truth is that the British, looters have agreed with this Congress Party and have entered into a secret arrangement that "we will put you in position in the Government. You allow us to economically exploit and swindle this country. If you allow us to carry on the economic exploitation of this country as a legacy which we - created in this country for the last 150 years we will stand by you." You have simply replaced the white men by these black men here and the economic situation is still maintained in the same way as it was maintained in the past 150 years. Sir, it will be interesting for you to know that 25 per cent, of our population, that is, 8 lakhs of people contribute 25 per cent, of the revenue of the State and the rest contribute nothing. That is the economic situation. Sir, in which we are living today and this Commonwealth business in which their dollars and our dollars are pooled together is the Commonwealth which gives you their policy. It is just like this: A great banker has taken deposits from various constituents whom he can bully and keep on taking and distribute only according to the convenience in which that man is placed, in the way in which each man has 10 be doled out a certain proportion. The Finance Minister says: "I have drawn 188 million dollars from this Commonwealth pool" but, wonderfully enough, this magician has never told us the contribution which has gone into that Commonwealth pool, that is our own contribution. If we have direct dealings with the dollar areas, if we have been spending our money by getting the dollars directly from that area, you take it from me that your dollar reserves will be far in excess of the reserves of the dollars that you are allowed to draw from the British Exchequer. You are economic slaves; you have no shame and you go . and tell the world that "we are a Repub-

lic and an independent nation". Your economy is tied down to the British chariot wheels and I tell you, Sir, whether it is Churchill or whether it is Act lee or whether it is Bevan, they are 100 per cent, patriots, they are 100 per cent. Britishers. Their country, their kith and kin and their property are uppermost in their minds and they will send out people from place to place to find out their followers and to know how they are able to carry on their swindle of the international world which is called the British Empire, euphemistically called the Commonwealth. There is nothing in common; there is no wealth to divide and all that is there is only British loot.

Sir, proceeding next, look at the jugglery of figures with regard to the receipts. In the name of receipts, put down by my hon. friend, the Finance Minister, he has created Rs. 63 plus Rs. 36 crores in income-tax revenue for a budgetary provision of 1953-54 and, now, read his speech. In the first page, he says "In the first four months there was a somewhat precipitate drop resulting from a combination of international factors, purposeful fiscal and monetary policy and the inevitable collapse of speculative over trading. These marked the transition from a sellers' to a buyers' market, as a consequence of which accumulated stocks, especially in the export trade, were unloaded and prices were depressed to a level which was neither sustainable nor healthy".

Sir, what does this mean? It means—let me explain to you—that the impact of this economic collapse, the speculative trading of the merchants, the terrible loss that these people have incurred, that impact will be reflected in your budget provisions for 1953-54 that is the income-tax assessment year and you will not get' Rs. 100 crores, not even Rs. 50 crores. Most of these companies which have engaged themselves in trade and commerce, which have had such terrible fall in earnings on account of this depression and on account of the present collapse which he has been talking about, will have to submit their returns

to the income-tax authorities in the course "of 1953-54. Most of them have disastrously burnt their fingers and if they have burnt their fingers like that, where do you get this income-tax of Rs. 100 crores that you have provided for? As an artful balance sheet maker, our Finance Minister adopted the company method of producing an artificial profit out of a loss. It is generally done by the big financial companies to show bad debts as good debt, to realise the good debt and keep it with them afterwards to take that quietly and show it as bad debt. In that way this artful financial juggler, has put Rs. 13 crores from Pakistan as asset in the revenue account and they have taken into account Rs. 100 crores as likely income from income-tax which, put together in the economic situation which I have just explained to you, will give them a disastrous, horrible and an absolute deficit. Now, they are not worried. Why should we not have deficit financing? They say "we welcome deficit financing". Now, deficit financing means that though we have become bankrupt, we have got one asset with us and that is the Nasik Printing Press. That can produce umpteen crores of notes which can be distributed to their tractors and their bureaucrats and which will go into the big wealthy men's pockets who will all put them in safes and lock them up. When these things go inside the safe, they are no longer currency. You should take to your mind to neutralise that factor in a different way and give relief and succour to the masses of humanity. You have not thought of that problem. If you think in that way, your problem will be easily solved; but that is not what is sought to be done.

Now, Sir, Congressmen have an elastic conscience. Some people who are running the Government in the Centre do not believe in prohibition; some States do believe in prohibition and they want prohibition because they are wedded to the development of cottage industry which Mahatma Gandhi has asked them to develop. They thought that prohibition must be enforced so that the illicit liquor trade as

a cottage industry can flourish in this country. I happened to see a man and asked him as to how he was faring. He was engaged in illicit liquor trade and he said that he was doing fine. I asked him whether he was caught by the police and he said, 'Yes', I was caught by the police and I was given two months' imprisonment". Then I asked "What happened to your trade?" He said "My wife carried on". When I asked further, he said "My wife was arrested but my son carried on". I then asked him "What happened to your son?" And he said "My son was caught and sent to jail. But I am released and I am here now back to carry on the trade". In that way, this cottage industry is carried on in the South. Sir, not only the revenue is lost, the people are becoming law breakers, powerful police and vested interests combine together to create this as a cottage industry and lakhs of rupees which should have normally gone to the coffers of the State are being divided among the vested interests to the detriment of the State. Tammany hall methods were created in India and because you are having Americans in large numbers here naturally you must also have their methods of gangsterism imported into this country.

Sir, one matter in which our Finance Minister is oblivious is that he forgets that this is a secular State. How can they think of a secular State when they all favour a multi-religious State? Therefore, even in the so-called Republican Constitution the secular State conception is being given the go-by and a multi-religious State conception is being kept up. True to his master's tradition, he gives relief on income-tax up to Rs. 4,200 for a Hindu individual and Rs. 8,400 to a Hindu undivided family. Is it a crime in this country, in a secular State, that a man should be born as a Hindu: is it still more a crime that he should belong to a joint family? What applies to an individual cannot apply to three brothers who are in a joint family. Three brothers put together will be entitled to Rs. 12,600 whereas these people will give them

[Shri H. D. Rajah.] only relief for Rs. 8,400 which the Finance Minister has put in and I cannot understand what sense there is in this proposal. So he is forcing the Hindu families to disintegrate, ask them to deliberately partition and keep in sack cloth and ashes and go to the walls. I should like to know in all seriousness why you should do this? You are all people educated; enlightened men running the government; can you put in this way a tradition which the British fellows have done and given it to you from time immemorial? Should you not have a new concept of life? If three or four brothers are there in a joint family, is not that family entitled, on the basis of this individual limit of Rs. 4,200 tax relief? You have raised the income-tax benefit from Rs. 3,600 to Rs. 4,200. Should you not have thought of doing this little adjustment in the Budget for the benefit of the members of Hindu undivided families?

Sir, 80 per cent, of our population are Hindus and many of them are engaged in trade and commerce. I want the Finance Minister to extend the benefit of applying the individual exemption limit of Rs. 4,200 to all members of joint Hindu families, taking into account the number of members.

Sir, I now come to the expenditure side. The bureaucracy is ever expanding. They are expanding in such a way that they have provided Rs. 15 crores more for this year. Out of this sum Sir, Central Secretariat alone is eating away Rs. 1½ crores. If the expenditure were to go like this, I do not know what the limit is, who is controlling all these and where this will lead us to. Is the bureaucracy regulating you or are you regulating this mammon of a bureaucracy? What is the point of this colossal appropriation which I would call misappropriation of having to spend Rs. 15 crores more? You have gradually expanded yourself so much as to spend this huge amount. And what is the service you are rendering to the people? I know of an instance. When I made last year a re-

ference in this House that the people in Madras want an overbridge at a particular place, I get a letter after one year, that is, about seven days before I came to attend this Council. Sir, three experts were invited to attend on a sick man. I am reminded of this story in that connection. One was an ear and nose expert; the other was a throat expert and the third one was a cut-throat expert. They came to the patient, got their fees alright and looked at him for some time. They had some minor differences and so cleared off. And after some time the patient died. Similarly, because of the quarrel between the Central Government the Madras State Government and The Corporation of Madras, these fellows will not give us the overbridge there. The hitch was that the Madras State refused to contribute; the Centre said that the Madras refused to contribute; Madras said that the Corporation refused to contribute and this accusation and counter-accusation was going on and these fellows at the Centre also refused to contribute. The net result was that the bridge is not coming; when the patient is dying these three people differ. But they all together swallowed about Rs. 55 from the common man. This kind of bureaucracy is being pampered and is paid an additional sum of Rs. 15 crores.

Sir, one more point. This is with regard to the capital expenditure. We have got some Rs. 550 crores spent on capital irrigation and power, out of which Rs. 450 crores are spent on Bhakra-Nangal Project, Hirakud Project and D.V.C. Dam. Sir, what is the relief you are giving to South India? What happened to the proposal of the Ramapada Sagar Project; what is happening to the Krishna-Pennir Project; what is happening to the Palar Project? Sir, we have all these capital projects constructed only in one part of the country. You are building these near a place where you have got an unfriendly neighbour; and in the event of anything happening to you, the dams will burst, the country will be flooded and you all will be drowned unless you share the water with us. Why do you

want the dams over the rivers of the north and why cannot you allow us to share the waters - of the Ganga and Yamuna;—"

"Gange cha Yamune Chaivra  
Godavari Saraswathi;  
Narmada Sindhu Kaveri  
Tambra Parni Nadhi sthale"

This was and is our river system of India. You should allow the waters of the Ganga flow freely into the waters of Tambra Parni irrigating the foreland and parched lands - that are uncultivated. The melted snow of the great Himalayas must flow through the country reaching Kanya Kumari to kiss her feet.

MR. DEPUTY CHAIRMAN: Shri Wanabhai Bhatt.

SHRI N. BHATT (Saurashtra): Mr. Deputy Chairman, it is certainly a mishap to succeed an orator like Mr. Rajah. I rise to congratulate the Finance Minister for the Budget which he would like to call a most innocuous budget. I would like to call it a mysterious Budget; and for the mystery contained in the Budget, I congratulate him. You know, Sir, last year when I returned to my village after the Budget session, the village people gathered round me after prayers and asked me to give an account of what happened here. I had to give them an account of the discussions on the Budget; and at the end of three days' talk, an old farmer, nearly 65 came to me. I asked him as to what his reactions were. He simply nodded his head. I said "Just tell me what is your reaction". He said: "It is a very great jugglery. We have all to congratulate the great juggler who has created this jugglery as the Creator creates the Universe".

Sir, I speak not as an expert in economics nor as a politician, but as a simple village school-master. I found when I scanned the Budget for some two days together—I turned page over page, page over page—my condition was like the condition of Hmuman when he was given the necklace of pearls by Sita. He broke every pearl, saw into every one of it. and at the

end of the whole story, he threw it away because there was not 'Ram' in any one of the pearls. Such is my condition. My own reaction is, as a village school-teacher. I find no appropriation for the Finance Minister. I find very little in it for education as well as for village industries. I have been given to understand that the attention of our Government is focussed on agricultural planning for the coming three years. My experience of village life is that agriculture, education and health, all the three go together. If you detach anyone, planning suffers. If you do not emphasise education and health, no progress in agriculture is possible to the full extent because while the crop is there full-grown, who is going to chop it off, who is going to get the crop at home, while the villagers are ill in their beds, often 5 out of 6? So, in the very interest of planning, in the very interest of village economics, in the very interest of crops. I would request the Finance Minister to look to it that education in the proper sense is provided for on a very large scale

My hon. friend Mr. Shrimali who spoke just a little before, congratulated the efforts of our Governments, both Central and States, for the laudable efforts that are being made for education. I was myself connected with the educational portfolio in Saurashtra for some 15 months. I am even today connected with basic education both in Bombay State and in Saurashtra. With all my respect for that, I must say I am not satisfied with what we are doing. "Basic education" is a very vague term. The various States interpret the expression in their own way. There are no standards laid down, and happily or unhappily the Centre has not yet pulled up all those States to see that proper basic education is being imparted. Rs. 3 crores are being provided for, and I congratulate the Education Minister on that. But Rs. 3 crores is a very poor sum. Whenever we talk in Saurashtra of providing school buildings for villagers, the question of cost comes up. "Construct school

[Shri N. Bhatt.] buildings out of indigenous material, make them as cheap as possible." That is the advice given. While I was listening to the discussion on the Railway Budget, and when we have a plan for extension of Surat Station or Baroda Station or some other station, we did not say, "Construct it out of indigenous material, make them as cheap as possible", because Railways are an earning member, and education is not an earning member. So, whenever there is a cut, the cut always applies to education, and never to Railways. I say that education is more productive than any other department of the State, because if democracy requires new minds, and if new minds are not there, new ideas would never percolate and we shall in the long run fail. So, I would draw the attention of the Finance Minister to the necessity to pull up even the Ministry of Education and the Ministry of Health in order to see that some provision, a good provision, is made for education and health, to see that basic education is thoroughly spread over the whole country as soon as possible, and that some definite improvement takes place in the health of the village people. Today we find all the amenities of life in big cities. I myself live in my own village for the last 15 years. I do not find any doctor there: I do not find any *vaid*; I do not find any *hakim*. I find no medical help. There is a small school conducted by myself, and Government helps it. All around, in all the villages, I find the same condition prevails.

MR. DEPUTY CHAIRMAN: Education is a State subject.

SHRI N. BHATT: Education is a State subject, but then I understand it to be the duty of the Centre to pull up the States whenever they do not come up to the mark. That is what I understand, and if my understanding is wrong, I pocket what I have spoken up till now. I do not find fault with anybody. I simply paint the picture as it occurs to me. I told you that I am connected with

basic education both in Saurashtra as well as in Bombay. Somehow, in a mysterious way, the whole thing is being torpedoed—by whom or where, I cannot myself understand. But I do see the danger. In my own village as well as in villages all around in Saurashtra, I find a vast avalanche coming on. I do not know what it will lead to. So I warn my friends; I warn the Finance Minister and all my friends in the Government to see that the villagers are well cared for in the matter of education, in the matter of health, and in the matter of industry. The only solution, as I see it, is the Sarvodaya Plan. I swear by it myself, but I do not want to impose it on the Government unless the Government is also convinced of it. Unless village industries are encouraged to a very large extent, unless agriculturists are given a vocation during the idle five months or six months in the year, you cannot raise their standard of life. Unless we take drastic steps—I do not find any word to describe it—unless we take a revolutionary attitude in regard to this matter, and unless we feel in our heart of hearts that this state of things cannot go on any longer, the whole thing will appear all beautiful above, but hollow underground. That is what I fear as a Congressman, and that is why I convey my fear to the Finance Minister.

PRINCIPAL DEVAPRASAD GHOSH (West Bengal): Mr. Deputy Chairman, I wish I were in a position to join wholeheartedly in the chorus of congratulations showered on our esteemed Finance Minister. But as a matter of fact I feel that I cannot honestly do so, for the simple reason that, though it must be confessed that the presentation of his budget picture is not altogether bad, the utmost that can be said in its favour is that it is something like the proverbial Curate's egg—only good in parts. It is a mixed bag, consisting of not very startling elements either way. One might say that it is neither a rich man's budget nor



quite a poor man's budget: it might be called a middle man's budget. Or, if the expression "middle man" is in rather bad odour at the present moment, one might say it is a middle-class man's budget, in the sense that some relief has been sought to be given to the domestic budget of the hard pressed middle-class man in the shape of raising the limit of exemption of income-tax. Of course, our esteemed Finance Minister, with characteristic modesty, has disclaimed all credit for the same, and has said that it is all due to his solicitude for the income-tax department—in order to relieve them of unnecessary trouble. Whatever may be the reason, we are thankful for the consideration shown to the ordinary humble middle class. I have a shrewd suspicion—though I do not know whether our Finance Minister would own up to this soft impeachment that this solicitude for the middle class domestic budget might have had its origin in certain alterations in the domestic arrangements of our esteemed Finance Minister himself just on the eve of the Budget session of the Parliament of India. Anyway, we are grateful for that.

But the overall picture that he has drawn and the tone of complacency which he seems to have inherited from the President's Address is, as my young friend Mr. Bimal Comar Ghose has pointed out, hardly borne out by facts. I find that, there has been a good deal of self-congratulation on the slight fall in the index number of wholesale prices since December 1951, up to December 1952. It has been stated on the very first page of the Budget speech that the general index number of wholesale prices which stood at 432.2 points at the end of December 1951, fell to 374.5 points by the end of December 1952, a drop of 57.7 points or a little over 13 per cent. This might be good so far as it goes. But for the ordinary commonfolk like ourselves it does not go far enough. We seem to be still far

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away and far distant from the day when we shall be able to claim that the index number has gone back to 100, i.e. to say, to the days not very far back when common people could breathe and live more or less with ease and safety. As a matter of fact, a change of prices from four times to three and three quarters times what it was just before the war is poor consolation. As I pointed out in my remarks on the Railway Budget, the railway fares have increased three times in the last ten or twelve years. Then, we have got our increased postal rates. Well, we still remember the days when we had the pice post-card and the half-anna envelope. These are things which seem to be as extinct, as the Dodo. We are now congratulating ourselves that this year, at any rate, the rates of the post-card at three pice and the envelope at two annas have not been further increased. The satisfaction that this Budget has given to the minds of the public is thus somewhat of a negative kind. That is to say, they think with a sigh of relief that it might have been worse. But that is hardly the sort of concession that really satisfies the common people. And talking of these postal rates, might I say—or rather talking of the working of the Postal Department—might I point out in all humility, that this Posts & Telegraphs Department was, during even the last days of British rule, one of the most well-conducted Departments, famous and remarkable for its regularity of service and for its integrity. I wish I could say that much now about the Posts and Telegraphs Department.

Another interesting thing that comes to my mind in this connection is about the Sunday stoppage of postal business. I suppose—I do not remember exactly—possibly it was our distinguished Food Minister Mr. Ran Ahmed Kidwai, in his former *avatar* as the Minister of Communications, who was responsible for the absolute stoppage of all postal works including delivery on Sundays. I

[Principal Devaprasad Ghosh.] wonder why. The British Government was supposed to be a Christian Government. It might be presumed, that they had some respect for the Christian Sabbath. Now, even if even a Christian Government could ignore the sanctity of the Sabbath for the convenience of the public, it hardly behoves an ostentatiously secular Government to be more Sabbatarian in its outlook than the Christian Government, much to the inconvenience of the public, in fact much to the inconvenience of all concerned. I would suggest that this Sunday stoppage of the postal service should at once be done away with, and things be restored to their status quo of six years ago. If essential utility services have got to be stopped on Sundays, then better stop the Railways, better stop all transport facilities, better stop all activities under the sun. It does not carry any sense. Anyway, as I was telling you, Sir, all these things—the rise in the level of prices, the rise in Railway fares, the rise in the postal rates—should be attempted to be taken back to where they were, at least to what they were ten years back. One might say that this is a tall order; the good old days before the war of 1939 are gone never to be recovered. Well, personally speaking, I am not so pessimistic. If the conviction is clear that it is desirable, in the interests of and for the convenience of the people as a whole, to go back to the days of comparatively cheap prices and cheap rates all round, and if that objective is borne in mind, then really serious attempts ought to be made to reach that objective. It will not do simply to take up an attitude of self-congratulation on a drop of prices from 4 times to 3 times the prewar level. I know that there is an idea which is very much in fashion among our new-fangled and up-to-date economists that high prices betoken a higher standard of living and that lower prices indicate correspondingly a lower standard of living and that a

fall in prices hits the producer hard, though it might benefit the consumer to some extent. These economists try to erect a sort of dead wall between consumers as a class and producers as a class, forgetting all the while that everybody is partly a producer and partly a consumer. The person who produces paddy and rice and wheat is a producer of some raw materials. But he is, none-the-less, a consumer, because he has to purchase cloth; he has to purchase mustard oil; he has to purchase salt and he has to purchase all the other necessities of his humble life. As a matter of fact, therefore, if paddy fetches a high price, and if the other articles also fetch high prices correspondingly, certainly he is not better off. I should think, therefore, that it is desirable, and the Government also will agree that it is desirable that really cheap prices, cheap rates and cheap fares—all these things—should be attempted, at least, to be restored as early as possible. One knows that the period of transition is somewhat difficult. Falling prices just as rising prices, before reaching a stable level, naturally give rise to difficulties. Well, dynamics is always dangerous, and that is why when our Prime Minister talks of dynamic approaches to all possible problems one feels a **bit** nervous. Still that danger has to be faced in order that things may reach a comfortable and safe static level. On this matter I shall not proceed any further.

I should like to devote a few words to another topic which has been troubling me for some time, and that is in relation to India's relations with foreign powers. I shall not deal with the wider question of the Eastern Bloc and the Western Bloc, or the two giants supposed to be fighting with one another, or the necessity or the urgency or the desirability of forming a third bloc or a third area or a third force—whatever the fashionable phrase might be. I shall not dwell much on that. But as a matter of fact, in the face of

this world tussle between not merely two blocs, but between the two ideologies—one based on totalitarianism and the other based on free •democracy—really it is difficult, if «ven it is desirable from a selfish point of view, to stand aside, to be escapist, to get out of the trouble, however much one might try. Since, India is not a powerful nation in the military sense, that might be good. But to tell the truth, omens are not very propitious. Our friends on the extreme left—friends of the Soviet bloc—possibly will not allow us to remain neutral, the way things are happening from day to day. In this connection, Sir, I would draw your attention to an incident that happened, only yesterday in Calcutta, when the effigy of President Eisenhower, the head of a friendly State—a State which has come largely to the help of India in more ways than one during the last few years—was burnt on the banks of the Hooghly river. I do not know what was the reason for that. But whatever be the reason, this was an act of extreme discourtesy, if not one of the ugliest things, from the international point of view. With one bloc pushing one way like that, and other forces pushing the other way, it will be extremely difficult, even if desirable, for India to steer a middle course. As regards the third area, however much I am disposed to agree—not *so* much on theoretical grounds as on practical grounds—with the Prime Minister and my esteemed friend Mr. C. G. K. Reddy that the third area idea might offer a haven of refuge, I feel that possibly, when matters come to the test, when things come to a crisis, that haven of refuge will not prove such a haven of security after all.

There is another difficulty. When Pakistan through the medium of her Foreign Secretary is trying its level best to manufacture or create a third bloc of an Islamic variety stretching from Morocco to Indonesia, I wonder what other people will be left under the sun to form the proposed

third bloc. However, that is not the question that I wanted to raise here just now. I will confine myself to some particulars about India's relations with her neighbouring States. For an example, I will take up the case of Ceylon. I refer to this matter with great sorrow and regret. I hope that every hon. Member knows the plight to which the Indian settlers in Ceylon who have built up the economy of Ceylon for generations have been reduced. They are sought to be squeezed out by the Ceylon Government by legislation after legislation; not merely that, but in an unabashed manner the Government are also trying to starve them out by withholding their rations. This is the state of affairs when the High Commissioner of India goes to Ceylon. I tell you, Sir, that I am saying these words with a feeling of great regret. Only three days ago in the papers we read that our High Commissioner, instead of putting up a strong protest to the Ceylon Government for its attitude and its measures against the interests of the Indian settlers in Ceylon, has delivered a homily to the residents of Ceylon of Indian descent, warning them to take care and asking them to decide what citizenship they would like to have, whether they would like to remain as Ceylonese citizens or as Indian citizens and that they cannot have it both ways. That was the report. I was extremely sorry to read it, and I rubbed my eyes to see how a High Commissioner, a diplomatic representative, a consular representative, of India could treat the citizens of Ceylon of Indian descent in this manner. As a matter of fact, it is Ceylonese citizenship that they claim. They had long ago abjured their Indian citizenship. They are not trying to be invested with the privilege of dual citizenship. If this is the attitude of the spokesman of the Indian Government towards the Ceylonese of Indian descent in the plight in which they have been placed, then the least that I can say is that such diplomats are doing

[Principal Devaprasad Ghosh.] India the greatest harm. My own unsophisticated idea about ambassadorial functions is this that Ambassadors, Consuls, Heads of Legations, and High Commissioners should champion the cause of their own country first, and not be apologists and propagandists for other Governments oppressing people of Indian descent in this unabashed manner. I wish the Foreign Minister was present here in the House. I do not know whether the Indian High Commissioner in Ceylon acted as he did under the instructions of our Foreign Ministry. If that were so, then God help mother India. I do not like to dilate on this any further. I would only say this that the activities of our diplomatic missions abroad require very careful checking and very constant pulling up, if I may say so, on the part of our Foreign Ministry.

With all these remarks, while concluding, I should like to convey my thanks to our Finance Minister in that, though he has not produced any spectacular Budget, still it is something that our Finance Minister has not made our life more difficult than it need be.

SHKIMATI MONA HENSMAN (Madras) : Sir, in considering the Budget for 1953-54, we are conscious of the wide field covered by the hon. the Finance Minister in his very comprehensive and all-inclusive presentation of the needs of the people. Also, Sir, we are conscious of the very lucid and rational suggestions that he has made for meeting those needs. In this House, we know that we have got to race against time for the fuller operation and execution of the Five Year Plan. We know that there are many worthwhile objects and subjects in the making, but they will require the full and firm and constant co-operation of the masses. All our ideals and ideas depend upon that deflated ob-

ject, the rupee, anna, and pie, which is incidentally going down in value from day to day, worthless in itself but much prized for its purchasing value, and this has to be brought from the shadowy page of the Budget into the lives of working men and women. We are also limited by the currency of the time. Sir, we have had the Railway Budget and have dealt with the report of the Planning Commission on the floor of this House; so I do not propose to refer to either of these key subjects today. I will leave the Budgets of the Ministry of Industry and Commerce and the Budgets of the Defence Department and of Civil Development to those who are wiser than myself. Now I want to ask the House to refresh their memories with the Budget speech of the hon. the Finance Minister, Part A, and especially Part B. In part A, the hon. Minister has traced the steady downward trend in the prices of many things in this country, especially the prices connected with the textile trade and the tea industry. He has also shown that the reduction in income has been universal. Sir, I would refer to certain paragraphs of the Finance Minister's speech. It would help me to read out, because facts and figures are better given from the text than from one's memory. For the financial year 1953-54, the Finance Minister says that at the existing level of taxation, the revenue in the current year is estimated at Rs. 437.76 crores. On the expenditure side, it is estimated at Rs. 438.81 crores, leaving a deficit of Rs. 1.05 crores. Now, he proposes to meet this deficit in the outline that follows. Coming to Part B of his Budget speech, we gain the impression that there is a good deal of relief in taxation. One relief comes from the reduction in the export duty on jute sacking. Another relief comes from the reduction in the import duty on penicillin, antibiotics and sulphur drugs, also on milk foods for infants and invalids, certain types of patent foods, scientific instruments and appliances, prints, engravings and

pictures and works of art. I am sure the Health Ministry and the other Ministries will give us the assurance that they will see that the consumer gets the benefit of this reduction in import duties, because whenever an import duty is put, it is the consumer who ultimately pays. There should be no occasion for the seller to benefit by this.

I would like to ask the Finance Minister, who by the way is not here—and I hope this would reach him in due course—as to why he has made such a target of the well-groomed women and the well-appointed home. I think the Deputy Finance Minister is of a kinder nature, so I will not lay this to his charge. The Finance Minister is raising the import duty on certain semi-luxury goods which some women may think are necessities, such as toilet requisite, certain categories of textiles, crockery and glass and earthenware tiles. A woman requires many of these things in order to make the home attractive and herself attractive. This measure may help to shelter the house—I ask you, Sir, and this House, what non-lethal weapon a mere woman has left when the attributes of her charm are attacked, may, even taken from her? And can the hon. the Finance Minister himself, or his Deputy Minister, or the whole Finance Ministry help to keep the husband in the evenings in an unattractive home where the crockery is chipped, the glass is cracked and the curtains are torn. I do protest, Sir, against the increase in the import duties on these items and it may be that the money that may be lost by not levying this increase will be more than made up for by the greater happiness in homes that will accrue by their removal.

The Finance Minister has touched not only the modern Miss but, even the pan supari of the old ladies in their homes, in their most vulnerable point, by his proposal to increase the duty on betFO orts by two annas a I

pound. How much less pan will the every Indian mother-in-law consume when she remembers the duty here! Pan is a luxury perhaps, but in some cases perhaps it may be a necessity as some Members of this House may bear testimony.

I will now deal with the exemption limit for personal income-tax. This is a measure that has long been needed and I trust it will be implemented in a fuller measure in years to come. The proposal that the existing limit of Rs. 3,600 for individuals should be raised to Rs. 4,200 and Rs. 7,200 for Hindu undivided families should be raised Rs. 8,400 is a very welcome part of the Budget.

Now, I come to the other points in this Budget some of which, perhaps, have been dealt with already. Dr. Shrimali, who is a powerful advocate for and an expert on education, has already spoken on that subject and I will not weary the House by repetition. But I would like to make a few points in this connection. I agree that the States have much to do with the schools and teachers, but I feel that the Centre should encourage them by its example and by urging an increase in the grants of schools, to the training of teachers, to the building of well ventilated and well lighted school houses, by putting this first in the construction schemes and also well-equipped and well-laid out playgrounds. Children, Sir, are going to be the wealth of our Nation in the future. Whatever we may be able to take away from private bank balances or from personal incomes, whatever both sides of the House may feel about personal property, we all feel that our children are the wealth of the country and they should receive full education and every facility for health. In spite of this, what do we find in the Budget? If I read it aright, the amount estimated for education is less than the budget taken for External Affairs. I ask you, Mr. Deputy Chairman, how can we expect our

[Shrimati Mona Hensman.] citizens to represent our country properly if we have not troubled to educate our children properly in our schools? Then, look at the Health Budget. You will find that Civil Aviation takes precedence over the money allotment for Health, and Health is left waiting on the door step. What about the health programmes? What about our children and our schools? All these are required for the building up of a nation. Food is a subject very dear to the hearts of us, women, and we feel that there should be certain subsidies made. It is quite true that the derationing of rice and sugar has eased the situation considerably. It is also true that the Annapurna run by the All-India Women's Food Council has helped us to popularise non-cereal diets. But it is as true that most of the ordinary means of livelihood are beyond the reach of the ordinary family—let alone the poor man. I would suggest that the States should be encouraged by the Centre to give free midday meals to all children in all the elementary and primary schools where fees are not charged. It is not a colossal amount that is necessary. In the Madras Corporation Schools they have for many years provided midday food, a meal that gives the children cereals and fresh vegetables. It is the right of every child to have a hot cooked meal, and a balanced diet with vitamins and proteins.

Now I would turn to the other subject of children and their homes. What about the housing? This is an age of inadequate housing, inadequate food, inadequate hospitals etc. I think there should be more cooperation between the hospital and the school and the Medical and Education Departments throughout the country. I will cite an instance. Look at the rural areas. How are we going to ask the doctors, trained nurses, the trained teachers, the mid-wives and others to go and live in the rural areas unless they have an allowance or something in kind to

encourage them? For the young men and women who pass out of the colleges and are asked to go and live in out of the way places, there should be some co-operative scheme of housing and of living whereby the nurses, health visitors, the doctors and the school teachers will form together a small community unit in a building where they may work together and so may encourage each other. This might become a community centre of the village, and they need not be in any way cut off from human companionship. Otherwise, if you send young women teachers alone to one village and a woman doctor alone to another village, the young people will be lonely and they will not stay there for long. We must try to solve this problem in a practical way and thus no man and no woman will be asked to give a life-long sacrifice, living in a village and seeing their children brought up without the facilities of ordinary life. There should be some encouragement given to them and there should be schemes evolved in this connection. The villages need all the help we can give them, and the villagers should have the opportunity to entertain the best type of workers, not only those who drift from place to place, and cannot get work anywhere else. Social reform and social service go hand in hand and I would ask that before we have many of these welfare schemes put forward, the trained workers should be brought in—I do not mean trained workers from other countries, but from our own country—and I would ask that something dramatic, something drastic should be done for this purpose; otherwise the elementary, nursery and private schools and also the basic institutions will be utterly starved out of existence or go lame, halt and crippled through life.

*(Time bell rings.)*

Sir, I will not take more time but I would plead for one thing. A Budget must conform to the pattern of society; otherwise the jails will

be filled and juvenile delinquency will flourish. I will close and I will not ask you for more time because there are others who would like to speak. In conclusion, I will refer to the wise words of one of the greatest living sages of our times, the Chairman of this House. He had said:

"All the religions in the world, like all the women in the world, do not compare with the one that is our own."

I would alter it slightly and ask, whether,

"All the Budgets of the world, like all the women in the world, do not compare with the one that is our own."

and I shall leave to this House to decide.

Ms. DEPUTY CHAIRMAN: There are still 11 speakers in the list. I would like to know if the House would like to sit till 8 o'clock.

HON. MEMBERS: Yes.

MR. DEPUTY CHAIRMAN: We will sit till 8 o'Clock.

SHRI K. C. GEORGE: (Travan-core-Cochin): Mr. Deputy Chairman, in spite of the fact that a most efficient and well-known doctor of ours has given a certificate to the Budget and to the Finance Minister, I am still at a loss to understand whether the patient is going to survive or not, because, we have had sufficient experience of doctors giving such medical certificates in our own State. People who have been beaten to death in lock-ups have been certified as having died of heart failure. So in this case especially, when I read the first part of the Finance Minister's speech, I find that it is far from realities and is just like the doctor's certificate itself. It goes on like this:

"Judging from the available information and taking an

overall view, the nine months which have elapsed since I presented the Budget for the current year to this House last May have witnessed a/ marked improvement in the economic conditions in the country."

6 P.M.

I wonder from where this information has come, when the hon. Finance Minister speaks about "available information". It is understandable when the doctors and those attached to or near the Government give such information and it is not surprising that the Finance Minister then makes a statement like that. But the conditions that we have seen in our place are entirely different and they present to our eyes an entirely different picture of the economic condition of the country. I feel this Budget, therefore, is not based on reality. It has not taken into consideration the real conditions that exist in the country today. What is the material or economic improvement that the Minister speaks of? I shall not go into the general conditions all over India, but shall try to confine myself to my own State of Travancore-Cochin, to things which I have myself seen and experienced so that it may not be questioned by anyone. But before I come to the question of industrial and agricultural development or improvement, that is referred to by the Finance Minister, I would like to bring to the notice of this House the conditions that exist among the middle-classes in this country. I would, in this connection, draw your attention. Sir, to a piece of news that appeared in the *Hindusthan Standard* of the 8th January, 1953 where it says that applications for 50 posts of bus-conductors in Calcutta were called for and there were as many as 52,909 applications. Along with the same news appeared this bit of news also that for a bill-collector's post there were as many as 2,900 applicants. This really gives us a measure of the immensity of the

[Shri K. C. George.] unemployment that prevails among the middle-classes of our people. That is not peculiar to big cities like Calcutta or other cities alone; the conditions that exist in my own State are much the same as this. There are educated people there and it may be surprising to Members here to hear these people talk such good English, but they are actually working as bus-conductors. Not only do they speak good English, but if you enquire further, you will learn that they are B.A.s and M.A.s and B.A., B.L.s and all that. Even such people apply for such posts and they do not secure the jobs. That is the condition of the middle-class there.

SHRI K. SURYANARAYANA  
(Madras): Let them come to Parliament.

SHRI K. C. GEORGE: Yes, that would be better, but under the circumstances that is not possible. Well, this is really what happens in the present conditions, because the policy of the Government has been to tax the poor and the middle-classes. I want to bring to your notice that this Budget mainly depends upon indirect taxation. I think it will not be contested by anyone here that the incidence of direct taxation is always on the rich and that of indirect taxation is on the poor and middle-classes. You will find that direct taxes have gradually fallen since this Government came to power. From 1947, if you examine the trend of the taxation, up till now, you will find that there is a gradual fall. In 1947-48 it was 44 per cent. In 1948-49 it was 43.7 per cent. In 1949-50 it was 37 per cent. In 1950-51 it was 35.2 per cent, and in 1951-52 29.2 per cent. In 1952-53 it is 30.4 per cent.; because of peculiar conditions of the time there is a rise; but in 1953-54 it is again low—28.3 per cent. This means that indirect taxation has been increasing proportionately. In other words it means that nearly 80 per cent, of the burden is on the poor and middle classes and only 20 per cent, on the other classes. And this

has happened when more and more burdens are imposed on the mass of our people and when concessions, regular concessions were given to the industrialists. From 1947-48, you will find first the reduction in the business profit tax, then the capital gains tax was abolished. Then there was further reduction of super-tax and then the business profits tax was altogether abolished and then the income tax paid by companies was further reduced. Concessions were given to people earning Rs. 10,000 to Rs. 15,000 and greater concessions given to those who were able to earn more than Rs. 15,000. And in last year's Budget you will find a reduction in corporation tax made and this year in this Budget you find remission of tax on dividends of subsidiary companies. Thus you find a regular patronage given to industrialists and that has been the policy of the Government.

Now I come to the question of the economic improvement in my own State. I may say that the conditions that exist there have nothing to do with the picture given to us in the Budget. Our main industry is the coir industry and nearly 20 lakhs of our people—if not more—live on this industry. And now this whole industry has collapsed. In fact, nearly 10 lakhs of people are without any employment whatsoever # and as a result of that, small industries and small business have collapsed in the whole area and the plight of the people you find in the coastal area of Travancore-Cochin is a miserable one. The next main industry in our parts and on which nearly 5 per cent, of the people of the State depend is the handloom industry. I need not elaborate on the miserable condition that exists among this section of the people.

On other occasions, it has been brought to the notice of this House as to how our handloom industry has collapsed. It may not be peculiar to our own State; there are, I know, States in which more propor-



tion of the people live on the hand-loom industry and the collapse of this industry, has resulted in complete economic ruin of certain areas. Even industries like F.A.C.T., Glass, the Titanium Factory and such other major industries have also been partially closed and thousands have been left unemployed. This is the condition of the development of industry in our State, Sir, and I do not understand how the hon. Minister could tell us that there is improvement.

Then, coming to the conditions of agriculture, the fact remains that since the coming into power of the Congress Government, almost a sort of license has been given for eviction and hundreds of people are being daily evicted even under the direction of the police, and the number of landless people is increasing day by day. It should not be forgotten. Sir, that this State, particularly, is one where there is so much scarcity of land. In fact, our State has got the greatest density of population. As a matter of fact, 2,000 and odd people live per square mile in the coastal region and each year these evictions are going on. The result is that the poor landless people who have no place to shelter themselves are increasing in large numbers. The general picture is one of poverty and all this is bringing our country to almost a ruinous State. Unemployment, famine and poverty is the lot today. It is with this picture that we are asked to believe that there is economic progress all-round.

So much is said about the Community Projects that are being worked and it is said that the country is going to be saved in the immediate future through the working of this Five Year Plan. Sir, I had occasion in the last session to tell you in what manner the Community Project is working there. Though it is said that the main work that would be undertaken under the Community Project is agricultural improvement, I brought to your notice that in spite

of the fact that the people are demanding that a certain canal should be constructed for irrigation purposes, the authorities are not prepared to take it up. Of course, in a place where there is a high percentage of education and sufficient roads .....

*(Time bell rings.)*

Three minutes more. Sir. The project people do not know how to spend the money except to spend the money that is allotted in a luxurious way. Sir. I wish to refer to one of the remarks made by one of the hon. Members of this House about the strike that is going on amongst teachers. It was surprising to me to hear that an educationist like the hon. Member would ask the Government to suppress such strikes as being most undesirable. The hon. Member would have done well to consider the conditions under which the large number of poor teachers are compelled to work today and, instead of asking the Government to give them more facilities and better living conditions, the Government is asked to use all its power to suppress this strike. Sir, this is a large section of the people and on them depends the future of our nation. It is not only this section of the people who have grievances: you will find a large number of the III Division clerks under this very Government complaining that they are living in very difficult conditions as a result of the little pay that they are being paid. Similarly, the workers, the peasants and a large section of the people are economically very backward and they find it very difficult to make both ends meet. How, in these conditions, can this Government expect the cooperation of the people to make this Five Year Plan a success and how, in these conditions, can the deficit financing—which should be made up by fuller cooperation of the people by making this Five Year Plan a success—be made up? So, my contention, Sir, is that without getting the cooperation of the people, without getting their support, this

[Shri K. C. George.] Budget is going to be a complete failure. A Budget that is based not on reality, a Budget that does not see the real economic conditions that exist in the country and making a plan for the future, is bound to fail; it is unreal; it is not a Budget, I should say, for a Welfare State. On the other hand, it is going to give us, as was remarked by some hon. Members, a "hell fire" State.

SHRI J. S. BISHT (Uttar Pradesh): Mr. Deputy Chairman, I rise to support the Budget that has been presented by the Finance Minister. I expected that that section of the House which claims to be very revolutionary would welcome this Budget for, for the first time in the history of our country, the Finance Minister of India has presented a Budget in which he has taken courage..... (*Interruptions by Shri S. N. Dwivedy*)..... and has gone on wholeheartedly for deficit financing in order to stimulate development programmes. Now, at page 21 of the speech, Sir, the Finance Minister, a very cautious person, himself has realised the dangers that he might face in attempting this deficit financing. He says: "Recent trends in the economic conditions of the country also indicate that the inflationary pressures which had been besetting difficulty, have been brought under control and the climate seems suitable for raising the scale of developmental expenditure. The effect of this on the economy of the country will be kept under constant watch and I need hardly assure the House that appropriate measures will be taken to counteract any unhealthy development." This is the particular caution which I wish to emphasise because this is a new drug. Maybe like many of these new drugs which have been recently discovered, it will completely cure the patient, but, if the Doctor is not careful, it may also kill the patient. Therefore, it is very necessary to strike a note of caution with regard to this deficit financing. It is the opinion of al-

most all the experts who have studied this difficult subject that deficit financing can be used as a lever to stimulate the development programmes. In the Western Countries, it has been used either in the time of War or in order to fight depression. But for the first time, as I said, in this revolutionary Budget, it is being deliberately used in peace time in order to stimulate development and to carry on planned economy. It is, therefore, necessary that it should be properly cushioned so that the dangers may not come up later on because it is no use bolting the door after the horse has escaped. I therefore suggest that, in order to cushion this, there should be, firstly, stricter control on capital issues; secondly, there should be equally strict rationing of credit and, thirdly, there should be control on distribution of all essential commodities and, especially, there should be strict control on prices of food stuffs because, as the common saying is, the A.B.C. of economics is that once the prices of food stuffs rise then the whole price level will rise and inflation will set in. And fourthly, compulsory saving should be stimulated. In this case, I am glad to know that the Finance Minister has already taken initiative to introduce compulsory provident fund schemes for industrial workers with the concurrence of trade union leaders. The small savings have been of the order of nearly Rs. 375.5 crores up to 1951-52. The price level has been kept under check. There is no gainsaying the fact that once the price level gets out of hand, it is very difficult to reverse the process later on. I would also suggest that the Budget of the Central Government as also of the State Governments should provide for a certain measure of surplus. Again, Sir, there should be a planned use of the earnings from our external trade and a proper use of these external balances. We must further negotiate for external assistance for, without the external assistance, too much strain will be put on that section of the community which depends on the

fixed income. The fixed income group or the middle-class will have to bear the burden of increased expenditure. You have before you the experience of Russia. Therefore, I submit, Sir, that if these measures are adopted, this deficit financing will help us very much in carrying out these plans and executing these development programmes. So, our motto has to be 'development without inflation'. I am sure that we have in the Finance Minister the safest person we can possibly have, who will carry us across this Ganga of deficit finance and carry us to the other shore of progress and prosperity. Now, Sir, this is also the first Budget that has been presented to Parliament after it has approved the Planning Commission's Report. The Finance Minister has already stated that on a rough estimate the total expenditure by the Centre and the States together in the first two years of the Plan is expected to be of the order of Rs. 600 crores. This would be equally divided between the Centre and the States. If the level of developmental expenditure reached by the States in 1951-52 is maintained in the coming year, the total expenditure, taking the Centre and the States together, for the three years would have reached Rs. 1,000 crores. This large amount has to be spent in execution of the development programmes and we have yet another two years. Let us hope that the whole scheme will gather momentum and the other parts also will be carried through. In the coming year, the provision for development expenditure is also exclusive of the Central assistance for financing the State plans. That is, for the three years ending March 1954, it would have reached about Rs. 1,000 crores. The criticism that has been levelled about the Plan is ill-founded. The Plan is going through quite well and I have every hope, hundred per cent, that it will succeed.

Sir, it is welcome news that the Finance Minister has appointed a Taxation Enquiry Committee. It is

long overdue. I must repudiate strongly the remarks made by certain Members of the Opposition against that Committee. It is the best Committee that we could have with an ex-Finance Minister as its Chairman. I told you that the Committee is long overdue. There are certain points about taxation that will have to be carefully gone into. In this connection it may be useful to remember the proportion of direct taxes compared to indirect taxes levied by other countries. For instance, in the United Kingdom it is 55 per cent.; in the U.S.A. it is 82 per cent.; in India it is 23 per cent. I know, of course, that the number of taxpayers in India is only one million, (Out of a population of 360 million: whereas in the U.K. the number of 'income-tax uavers' is 14 million in a population of 50 million; in the U.S.A. it is 44 million in a population of 140 million. In America they are rich; individually too they are all rich; even then the proportion of those that are subjected to income tax is far higher in proportion to the population there. It is also reflected in the proportion of the Corporation tax, which is only 8 per cent, in India. This only reflects the backwardness of our development. The same is reflected in the Customs and Excise revenue. In the U.K., the revenue from Customs & Excise is 36 per cent, of the total revenue; and in the U.S.A. they form about 18 per cent; whereas in India, it is 59.6 per cent. All these things have to be carefully gone into so that the Finance Minister may be properly advised. Our country is slowly emerging from a Unitary into a Federal State; the State Governments attained a measure of autonomy after the Montford reforms and are now fully autonomous in certain subjects. I myself have, for the past 25 years, administered local bodies. But you will find that vast areas of our towns and cities are slums, complete slums; sanitation, roads and education, all completely neglected. Whether in the District Boards or in the Municipalities, these things have to be stopped. Even in the capital

[Shri J. S. Bisht.]

■of this great country, if you go to Old Delhi you can see the condition of our slums. It is all because of lack of Finance. • (Time bell rings.)

Therefore, these things should be properly gone into.

Then, I come to the question of the expenditure on armed forces. The Finance Minister has said somewhere in rather an apologetic tone that a critical examination of the organisation and equipment of the Armed Forces had been undertaken in order to see what economies could be effected in Defence Expenditure. Though the requirements of national security set the limit to expenditure on defence, he has undertaken a possible search for economy. I suppose there is no need of any apology of that kind. Our expenditure on army, compared to other countries is not large. 'Being' must come before well-being. The army should use strong to repel the aggressor or would-be aggressor; otherwise it is no use having an army at all. The percentage of defence expenditure in the United States of America is 60 per cent, of the Government expenditure. In the United Kingdom it is 35 per cent. In India, when we take the revenues of the Central and the State Governments, it comes to only 22.5 per cent. That is the first test.

The second test is that of the percentage of national income. I find that in America it is 14 per cent, of national income. In the United Kingdom it is 11 per cent. In India, it is only 3.3 per cent. Only that percentage is spent on defence services out of the national income. So, I do not see how we can say that we are spending too much on our defence services. The other test, which would very much interest my hon. friends here, is that Russia is spending 25 per cent, of its national income on defence expenditure. The third test is about man-power—that is to say, between the ages of 19 and

35. In that case also the United States of America is using 16.3 of its man power between 19 and 35 for defence, while Russia is using 17.1 per cent., and the United Kingdom is using 13.7 per cent, of its man-power in the armed forces. And in India, you will be surprised to note, only 0.7 per cent, of the man-power is used in the armed forces. All this in a country so large, with a frontier thousands of miles, long, both in the east and in the west, with a vast sea coast.

I wish here to emphasise one point which I emphasised last year. I wish to reiterate it because from the explanatory memorandum on the defence estimates that has been given to us it appears that certain allowances, namely, marriage and children allowances, separation allowance, etc. for the officer cadre have not been allowed for. I again press upon the Government the necessity to reconsider this point, because it is a sore point with the officers of the armed forces.

*(Time bell rings.)*

Only one or two minutes, Sir. I had no opportunity of speaking on the Planning Commission's report. One thing I wish to bring to the notice of the Finance Minister, who is also a member, of the Planning Commission, is that somehow the province of Kumaon has been omitted, because I find that Kumaon, with a population of 22 lakhs and with an area of 18,000 square miles, has not been given anything in the Plan excepting one community project, whereas Himachal Pradesh, with a population of 11 lakhs and only half the area of Kumaon, has been given Rs. 1J crores for communications. I do not grudge them that amount. They are welcome to it. Kashmir has been given Rs. 4 crores for communications, and the population is 3 million. We also are a land-locked province—there are no roads, no railways, no aerodromes. It is a very sore point. We see the whole of India progressing towards

a welfare State, leaving a vast Himalayan province without a road, without a railway, without an aerodrome. They have a very real grievance. The Prime Minister has said that it is not a rigid plan, that it is a flexible plan, and it can be changed, and I therefore strongly press it on the Government that the case of Kumaon should be considered. Ku-maon supplies armed forces to you. They supply you with the great rivers Ganga and Yamuna; they supply you with all the timber in the country; they supply you with all the fruits. And in return they get nothing. I may be a little provincial in this, but I do hope the case of Kumaon will be considered.

DR. RADHA KUMUD MOOKERJI (Nominated): Sir, I wish to add my humble voice to the chorus of general approval with which the budget has been received in the country. On the present occasion I think I should not repeat the remarks made by previous speakers. And, besides, to discuss the details of the Budget is rather beyond the competence of a Member outside the Government. I am afraid that perhaps we are likely to lose sight of the wood in the trees that make up the wood. Therefore, I take this occasion to discuss general bearings of the Budget.

The Budget is the direct outcome of the economic conditions of the country, and these economic conditions show the appalling poverty of the country as a whole. I do not see how you can get rid of this poverty, because our revenues are so inadequate to the requirements of the country. For instance, our Federal revenue has been somewhat improved, to the extent of about Rs. 440 crores per annum. But against this, consider the picture presented by a much smaller country like the United Kingdom, where the monthly revenue amounts to Rs. 500 crores; and in the United States, the daily revenue amounts to Rs. 500 crores. Therefore, in this perspective, and if you have a sense of proportion, **you**

must consider really how we can get rid of this poverty in the country, and what are the ways and means by which you can increase the revenue of the country. I think this is the most paramount consideration that should occupy the attention of the whole public.

Now, as regards the expenditure, even out of our meagre budget, defence takes away about Rs. 2000 crores. And this is certainly very inadequate military equipment, considering the interests of security of the country. And I should think that the Budget makes very inadequate provision for our navy, because the Indian Navy has to be a two-ocean navy; it has to guard both the Bay of Bengal and the Arabian Sea in case any untoward happening takes place. So, even on this we have to spend more than half our total revenue.

As regards civil administration, I do not know—perhaps I may be wrong—but I put it to the Finance Minister whether the cost of civil administration has not increased from an average of Rs. 53 to 56 crores to Rs. 71 crores at once. On education I find that there is a decrease of provision. I do not know whether I am quite right, but I find that a deduction of Rs. 2 crores has been made in the provision for education, whereas the provision for police has gone up by Rs. 16 crores; and public health provision has gone down by Rs. 7 lakhs—So that, really speaking, our Budget is so inadequate that even the most primary social services are being starved.

Now, in the United Kingdom, for instance, we find that the entire-educational expenditure amounts to Rs. 340 crores. And why? Because England thinks that education is the most important line of defence for a country, and therefore they have invested liberally upon education. And look at the latest reforms that have been carried out by the House of Commons. No school-going boy or girl of merit will be denied

[Dr. Raiha Kumud Mookerji.] higher education. On the report of the school authorities, every boy and girl of merit will be entitled to State stipends. And then, higher up, for purposes of advanced study and research, they have made a rule that the proportion of the number of teachers to the number of taught should be 1 to 6, because England does not believe any longer—like Germany—in mass production in education; England believes in personal contact between the teacher and the taught. Therefore, if they have to provide an enormous number of teachers so as to work up to a proportion of 1 to 6, they will have to be very liberal with their educational budget. In India we have not even commenced the A, B, C of the principles of pedagogics. Here we are treating students as if they belonged to a class which is really an abstraction and not a reality. Every pupil is entitled as a sacred entity to special attention on the part of the teacher.

Now, in the United Kingdom, the budget also shows, as my hon. friend has just now stated, a defence expenditure of 6 shillings in the pound. I wish that the budget of the Indian Government also was presented in this manner, so that we could really "know the proportions of revenue that are being allotted to different subjects. In the United Kingdom, from the statement in the budget itself, defence takes away 6 shillings in the pound—that is, 30 per cent., social services take away 6 shillings in the pound—that is, 35 per cent. And on education alone, as I said, they spend Rs. 340 crores.

Now, the question is, what are the ways and means by which you can increase the revenue of the country? That is the most paramount consideration\* that should arrest the attention of Parliament.

Now, I think that the Finance Minister has been able to show this time an increase of revenue by Rs. 21 crores and this is no doubt brought about by the fact that industry has shown some progress. Now, we

should expand our industry which is dollar earning because unless we build up our foreign exchange and reserves, we cannot finance our industrial or agricultural expansion, which means that we must be able to import capital goods and machinery—for the replacement of old machinery, for instance, that in the textile industry. The dire need of our textile industry is the replacement of the old machinery and modernisation of the plant. So we must build up our dollar and sterling reserve and this we can only do by export. Every country in the world is anxious to follow the economic rule of prosperity, namely "we must sell most and buy least". But unfortunately in India we are practically placed in different circumstances. So, the only way by which we can earn more revenue for the country will be to have an organised export drive and that export drive should be applied to jute and then raw cotton, sugar, textiles and tea. Now, there must be a Ways and Means Committee to find out how we can adjust the export and import duties with a view to give a fillip to our export drive so that we may have lesser imports and more of exports. Now coal, textile, jute and tea, all these are really very good dollar earners. And then in the mineral field we are not really paying adequate attention to the question of export of minerals. India has got a lot of manganese and manganese is very much needed for steel production and on account of that we have a very strong point. But there is no proper mining policy framed by Government in regard to the exploitation of these natural resources. There should be a policy of issuing more liberally private mining leases; so that there is more of prospective work and more of private enterprise working in this field.

Now, as regards agriculture, there are the preliminary difficulties—of mechanisation or introduction of scientific appliances. Therefore, I do not know in what way we can make a real beginning in the field of

agricultural improvement. We have no doubt carried out the negative aspect of agricultural improvement, namely, by dispossessing intermediaries and the landholders, but the positive aspect of agricultural improvement has not at all been taken in hand and the first step to be taken will be the creation of standardised economic holdings. I do not know how we should tackle these things, but a beginning should be made now. As regards agricultural reforms, I should like to say that perhaps it is not wise at the present stage to fix any ceiling for the size of agricultural farms because we may reclaim some of the dispossessed landlords as gentlemen farmers and equip them with model farms of the size of five hundred acres, as is the size in the U.S.A. and then under certain guarantees of production-quality and quantity of production— these reclaimed gentlemen farmers might be associated with this economic improvement of agriculture and their knowledge may be utilised for the benefit of agriculture.

*(Time bell rings.)*

Just only one point more. It is a primary fact that out of a population of 36 crores only 7 lakhs have incomes that are taxable on the old standard, but I think the number will go up with the raising of exemption limit. My Communist friends are always anxious to see that that capital is equalised and equally distributed in the country, but we must remember that we have only to deal with 14 thousand people who pay super-tax. And therefore we are already reduced to a position of complete equality in common poverty which pervades all classes higher and lower.

Then, as regards borrowing, it is really a technical point.

*(Time bell rings.)*

I am sorry, Sir, I have exceeded the time limit.

SHRI S. C. KARAYALAR (Travancore-Cochin): Sir, the Budget seems to have given universal satisfaction.

It has been well-received by all sections, particularly by commercial and industrial sections. That itself is a tribute to the ability and the capacity of the Finance Minister to feel the pulse of the country and to adjust his financial proposals to suit the needs of the country. Sir, I do not want to enter into the budget proposals regarding taxation contained in Part B of the Finance Minister's speech. They have been commented upon by several hon. members. It is enough to say that some of these proposals regarding the increase of import duty on some semiluxury articles and also the reduction on the import duty on some essential articles like anti-biotics, milk foods, etc. have given general satisfaction. Sir, I do not propose to enter into the merits of these proposals. The Budget that has been presented has been framed against the background of the Five Year Plan. The estimates make adequate provision for the schemes mentioned in the Plan. It is difficult to make a real assessment of the progress that has been made so far in the fulfilment of the objectives of the Plan. It is very gratifying to note that the Centre has played its part properly and is making satisfactory progress in the fulfilment of those objectives.

The Finance Minister, in the course of his speech, has observed that during the remaining period of the Five Year Plan it will be necessary to increase the tempo of expenditure on the development schemes. On this point I wish to make a few general observations. Planning in any country is a very difficult process and it is particularly difficult in a democratic country. Planning visualises certain objectives which are realised by the allocation of the resources of the country both material and man-power resources. Sir, in a Fascist country it is possible to make a bold allocation of the resources of the country, both manpower and material resources, according to a Plan towards the fulfilment of the objectives of the State. It is by a process of regimentation that it

[Shri S. C. Karayalar.] is done in a country like that, but in a democratic country, it is a very difficult process to make an allocation of the resources of the country in material and man-power. However, the material resources can be allocated by an adjustment of the fiscal machinery, by the import and export tariffs and all those things, but it is difficult, if not impossible, to make an allocation of the man-power resources of the country. This puts a limitation in a democratic country in the matter of planning. Sir, it is in this context that we have got to view the proposal to increase the tempo of expenditure during the remaining period of the Plan. In the first place increasing the expenditure during this period will certainly have the result of inflating the prices, particularly of consumer goods. That is a very undemocratic process and that will be against democratic procedure. That is one aspect of the matter. In the second place, stepping up expenditure will not always be accompanied by proportionate development. In other words, there will be a lot of wastage of effort and resources. We should consider very carefully whether it will be in the interest of the country particularly in the context in which we have to face deficit financing to contemplate a steep rise in expenditure on the development plans. I would therefore, in the context of the deficit financing, suggest that the stepping up of expenditure on these development plans should be spread out over a longer period than is contemplated.

I now come to another subject viz., the question of production in the country. It is observed by the Finance Minister in his speech that production, particularly industrial production, has been very satisfactory during the year 1952. Several industries, jute manufactures, textiles manufactures, sugar, coal, salt etc. have registered a great increase in production during this year. Viewed objectively this gives room for satisfaction but I would like to say that, the production figures in some of the

industries do not indicate the real condition of those industries. For instance I would refer to the case of some newly started industries—postwar industries like ryon. The ryon industry has not stabilised itself. It is a newly started industry with a big capital. There are only two factories established in India, one in Travancore and another in Bombay and two more I hear, are coming up. But this industry has not stabilised itself. The reason is that it has primarily to depend upon raw materials imported from abroad. That is one reason which, according to me, accounts for the fact that it has not stabilised itself.

The industry by itself—the two factories—produces about 10 million yards of ryon yarn whereas the consumption in the country i.e., the weaving, handloom and ryon weaving factories established in India consume about 70 million yards. That shows significantly that there is scope for the establishment and development of this industry. All the same even the two factories which are in existence are finding it difficult to proceed along proper lines and they have not stabilised themselves. In order to enable them to stabilize, Government have got to manipulate the import and export machinery available to them in order to enable them to achieve this object. Otherwise, this industry will be ruined. Even from the point of view of the weaving section of the industry, it is important that this industry should be allowed to stabilize itself in the manner that I have indicated. No industry can thrive in this country unless it can depend upon the raw materials available in the country. For the weaving part of this industry the raw material has got to be provided by the ryon manufacturing industry. So I seriously suggest that in the interest of the economy of the country it is necessary that the ryo industry should be given adequate protection in the form of proper tariffs on materials and other things.

Now take the case of another industry—the glass industry. This



industry is struggling for existence in the South. There are several glass factories which have had to close down. That gives us an indication of the condition of this industry. Then again, take the case of the sugar industry in the South. Sugar industry may be prosperous in the North, but in the South it is really struggling for existence. I would also like to mention the case of the pharmaceutical industry and the Titanium acid industry, and other such industries which have recently been established. These are all struggling for existence. This shows in a significant way that there is something fundamentally wrong relating to the conditions under which these industries are working and Government have, therefore, to make an investigation into the conditions of these industries in the interest of the economic development of the country and find out radical measures to see that these are stabilised. Otherwise these industries will be ruined beyond repair and it would not be possible to revive them.

Sir, a good proportion of the revenues of our country is derived from our customs. The Finance Minister has pointed out that it is not possible to estimate correctly the receipts under Customs. Our revenues under this head depend upon world trade upon the export and import trade. In export trade India had established supremacy in respect of certain articles like manufactured jute, plantation products etc. That was by reason of the fact that India was a low-cost producer. Now the trend is for a change and the position is reversed and India is a high-cost producer, at least in some of these articles. This high cost of production will naturally result in the contraction of the export trade in some of the articles, for example jute manufactures and some other articles. It is, therefore, necessary, in order that the export drive may be kept up, that the cost of production should be reduced. This can be secured only by a process of rational-

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isation in the industry both with regard to production and with regard to distribution. That is a thing which has got to be taken up seriously; otherwise we shall lose our export trade at no distant time.

*(Time bell rings.)*

MR. DEPUTY CHAIRMAN: Another two minutes.

SHRI S. C. KARAYALAR: I want to say something about the Finance Commission's Report. This Commission was charged with the duty of making recommendations in respect of two or three matters. The duty of making this recommendation is cast upon them under the Constitution. The matters in respect of which the Finance Commission was asked to make recommendations are—(1) the distribution between the Union and the States of the divisible pool of the income-tax and some excise duties.

7 P.M.

Number two, regarding the principles which should govern the grants-in-aid of the revenues of the States out of the Consolidated Fund of India, and

Number three, the continuance or modification of the terms of any agreement entered into by the Government of India with the Governments of any State specified in Part B of the Constitution.

Sir, with regard to item (three), I wish to make one or two observations. The States, the previous Indian States now known as Part B States, entered into—what are known as the Federal Financial Integration agreements with the Government of India. They were all done hurriedly and the importance of the continuance or modifications of the terms of such agreements was pressed upon the Finance Commission. The Finance Commission, Sir, did not pay any due heed to the recommendations of the State Finances Enquiry Committee. They have brushed aside the representations of the States by saying that this is a matter which

[Shri S. C. Karayalar.] could be considered only at the expiration of five years from the commencement of the Constitution. It is true, Sir, that this agreement will come up for review and reconsideration at the expiration of five years from the commencement of the Constitution but, there is a proviso that the President has got to come to some decision as to modifications, etc., on the recommendation of the Finance Commission. Unless, Sir, the Finance Commission makes recommendations, even the President will not be in a position to come to a decision regarding the modification or continuance of these agreements. There would, therefore, be no material on which the President will be able to proceed in regard to the consideration of this question. This will leave a vacuum in regard to the agreements for the modification or the continuance of the agreement. That is a thing which has got to be considered. Although the Finance Commission has now become *functus officio*, it is a matter which has got to be considered.

In regard to the distribution of the net proceeds of the income tax, Sir, the States Finances Enquiry Committee, which had something to say on this subject, have definitely said that in the Union, there can be no differentiation made between one State and another but, they have added a proviso to the effect that in the case of these States in which the income tax rates were lower than the Union rates, they should be separately treated; they should not come in for a share of the divisible pool. As a matter of fact, they recommended— they said categorically—that those States should receive only some *ad hoc* grants instead of a share of the divisible pool. This matter seems to have been ignored by the Finance Commission; they have nothing to say" on this. They have treated all *the* States alike. This is a matter which, I think, must receive attention.

(Time bell rings.)

One word, Sir.

MR. DEPUTY CHAIRMAN: Time is up.

SHRI B. GUPTA: May I draw your attention to the fact, Sir, that no Minister of Cabinet rank -is present, even though the General Budget is being discussed? Much as important as they are, we would like at least some Ministers of the Cabinet rank, if the Finance Minister is not available, to be present. The General discussion on the Budget should not be.....

(Time bell rings.)

MR. DEPUTY CHAIRMAN: Order, order.

SHRI M. MANJURAN (Travancore-Cochin): Mr. Deputy Chairman, the very favourable reception of the Budget in the Stock Exchange is very ominous. It seems to me that the capitalists and the speculating community of this country have obtained a further lease for exploiting the other classes and' it is strange that congressmen who have been always very solicitous about the welfare of peasants and workers could not understand the implications of a Budget so buoyantly received by the capitalists as a whole. There have been reports that further-talks about the Budget have confirmed earlier reactions on the Stock Exchange where industrials have gained overnight.

(Shrimati Violet Alva in the Chair.)

This suggests that the capitalists have been very much satisfied and the opposite side which has never expressed its view about this matter, the mute millions of this land, has no reason for satisfaction about the Budget. There seems to be all the financial glory attached to the Budget where figures are exhibited in their respective columns with the usual precision. But as has been pointed out, this Budget is sure to usher in

a period of inflation, and is not going to be advantageous for the labouring classes not for the peasants. The burdens of the inflation policy are going to be borne by the, lower classes as prices will advance. In spite of the pre-cautions that may be taken, the advancement of the prices would only mean that there will be further dislocation in the economic conditions of this land. The purposeful fiscal policy which the Finance Minister states that he had introduced for the purpose of curtailment of prices came to lead us to this stage and he had to put the gear on the reverse. These things it seems are not going to be controlled by the purposefulness of the Finance Minister. They seem to be regulated by strong causes over which we are not having any arbitration. Things are governed as it is suggested in the Budget, by factors outside India, say, international factors. The same international factors which are brought in for dislocating economic conditions in India will be further taken in for further dislocation of the Budget. Now, conditions everywhere are very bad, especially in the place where I come from. Yes, conditions are bad. It is beyond me to understand where the Finance Minister gathers his information to say that the country is registering an over-all improvement. It would look strange for people coming from places where there is nothing but poverty, where there is nothing but famine, where there is nothing but unemployment. In my place, Sir, nearly 11½ lakhs of people in the coir industry, 5 lakhs of people in the handloom industry are out of work. Several other industries have closed because there is no electricity. It was the other day that the Travancore-Cochin Government proclaimed a 60 per cent, cut on electric power with the result that many factories including Tata's in the State are now compelled to leave off workers. They are not going to give any kind of compensation but are going to send them away for a short period, probably till the advent of rains. What does this mean when people

wholesale are being sent out of factories without compensation indefinitely; till the rains come? Our budgets are fashioned on the basis of a Welfare State. What correlation is there between hopes and realities? There is quite an amount of unreality in the Budget proposals to show that the country is progressing. In judging the progress of a country, individual cases or the cases coming from States should be taken into consideration. There is everywhere the talk of Planning and Deficit Financing where all big things are said to be in the Plan? The Rajapramukh of Travancore was talking in the Legislative Assembly the other day when he said that the Planning Commission has not given the names of the works which were carried out by the Public Works Department of the State in the compilation of the Plan. Everything that was in operation in the State from 1938 is having a place in the Plan. Works which had been almost completed even before the advent of the Plan are being cited as works that are being conceived by the Plan. And what does all this come to finally? It comes to this, that there are certain compilations done on a voluminous basis to hoodwink the people of India. That is all that this Budget does, and that is all that this Plan does, and that is all that the activities of the Government come to. All the same they want to advertise to the people that something glorious is going to come. But there is nothing likely to come. The peasantry is affected adversely. Landless peasants are increasing day by day. Workers are going out of employment. The national income is being reduced considerably. At the same time they are giving the idea that the country is prospering. This story of prosperity is a story of unreality with which many people, even Mr. Karayalar and Mr. Madhavan Nair, coming from our parts and sitting on the Congress benches, would agree. I would challenge them to say whether they would deny the report that millions of people are unemployed, that rations are not

[Shri M. Manjuran.]  
 enough, that the total food production was very bad before and is worse to day, that the supply of food from the Centre is much shorter today? All these facts could not be challenged by them. But still they are sitting quiet, and talking of other things. The Finance Minister states that the country is improving, but it is increasingly speeding towards doom. There might be certain schemes that this Government is operating with the aid of American experts and American money—I do not deny that—but take any individual scheme and analyse it. What do we find? Take the community projects. Take any item of the Plan individually. There is no meaning in it. The Peechi project, which was going on from 1946 or earlier in the State of Cochin, and supposed to be completed in 1952, is one of the items of their Plan! There was the Thoitapilly Spillway Steel Works. It was going on for a long time. This is another item of the Plan! This Plan is a citation of all the things that were going on in different States; all these things have been combined together to create a bigness of things, and we are to be convinced that this country will prosper because these things are being repeated every time. Such repetitions won't do. This country should have a definite policy towards progress. That policy has never been adopted. This Government has never followed the correct policy towards progress. After all, this nation can progress only by following the correct policy of making the human factor usefully employed in the industries of the country. But nowhere is this done. People engaged in commerce and industry are coming and telling you that all is well while a lot of workers are being displaced and, there is very great unemployment. It happened in Ahmedabad. It happened in Cochin. It happened in Trivandrum. It happened in Bombay. It happens everywhere. There is a rush on the part of industrialists to send away employees. These cases are before

the country. There is no way out of it.

THE VICE-CHAIRMAN: How much more time will the hon. Member take? He has already taken more than 10 minutes.

SHRI M. MANJURAN: A little more time, Madam.

A lot of machinery has been brought into this country. I believe 32 rotaries for boring tubewells were brought in at a cost of not less than Rs. one crore. And it seems very strange that no tubewell has been sunk so far. Why? Because there are no Indian experts to operate those rotaries. When the Government of India bought these rotaries, it seems there was somebody eager to buy the rotaries, but there was no one to operate those rotaries. The Government of India sent out money and they bought the rotaries. And now, when the rotaries are there, they do not know how to operate them. They have been there for more than three years. They have been stockpiled here.

There is a vast effort going on to grow more food. But no more food is grown. There has been accumulation of various types of machinery imported from America or other Foreign Countries—rotaries, caterpillar agricultural machinery, etc.—and a lot of dollars have been spent. But what the Government is going to do with all these things, one does not know. No tube wells have been bored recently. Three years have elapsed since this machinery has come to India. At the same time we are told that there are contracts going to be signed between the Government and one company—Smith & Co. in Washington—who are supposed to be charged with the boring of tube wells in India which might cost at the rate of about Rs. 30,000 for each well and we do not know when these wells are going to be bored. At the same time, our Finance

Minister, our President and every one is waxing eloquent about the coming in of American aid in the shape of food. 36 crores of people are living in this country and there is no rational scheme to show how they could be employed in industry. If there was a plan for that there will be no such gradual deterioration in this country's economy as we find it today. Other countries have progressed towards prosperity. They have made use of land and man power and they have relied on land and their men, but this Government distrusts the common people. They do not believe that our people can work and our people can progress. It has been almost said every time, whenever anything comes up, that there is something in America or there is something in the U.S.S.R.— some hatred for the U.S.S.R. and some affection for America or *vice versa*. This will not bring prosperity. We have to rely on ourselves and stand on our own legs. No amount of financial adjustment can bring us prosperity. There should be faith in our man power and faith in our neighbours. Only that would solve the problem that is before us. But that is not being done. Two years have elapsed since the Plan has been working. But the country does not know what the Government has been doing all the time. When the Planning Minister was asked in this House what the achievements of the Government were so far, he pleaded ignorance and he did not know anything at all. He does not know what has been going on in the country. Both of them, Sir, assured this House and this country that they expect much good to come out of the Planning, but I find that ignorance is pervading everywhere and nobody knows how things are moving. Sir, without the two years of planning we could have made much more than what has been achieved today. What has happened in my State? They have taken away the income-tax: they have taken away the customs duty; these things were normally due to the State. The whole thing is that we have got a

duplicate system of Government. Lot of money is spent on that duplicate system. There is a Commerce Minister; there is an Industry Minister and all kinds of things, both at the Centre and States. The one is a tragedy and the other is too much of a comedy. In the Centre there are big things and big talks and there is a kind of buffoonery going on with the States. Allegations right from pilfering to murder have been there against the Ministers of the State and the Central Government has never cared to know about anything. Further they would be shielded. They would not divulge the information. All kinds of allegation of corruption, bribery, favouritism, nepotism and what—not were raised against the Ministers in Travancore-Cochin. But nobody seems to know about these things. It is all a Congress affair. I think the Congress has got every right to pilfer, but not the State money. The Congress has got every right to be corrupt, but not within the State. That should be from within their own party. Here are Ministers who are pilfering, who are receiving bribes, who are probably abetting murder. There is too much of administration. There are too many Ministers and too many planners, people who are executing plans, people who are overlooking plans, people who are underlooking plans, but nothing comes out. Nothing works to schedule. I do not understand the refusal of the Minister of Planning to tell us what actually has happened during the course of the last two years. Their refusal to give this information is sufficient reason for us to suspect the planners that the planners have achieved nothing, and nothing will have been achieved at the end of the five years. This is a political stunt to keep the Congress in power. All this trickery is played against the illiterate people of the country. Things are different in *my* State. There people are literate. They are educated and there is going to be a convulsion there if this Government is not going to do proper justice to the people there. Millions of people are un-

[Shri M. Manjuran.] employed. Lakhs of people are coming out of the universities and loafing in the streets. This Government talks of over-all prosperity. That is an unrealistic statement. Things are not all right. There is a suggestion that foreign experts should come and assess the conditions in this country. This may serve you well for getting some foreign aid, but this will not do you much good. During all this time there has been no change. The same things as existed in the old British days and the Moghul feudalistic days continue still, the same old tale of increasing penury. We find that there is so much talk of the achievements of this administration. Really there is a lot of wastage. There is a lot of wastage in administration both at the Centre and in the States. There is staff which is told to do things in a particular manner and staff which is not told anything at all, as to what things ought to be done. This is the state of things today. It is for the Government, therefore, to think where they are going, whether they are moving towards darkness and perpetual strife within the country or whether they want to avoid these things and work for a better future. The people in the States are suffering, and especially the people of the State from which I come, in the present scheme of India. So I hope that the Government would give the fullest consideration to that State, to the economic evils that are pervading in that State today and do something early to relieve the people there from their present troubles.

SHRI B. GUPTA: On a point of submission. I gave notice for a motion to discuss a matter of urgent public importance in connection with the arrival of the U.S. Destroyer at Calcutta Port. (*Interruptions.*)'

THE VICE-CHAIRMAN: It has been submitted to the Chairman for a ruling. It is already under the consideration of the Chairman and

you will have his ruling tomorrow. Dr. Dutt.

DR. N. DUTT: (West Bengal): Before I begin my speech, I offer my felicitations to Mrs. Alva for taking the Chair. A veteran educationist is in the Chair this evening and I am fortunate that I am speaking when she is occupying the Chair.

On the whole the present Budget has been acclaimed as one of the very best by a large number of people in the present circumstances though it has not been so recognised by our hon. friends on the Opposition. Most of them find fault with everything done or given in the Five Year Plan. They don't find any good in the river valley projects or community projects or Sindri or Chittaranjan. They are shutting their eyes to these developments and they point out only the defects on the score of the unemployment problem to support their own contentions.

In the Budget "we apprehended that there would be a direct tax for the Five Year Plan. Now we are glad that our apprehensions have been belied and the Finance Minister has realized that the taxation has reached the saturation point and there is no likelihood of an increase in revenue by increasing the rate of assessment. He has therefore taken recourse to deficit financing. Economically and scientifically it may or may not be wrong but our Finance Minister is a veteran economist. He has examined it very carefully and he believes that in such a vast country where there is vast possibilities of development, deficit financing is not a dangerous experiment. So we can be assured and we need not be afraid of this deficit financing. It is rather surprising that our Finance Minister has not referred to the Estates Duty Bill. He must be expecting a large amount of money when this duty is enforced. However it is indispensable that we need this Five Year Plan. We know that we have not made much progress socially and economically. It

is agreed that we should have plans and we should implement them with all our efforts. This plan has been drawn up by men who have the best interests of the country at heart. They have as much interest in the development of our country as our friends on the Opposition. Our Finance Minister has rather shown some consideration for the higher middle class by increasing the limit of exemption from tax by Rs. 600 *i.e.*, Rs. 50 a month. We should be thankful to him for these small mercies but it affects only 70,000 men and this also reveals how low is our income per capita. He has done it with two objects. First, to give some relief to the middle class, secondly to lessen the collection expenses and to engage the released I.T. Officers to make up the deficit by taxing the higher income groups. Those in higher groups know how much they have been harassed on account of taxation. I hope by releasing these officers this harassment will not increase and they will do the work more politely.

By far the best thing that I notice in the Budget is the Finance Minister's consideration and the income-tax relief he has given in the case of charitable institutions. By releasing these gifts to charitable institutions from tax, he will be helping many institutions. But I would request him to consider if he could do away with the super-tax because in most cases this retards gifts to charitable institutions. I wish the Finance Minister will also take this step.

Now I come to the question of trade. The next thing that he has done is to reduce the duty on jute sackings; but this is a belated step and we know how the jute growers are suffering. Jute sackings have been substituted by other things in certain countries. There they use paper and cotton bags for packing goods and also they have adopted bulk handling and bulk storage. Some of them have already started the manufacture of sacks. On account of the high price of our sackings due

to the high duty, we have practically lost our important markets and it will be very difficult to get back the markets lost and also the loss in our foreign exchange. I do hope we shall be able to make our prices quite competitive and be able to see that our competitors in the shape of cotton bags and paper bags go out of the market and these countries come back to using jute bags. It is rather surprising that the Finance Minister has not done something to another Bengal product—tea. I find that no steps have been taken to improve the conditions in the tea industry and the conditions of the tea growers. Like jute, in this industry also the money invested is mostly foreign. Out of the Rs. 52.5 crores, invested in this industry about 39J crores are invested by Englishmen or foreigners. But the whole industry gives employment to 10 lakh people and the wages though apparently low—Rs. 43-10-0 we have got to assume that this wage is given to all people, both young and old in a family, and in a family of four members, it is not very low. Therefore the tea industry is good both for the labour and for the earnings that the country gets of its foreign exchange. In addition to that, this industry gives Government a cess of Rs. 4.25 crores and a duty of Rs. 10.75 crores, which amount to about Rs. 15 crores, in addition to the foreign exchange we get. Bengal and Assam produce today half the world's consumption of tea. It is surprising that the Finance Minister has not done anything for this industry. Competition is coming from Indonesia and with the development of agriculture there this competition is likely to increase very much and our tea industry may also be affected just in the same way as our textiles are affected by competition from Japan. When on this subject I would like to draw the attention of the Finance Minister to the fact that though he has reduced the duty on jute sackings, he has not done anything for the jute growers. In West Bengal the Government have increased the production of jute and our cost has come up to Rs. 30 to

[Shri N. Dutt] Rs. 40 for cultivating, yetting, steeping etc. a maund of jute and yet we are given only something below even Rs. 20. There is no price support for this product. There is price support for the production of cotton. There is price support for the production of sugarcane, but unfortunately there is no price support for jute. Only pious wishes have been expressed by our Minister saying that the jute mill-owners will see to it that the jute growers get something. But this is not the way in which the growers can be helped or agriculture improved. The Finance Minister said that agricultural labour has not been materially affected by the prices except in the tea gardens. I wonder how a statement like this can be made.

Now, today, in Bengal, jute has gone down below 20 causing great sufferings to the jute growers. In regard to sugar, it was by Government measure that its price was reduced by 33-1/3 per cent.; from Rs. 1-12-0 it was reduced to Rs. 1-3-0 and even that is not enough. The price goes further down for cutting, caring, loading, dryage and pilferage and the cultivators get barely 14 as. or 15 as. per maund of sugarcane.

The price of cotton has also gone down, but it has somehow not gone down very much; it has gone down only by 10 per cent.; and this is due to its price support. Paddy prices have also gone down. So, what is our position today? Today, practically, the prices of all the agricultural products are being reduced and, in this, the agricultural labourers are suffering very much. Our Government have got a responsibility; it initiated the Grow More Food Campaign; it encouraged cultivators to produce jute, sugarcane, cotton, etc., but today, is Government coming to their aid? I want to draw the attention of the Finance Minister to this particular point about the drop in the agricultural prices.

I now come to handlooms. There are 28 lakhs of handlooms which perhaps engage 20 lakhs of workers but, there is no doubt that about a crore of men depend upon this. In particular, this is a cottage industry which, the Government say, is as important as agriculture. This industry is going to be given about Rs. 6 crores; but, will this six crores of rupees solve the problem? It will mean only Rs. 20 per loom per year. I do not find any reason why this cess should be imposed on one particular industry, on the cotton industry. If you want to support the handloom industry, you should also support all the other cottage industries like brass metal, iron and steel and all these things and, for this, if there should be a taxation, it should be not only for handloom; it should be a cottage industry cess and that cess should be levied not on cotton mills alone, but also on non-ferrous metals factories, iron and steel factories, aluminium factories and motor parts and everything. Now, why not a cess be levied on the motor spare parts for supporting the tongawala. if we are to impose a cess on mill cloth for helping hand-loom? What is really needed today is that all the cottage industries should be helped and for this. I do not mind if a special cess is imposed on all our Manufactured goods.

The next point I want to touch relates to the mill cloth. Well, this has been the biggest thing. It has given us foreign exchange and it also provides a good amount of excise duty, customs duty and a lot of other things but, this has become the target of attack of the present day regime. We welcomed it for clothing our people, but today, for every pair of cloth, a mill has got to pay heavily to the Government. It pays annas two per pound for imported cotton and Rs. 2, and 10 to 11 annas respectively as excise duty, for super fine and fine cloth.

*(Time bell rings.)*

Over and above this, we want another annas 2/6 for handloom. In



short, there will be added Re. 1/-if sale tax is included for coarse cloth, Rs. 2, for fine cloth and Rs. 3, for super fine cloth. In spite of this, it is rather unfortunate that the specific rate that has been fixed by the Finance Minister in the Budget is on the high side. He has taken the 470 index figure and not the 402 which is the present index figure.

Therefore, he calculated what we .....

*(Time bell rings.)*

One minute more, Madam. In this connection, I would also refer to the policy of Government regarding cotton. Sometimes, Government puts pressure on the millowners to purchase cotton at a particular time when, considering the market, the millowners do not want to purchase. The millowners were forced to buy Rs. 80 crores worth of American cotton at a very high price. They were not allowed any discretion in this matter.

*(Time bell rings.)*

A few minutes more, Madam.

THE VICE-CHAIRMAN: One minute more. ,

DR. N. DUTT: Regarding unemployment, the Finance Minister has said: "the basic situation in regard to unemployment or under-employment in the country calls for long term measures for its correction and that such correction could only be gradual, specially, in view of the increasing population". But, it is rather peculiar that unemployment has been put as a post-script and not as the first chapter in the Five Year Plan which should have been based on it. The remedy is.....

*(Time bell rings.)*

SHRI K. SURYANARAYANA (Madras): Madam, before I go to the other subjects I wish to express my happy feelings over the decision of the Government of India to create a separate Andhra State though, of course, it needed the precious life of a patriot and an ardent Gandhite like Potti Sriramulu to wring a decision from the hands of the Government. I hope the Government of India will give all possible help for the new Andhra State in its initial stage, be-

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sides giving its due share from the Central Finances. %

Madam, I wish to speak about our great and abundant natural resources with which our country is blessed. Our water resources, if properly and quickly harnessed, will convert our country into a heaven on earth; our country will soon become the granary satisfying the needs of every citizen. Our country, as we know, is predominantly an agricultural one, more than 75 per cent, of the population of which depend on agriculture. We have so many great rivers spread all over the country; only 5 per cent, of their water is being utilised for our irrigation purposes. In view of such a bright future being unfolded to our country and in view of the existence of easy and economical ways towards such an end, the river-valley projects should be given the topmost priority in the national development. The solution of our chronic food problem also lies in the immediate implementation of our river-valley projects. Speedy industrialisation on a vast scale, rural electrification and the consequent raising of the standard of living of our people, to say only a few, are the contingent benefits which will result in the successful implementation of our river valley projects. We are still unable to grapple with the problem of food. We are still hearing, painfully enough, the news about the dancing of the famine devil in various parts of our country.

Now, Madam, I thus come to' particular points. I shall put special emphasis on the two most important rivers in the Madras State—the Goda-vari and the Krishna. The relation between these two rivers and the famine areas of Rayalaseema *etc.* of which we are almost daily hearing is worth noting, because it exposes the gross failure of the Governments in their duties. The Rayalaseema aVea is the border land of that rriver Krishna. Should I say that the Krishna river could have been used in developing the Rayalaseema? That had not been done. Not only that. The previous Madras Government

[Shri K. Suryanarayana.] framed a scheme namely the Krishna-Pennar Project which could have submerged some thousands of acres of garden lands of Cuddappah in its execution had it been accepted. The actions of the previous Madras Government had caused great anxiety to the people of Rayalaseema and other Andhra districts also. Fortunately that Krishna-Pennar scheme has been abandoned by this Government. In its place another scheme had been proposed which is known as the Krishna Valley Scheme which comprises of three stages—Nandi-konda, Siddeswaram and Pulichintala. I shall have to say something about this Krishna Valley project.

I shall speak first about the Nandi-konda project. It will be recalled here that technical experts' committee appointed by the Planning Commission has categorically decided, after careful study, that the Nan-dikoda project should be taken up in view of the urgent need of increased food production and also in view of the development of Rayalaseema. They decided that the Nandikonda project is technically sound and economically a better proposition than the Krishna-Pennar scheme.

It is unfortunate that the Government of Madras has still kept this issue of the Krishna Valley development pending even after the clear decision of the Khosla Committee in favour of the Nandikonda project. It is still more regretted that the Government of India and the Planning Commission have not brought their moral pressure to bear upon the Madras Government.

The framers of that discarded Krishna Pennar project, shortsightedly enough, aimed at diverting the natural flow of the Krishna river, Emerging some thousands of acres of best garden lands of Rayalaseema in its execution.

But my contention is that the framers, in contemplating the Krishna Pennar scheme, never considered the fate "of the people living in the

Krishna Valley. On the other hand, they completely shelved the Goda-vari project, that is, the Ramapada-sagar project, the boon of Andhras, for which they have spent Rs. 15 lakhs, and preferred this dangerous Krishna-Pennar project. They attempted to kill the goose for the golden egg. If we just consider for a moment these two rivers and the areas they command, the shortsightedness of the framers of the discarded Krishna-Pennar project can be clearly seen.

The waters of the Krishna are not sufficient to irrigate the whole of the area under its command, but the waters of the Godavari river can irrigate more land than what is under its command. This is a fact which both the engineers and the politicians have grossly failed to notice. It is not late even now for the engineers properly to understand this fact and guide the politicians in their decisions. No one would have prevented the previous Madras Government had they started taking water from the Godavari through the canals as had been drawn in the Ramapada-sagar project, far to the south of Madras. Even now, it is better the Madras Government should realise that by taking up the Godavari project alone, they can get as much water to their areas in the south as the Krishna-Pennar project would have brought. Or they can modify the original Ramapadasagar project in such a way that the surplus waters of the Godavari river may be utilised in the southern parts of the Krishna river also. That is to say, the Godavari and the Krishna rivers must be linked up by canals, so that the Godavari and the Krishna may be jointly exploited for the development of all those areas under their command.

It will be recalled here, Madam, that the famous Ramapadasagar was designed by no less a person than Sir S. V. Ramamurthy, an eminent civil servant, the then Adviser to the Government of Madras and the present Adviser to the Planning Commission in the implementation of the

Five Year Plan. I am glad the Planning Commission after all has done a very sensible thing in requesting Sir S. V. Ramamurthy's seasoned experience to be placed at the disposal of the Government.

I suggest that in the best interests of our nation as a whole and under the supreme necessity of increased food production, the Government of India should take up this Godavari project, that is, the Ramapadasagar project, and make the best use of the expert guidance available regarding this project. It should have been treated at least on a par with those Central projects such as Bakhra-Nangal, Damodar Valley, Hirakud, etc., though not as the first one. In fact it is the best of all those schemes in view of the benefits it could confer in relation to the cost. Moreover, this is a project involving the joint exploitation of the Godavari and the Krishna as economically as possible. We can derive the maximum results with the minimum cost, and that too within a short time. I request the Government of India to take up this project immediately.

Here are some of the facts about that project as had been previously designed. The Ramapadasagar is a multi-purpose project. A concrete dam 430 feet high on the deepest foundation and 6,600 feet long is proposed to be constructed at Polava-ram, in West Godavari district. The reservoir formed will have a capacity of 6,90,000 million cubic feet and will cover an area of 527 square miles. Two canals will take off from the dam, one on each side: the left canal will be 120 miles long and the right canal 220 miles. The project will irrigate nearly 30 lakh acres of first and second crops. It will develop 150,000 k.w. of firm power. Navigation facilities will be provided from the Visakapatam to the hinterland of the lake. The annual food production is expected to be 11 lakh tons and we can develop industries like boat making, etc.

The Government of India should take up this famous Ramapadasagar,

though not as it was framed, in a revised form, by co-ordinating these two great rivers, the Godavari and the Krishna, so that the pitiable condition of the people living in the Godavari river valley and the Krishna river valley may be ameliorated. There are nearly 90 lacs of acres of land under the command of the Krishna river which may be irrigated easily by the Krishna river being reinforced by the Godavari waters. Thus a network of canals must be constructed connecting the Godavari to the Krishna river so that every part of the land under the purview of these two rivers may be brought under cultivation so that our nation's food resources may be increased.

The special feature of this joint exploitation of these two rivers is that the surplus land under the Krishna river command may be brought under cultivation with the surplus waters of the Godavari. The Khosla Committee has already recommended the Nandikonda project on the Krishna river, the advantages of which are known to everybody. The fact that such a thing has not been done, goes to prove that the Andhra area, in spite of such great rivers conducive for irrigation and power generation, has been callously ignored. The Central Government should have taken up this project at least in the larger interests of solving our food problem though not in the interest of my people and the country. This is the supreme reason, everybody should note it, why we demanded the creation of a separate Andhra Province. The joint exploitation of these two rivers will develop nearly 3 lacs K.W. of firm power in addition to the seasonal power. It will give a great fillip to industrialisation and confer other contingent benefits on the people. It will also solve the problem of our landless poor people and Harijans by providing them with land and other facilities that accompany the possession of the land.

I want to make another important suggestion to the Government. The

[Shri K. Suryanarayana.] Government should give its protection to the agriculturists by extending its insurance facilities to the crops also. There must be crop insurance and cattle insurance facilities provided to them. This must be done by the Government as they are giving protection to the employees by State insurance etc. Thus our agriculturists must be protected from the damages done to their crops and cattle.

Finally I want to bring to the notice of this Government one grave factor. On other occasions, I have already pointed out that there are large tracts of cultivable waste lands. Why not settle all these poor people on those lands giving them facilities? What are these community projects for? Are they for making the rich still more rich? It is only the patient that requires the doctor, Madam, but not the healthy person. If the Government can settle all these poor people on such community project lands, only then this Government deserves credit.

*(Time bell rings.)*

DR. RAGHUBIR SINH (Madhya Bharat): Madam, while we have been taught the art of war, it has been told to us that the two times when one can hit most and can beat effectively are the morning and the evening, because these are the times when the Benches are depleted and when the Members are fewer and at that time people are always off the guard. But I should like to assure you that if I am speaking at this time, it is not of my own wish. Having begun with the talk of war, I only want to confine my remarks to the Defence estimates. I must congratulate the Defence Minister as he has been able to appraise the military situation correctly. He is very correct when he says that our aim has been and continues to be to maintain the minimum forces necessary for the country's safety. I am happy to find that he has realised that the country's security still continues to be far from satisfactory. I am happy to know that he has realised that the two arms of our Defence Forces, the Navy and the Air Force, are always in need of parti-

cular attention. In this connection I note with satisfaction that for the-Navy a definite increase has been made in this year's budget by Rs. 90 lakhs, while in the case of the Air Force the increase is about Rs. 6< crores. I only wish that the increase that has been made will be fully utilised. I have a particular point to make in this respect. Last year certain amounts were provided for in the Budget which were not used. I would like to bring to the notice of the Defence Ministry that last year in the estimates for pay and allowances of Reservists of Navy the amount granted was Rs. 3,27,000 but actually the revised figure now comes to only Rs. 1,10,000. This means that more than Rs. 2 lakhs have been allowed to lapse. I would strongly urge on the Defence Ministry that all the sums that have been provided should not be allowed to lapse but should be fully utilised. Many of us have been critical of our Defence estimates. If we do not strengthen our Defence Forces, especially the Navy, in times of difficulty we will be in very great trouble. If our Navy is not strong, all our mechanised forces that are working today can be brought to a standstill without any difficulty, because we have no oil of our own and once the sea is blocked, everything here will be at a standstill. That has got to be realised by us and realised soon. I say this with a full sense of responsibility. I should like to assure the House that I do not want war. but if I say this, it is not due to want of repugnance to war but due to greater repugnance to disregard of realities. I do hope that the House realises this: that the danger of a third world war is there. We do not want a war, but we have got to be prepared in case it comes, if we do not want it to envelope us and if we want to avoid the fate that overtook Iran in the last war. I can only hope that it is realised that all our factories that are producing very-simple things now can be geared up to the production of munitions of war, as some of us who had known something of these things in Great Britain would testify. In this connection I would like only to draw the attention of the-Finance Minister specially to two things. One is that we still need many

of the essential items in our flotilla, one of which is our tankers which carry the oils from the oilfields to our workshops. It was once mentioned on the floor of the other House in answer to a question that we have to depend for the tankers to bring oil to our place from U.S.A. only.

*(Time bell rings.)*

THE VICE-CHAIRMAN: How long will you take?

DR. RAGHUBIR SINH: Only two minutes. It is necessary for us not only to make all our armaments and all the more necessary to keep them upto date, otherwise they will not be effective. Finally, Madam, I only want to refer to two items relating to that Ministry which I have always called the Ministry of our hopes and despair. That Ministry is, I am afraid, the Ministry of Education. It has been our hope because the future of the country lies on what the Ministry of Education does and it has been our despair because it has moved so slowly. I have been very happy to note in this Budget that quite a good many academies have been thought of and they have been provided for. A beginning is to be made, but it is my despair because I don't know and I have to be assured that they will be live institutions, because, I have had the pleasure and honour of being a Member of one of those Councils—I refer to the Indian Council of Cultural Relations which was inaugurated with all torn torn in this Central Hall about three years ago—and it has never met once again and it has been known to exist only by a signboard that is seen in front of the Hyderabad House. If these academies do become live, they are going to be a great asset to the nation and I do hope that the Ministry of Education will do something to make these things live institutions which can be a contribution to the country and which can give the future hope and do a lot to build the future cultural development of the country. Thank you.

THE VICE-CHAIRMAN: The Secretary, will now read the Messages from the House of the People

## MESSAGES FROM THE HOUSE OF THE PEOPLE

### I. The Appropriation (Railways) Bill, 1953.

### II. The Appropriation (Railways) No. 2 Bill, 1953.

### III. The Appropriation (Vote On Account) Bill, 1953

SECRETARY: Sir, I have to report to the Council the following messages received from the House of the People signed by the Secretary to the House:

I

In accordance with the provisions of Rule 115 of the Rules of Procedure and Conduct of Business in the House of the People, I am directed to enclose herewith a copy of the Appropriation (Railways) Bill 1953 which has been passed by the House at its sitting held on the 3rd March 1953.

The Speaker has certified that the Bill is a Money Bill within the meaning of article 110 of the Constitution of India.

II

In accordance with the provisions of Rule 115 of the Rules of Procedure and Conduct of Business in the House of the People, I am directed to enclose herewith a copy of the Appropriation (Railways) No. 2 Bill, 1953 which has been passed by the House at its sitting held on the 3rd March 1953.

The Speaker has certified that the Bill is a Money Bill within the meaning of article 110 of the Constitution of India.

III

In accordance with the provisions of Rule 115 of the Rules of Procedure and Conduct of Business in the House of the People, I am directed to enclose herewith a copy of the Appropriation (Vote on Account) Bill, 1953 which has been passed by the House at its sitting held on the 3rd March 1953.

The Speaker has certified that the Bill is a Money Bill within the meaning of article 110 of the Constitution of India.

I lay the Bills on the Table.

The Council then adjourned till two of the clock on Wednesday, the 4th March 1953,