

formation of Andhra State, because Swami Sitaram is going on a fast.....

MR. CHAIRMAN : It has not been allowed.

SHRI P. SUNDARAYYA : May I know the reasons ?

MR. CHAIRMAN : The Secretary will explain them.

SHRI B. GUPTA : I have given notice of another motion for papers regarding the use of Calcutta airport for sending troops to Malaya. The matter is of very great public importance. It is agitating the minds of the people.

MR. CHAIRMAN : It has been disallowed. The Secretary will explain the reasons.

**THE BUDGET (GENERAL), 1952-53—  
GENERAL DISCUSSION- {continued-}**

SHRI M. P. N. SINHA (Bihar) : Sir, yesterday I referred to our educational, social and administrative life. I shall now refer to the question of food. As you know, one year before his death, Mahatma Gandhi made some suggestions with regard to it. The food situation was getting serious about that time, and there was a proposal for importing food grains. He said in one of his speeches in Delhi that it was a matter of disgrace for any country to get food grains from a foreign country. In his speech he suggested certain ways of tackling the food situation, to invite the attention of the Government to that speech and suggest that they should take into consideration the points raised therein. He said that minor irrigation was the concern primarily of the State Governments and that the Central Government—I agree entirely with the suggestion—should take up big projects of irrigation through canals and through what is called the grid system. We are thankful to all those countries for giving us grain at the time of our need. But this business cannot go on for ever. This should be discouraged and all money available

should be used according to a systematic plan for the carrying out of irrigation projects in the country. This can be done jointly with the States concerned and also directly by the Government of India, because failure of rain is going to be a constant problem for this country and we must plan on a permanent basis to meet this emergency.

As regards the subsidy, I am also of the opinion—and this is my personal opinion—that this subsidy business also is not very good for all time. In an emergency it may be necessary. Even now, in a district where there is acute distress, the Central Government should give help. But ordinarily this should be discouraged and all the money which is available—and a lot of money should be made available—should be made use of in dealing with the problem permanently.

Then, Sir, I come to production. Our friend Dr. Kumarappa, speaking yesterday, told us about the enthusiasm of the people in China, which perhaps he has visited. He said that the enthusiasm shown by the people there is very great and he was greatly struck by it. And he deplored that the same enthusiasm is not shown by the people here. Why don't the people here show the same enthusiasm ? Because in this country, after five years of the present regime, the common man does not think that the country belongs to him; he thinks that this country belongs in the real sense to the handful of men who are capitalists and in some cases zamindars. Unfortunately or fortunately for us, these zamindars are going away. But a very much bigger and powerful vested interest is being created through the existence, prosperity and agitation of the capitalists. I apologise to my capitalist friends here, but I tell them, they will be nowhere if the country does not support them, and if they do not exist for the benefit of the people. We know the history of India, how she was subjugated by foreigners because the people did not take an interest in what happened in the country. History will repeat itself if the people are not made to take an

[Shri M. P. N. Sinha.] interest" in the administration. If people do not get interested in the welfare of the country, there is bound to be created an atmosphere where it will be possible for other countries to try to subjugate India. I hope that will not happen, but we should be prepared for it.

Sir, much has been said about production. The President has referred to it in his Address. Hon. Members have referred to it, and we find from the papers that the Government have made great strides, as far as production is concerned, in the matter of jute, sugar, textiles, tea and so on. And yet we find that the condition of those who are connected with such production is not so good. What is the reason? The reason is that the profits coming out of this production go mostly to the pockets of the producers. I do not say producers—they go to the owners of the factories. You want that the profits should be shared. You know the best way of meeting the situation is nationalisation. Government is committed to this policy, with this modification, that it will be gradual. We do not know how this will be done. During the last five years we have not seen any tangible results. If the process is so slow, God alone knows when the key industries will be nationalised.

But I put forward another proposition for the consideration of the Government. Our grouse is that the producers and the labour do not get a proper share of the production. Those in charge of production say: "We do not make much profit." We actually know that they make tons of money. The same statement is made by the Government. The people do not believe it. So, how can we convince them? I have a proposition to make. Before you nationalise the industries, for the time being you appoint a Board for all your industries. All the different industries will have local Boards. That Board will have nothing to do with the actual working of the factory. But it will have access to the accounts of all incomings and outgoings of the

factory. That Board will have access to the factory paper. So, you cannot say that they will interfere with the production. It should be a Board of three persons. One representative of the Union of labourers and employees elected by them, another either the managing director or representative of the mills and the third a man nominated by the Government—of course a suitable man for a suitable mill. And Mr. Ranga has rightly pointed out to me in regard to growers. I think that there should be a representative of growers also. So these four persons should constitute that Board. They will not interfere but they will have access to the affairs of that particular mill. Thus we shall have two advantages. The labour will be satisfied that it is much profit has been made and the growers will also be satisfied that this much profit has been made and the profit will be equitably distributed. Another great advantage will be that there will be no difficulty in the matter of levying of income-tax and excess tax. There will be no difficulty in finding out what is the actual profit of a particular enterprise. Therefore, Sir, I say that so long as you do not nationalise industries, you take into consideration this suggestion of mine. Well, you may say there may be some legal difficulties in this matter. My suggestion is that you can change the law or pass some Ordinance if there is any need to do so. But I am sure there should be no objection to this suggestion of mine either from the Government or from the producers. If they are honest people why should they be afraid of it?

MR. CHAIRMAN : I think the time is up.

SHRI M. P. N. SINHA : I have got three minutes more, Sir. I will finish soon.

Many friends, Sir, have said about the reduction of army expenditure. I feel, Sir, that so long as there is this race for armaments, so long as there is no permanent peace, so long as these blocs are in the state of formation, so long as the path of non-violence and

truth is not established, there can be no question of reduction of army expenditure even by one rupee or retrenchment of our boys by one man. On the contrary if it becomes necessary—you will not grudge the expenditure to be increased on this item if and when necessary. Well, India has got to have a first rate army if it has to live. If our independence has to be guarded, we must have a first class army equipped with all modern weapons and modern ammunitions. With regard to this, Sir, I say that efforts should be made for the production of all kinds of ammunition—scientific and modern—in this country instead of purchasing the same from some other countries. It is necessary that efforts should be made on a big scale for the manufacture of these arms and ammunitions in the country and we must be prepared for all eventualities.

Now, Sir, I refer to another matter and that is about the Kosi project. It has been said : " Well here is the Kosi project. We have given it top priority and here is a programme which we are going ahead with." But, Sir, I don't think anything tangible has been done in that respect. It is only the people who live in that area who know the devastating character of that project.

Then, Sir, I shall come to the taxes that the poor people have got to pay. I would suggest that the rate of post-card be restored to the original price and the tax on matches should be removed which will give some relief to the poor classes of people.

MR. CHAIRMAN : Now the three minutes are up.

SHRI M. P. N. SINHA : Thank you, Sir.

SHRI K. S. HEGDE (Madras) : Mr. Chairman, I have very great pleasure in commending the Budget for the acceptance of the House. If you take the overall picture of the Budget, I do not think any other Finance Minister would have done anything different. We

have a fixed objective for us. We have a clear-cut policy for the next five years. In order to understand the Budget one has to understand the five Year Plan and the Budget only implements the Plan that is contemplated in the Five Year Plan. Many friends on the other side have told us yesterday that 'there is no philosophy in this Budget. But for finding the philosophy in the Budget I may request them to look into the Five Year Plan and without reading the Five Year Plan, they will not be able to understand the Budget upto date. It is true that there is nothing flashy or sensational in the Budget. But Mr. Deshmukh is too good an administrator and too sound a financier to sacrifice— that continued prosperity of this land for a cheap applause from one side or the other side of this House. Mr. Deshmukh has done a great service to the land and I have no hesitation in congratulating him on behalf of this House.

There have been of course some very useful criticisms from the Members sitting opposite. I refer to some of the gentlemen who have made a very searching analysis of the Budget, and who have given very useful suggestions. Particularly I will refer to the speech of Shri Bimal Comar Ghose and some other Socialist Members of the House. But one of them—I would not like to mention his name—has made a very very intemperate criticism of the Budget. Well, I will leave it at that. But, Sir, I would like to refer here to one hon. Member, Prof. Ranga. Of course Mr. Ranga has been all the while a Congressman and even today he is a Congressman and most of us will surely agree with most of the things that he said. I feel that he must be feeling very uncomfortable in his present seat and I trust he will come back to our fold and sit along with us soon and give his leadership to us.

I will now turn to one other eminent gentleman from the Opposition side. I am referring to Dr. Ambedkar. Dr. Ambedkar made one of the most unfortunate speeches yesterday. It was quite untimely, Sir.

[Shri K.S.Hegde.] It was unfortunate and, may I say, it was full of mischievous implications so far as the matter is concerned ? Dr. Ambedkar was one of the Members of the Cabinet till recently and I think he had a hand in shaping the policy of our Government towards Kashmir. I do not know whether the Doctor took responsibility for the Kashmir policy. I am sorry Dr. Ambedkar is not here. Is it that Dr. Ambedkar has so changed his views that he sees some ' political roundabout' in Mr. Deshmukh's policy ? Dr. Ambedkar's political som-mersault may not have been noticed by him but is known to all others. Is the learned Doctor willing to tell us that he did not agree with the Cabinet policy in regard to Kashmir and yet that he continued in the Cabinet for the sake of a job ? Or is it that he has changed his policy overnight ? It is unfortunate, Sir, that political tradition and political philosophy change so suddenly. We have one political tradition and philosophy when a person is in the Government and we have yet another political tradition and political philosophy when he crosses over to the Opposition benches.

Now, Sir, it has been the accepted policy all round the world that so far as the foreign policy of any country is concerned, people of the country back the Government. But Dr. Ambedkar makes a statement indicating that a section of the people of this country are not in agreement with the policy of the Government. Fortunately, Sir, we know the political philosophy of the class he represents and we know exactly their stand in the matter. Sir, we on this side of the House are not at all perturbed about the mischievous implications of his speech. But one thing is certain, Sir, and that is that the world at large will not misunderstand his speech.

I now turn to my friends, the Communists. They have some bitter and carping criticism about the policy of the Government. It is as it ought to be, because they do not claim to belong to India, they always claim to belong to Russia. They are honorary citizens

representing Russia in this country. They are interested only in Russia.

SHRI P. SUNDARAYYA (Madras) : On a point of order, Sir. Can he refer to the Members here as agents of a foreign country when we are elected by the people ?

SHRI K. S. HEGDE : I am only stating a fact, Sir.

SHRI P. SUNDARAYYA : It is not a fact, Sir.

MR. CHAIRMAN : He did not say 'agents'. He said 'honorary citizens'. That is what he said. You will have an opportunity to speak.

SHRI K. S. HEGDE : Well, I am very sorry, Sir, that when I came to Delhi I had to learn two languages. One is Hindi which I am very glad to learn. The second is the language which is understood by my friends sitting on the opposite side. It is not a very happy thing, Sir. But the House will excuse me for that.

Their objective is very clear. They want to have chaos in this country. They are not concerned about the prosperity of this land. Any and every policy of Government is taken up for criticism and intemperate language is used. When we talk of river valley projects they advocate the cause of minor irrigation, when we talk of minor irrigation they say : 'Look at Russia and China and the prosperity the river valley projects have brought to those lands.' .

AN HON. MEMBER : Volga and others.

SHRI K. S. HEGDE : Now, Sir, in my district there were two Communist candidates who fought the elections. Fortunately they have been trounced and there is no doubt that if they ever stand for election again they will be again trounced. But that is a different matter. I am just submitting to you, Sir, another instance of their conflicting theories. One of the candidates was

standing from Mangalore which is an industrial town and the other was standing from a rural constituency. The candidate in the industrial constituency was pleading for rationing, controls and more controls whereas the candidate in the rural constituency was pleading for decontrol and more and more decontrol. Sir, it has been the virtue of my friends sitting on the opposite benches to speak in more voices than one. They believe only in one doctrine, the doctrine of Dr. Goebbels : " Utter a lie, repeat it and repeat it *ad nauseam* and it will be accepted as truth ."

SHRI P. SUNDARAYYA : That is the practice of the Congress themselves.

SHRI P. V. NARAYANA (Madras) : Sir, is 'lie' parliamentary ?

SHRI K. S. HEGDE : Sir, I am only quoting Dr. Goebbels. Now turning to my friends, Sir, may I assure them that they may be able to " fool some people for all the times or all people for sometime but not all the people for all times".

Let me now turn to one of the criticisms. It is said that we have been developing intimate trade relations with the Anglo-American bloc. Sir, there has been more trade existing already between India and these countries, but I can assure my friends on the other side that so far as this trade is concerned it is not due to any alignment, political or commercial.

SHRI P. SUNDARAYYA : Question.

SHRI K. S. HEGDE : I have absolutely no objection to answering the interruptions of my friends. I am a lawyer by profession and if only the Chairman will permit me I shall answer them inch by inch.

AN HON. MEMBER : Arguing a case.

SHRI K. S. HEGDE : I am not arguing a case; I am only arguing against vituperation and abuse. You have no case. My friend feels very touchy about it and that is why he is interrupting.

Now, so far as our international trade is concerned, I may tell the House on behalf of the Party to which I have the honour to belong, that there has been so far no discrimination against any country. I may tell my friends on the other side that no statutory or administrative restriction has been placed on trade with Russia or China. We have no objection to trade with Russia. In fact, we welcome trade with Russia. But one thing is certain, that Russia has nothing to export to us except propaganda which she has been dumping in ample measure.

Sir, I know for certain that we had a trade agreement with Russia, a barter agreement, for exchanging tea, with wheat. But what happened ? Russian philosophy is different, Russian trade morality is different. The agreement was broken and today my friends accuse us that we have no agreement with Russia.

Let me turn now to the community projects. My friends are greatly disturbed that we are getting assistance from America to develop our economy. It is a well-established principle of economy, and I think Dr. Deshmukh will agree with me, that capital works are financed by loans. Capital in this country is shy and we are not getting enough capital so far as our requirement is concerned. So we have got to get foreign loans, but we have made it clear at every stage that there will be no political strings tagged to these loans. I challenge my friends on the other side, instead of saying there are political strings attached, to point out to one political string. There was a time, Sir, when we were under the British when we were not able to shape even our political ideals and policy. We have successfully passed that stage. Today I claim that we are the only country in the world who have an independent policy, not a neutral policy, not a negative policy, but a positive policy. No country has been able to influence us one way or the other. My friends see a ghost in everything. If we have been able to get assistance from America for 55 projects, let our friends get assistance for another 35 projects from

[Shri K. S. Hegde.] Russia. We will welcome them. But instead we have only criticism.

Now about the food policy. It has been a very difficult situation. One has got to see the historical background of this food policy. During the time of the Britishers, who were the friends of the Communist Party, in 1942-43 what happened in Bengal? Sir, human memory is short and my friends, even Communist friends from Bengal, may have forgotten all that has happened. Lakhs and lakhs of people died in the streets, of Calcutta; but no voice of protest was raised by the Communist friends; they supported the British in every action of theirs; actually they were fighting the people. They were hand in glove with the Britishers in starving the millions of people in Bengal.

AN HON. MEMBER : Never a public prosecutor like you.

SHRI K. S. HEGDE : I am glad, Sir, I have got an opportunity to prosecute them on the floor of this House, so far as I can see.

MR. CHAIRMAN : The hon. Member may go on with his speech, as it is getting late.

SHRI K. S. HEGDE : Let it be the privilege of the Opposition, so far as the transgressing of the time limit is concerned. I end my speech here, Sir.

THE MINISTER FOR FINANCE (SHRI C. D. DESHMUKH) : Mr. Chairman, Sir, I am very grateful to all the Members who have spoken on the Budget, either for understanding support or for suggestions which are intended to be constructive or for the opportunity they are furnishing me for removing misapprehensions. Some of them, Sir, in their anxiety to throw brick-bats at the Budget had dropped a number of bricks. I shall take this opportunity of pointing out where in my opinion they seem to be labouring under some misapprehension. I have

a great deal of material and, within the time that you can reasonably allot me, it may not be possible for me to take notice of every point that might have been raised. If I fail to do so, I hope the hon. Members will understand that it is not for lack of attention. I may assure them that I have taken note of almost every point that has been raised in this debate, and may be not here, but another time and in another place, I may have further opportunities of dealing with these points.

Sir, to refer first to the bogeys. The first bogey which has been raised by some of the Members on the opposite side of the House is that of colonialism. I wonder if they have thought out in their minds what the stigmata of colonialism are. So far as apparent evidence is concerned, they have only referred to foreign trade and foreign aid. But one can call upon one's experience or refer and take steps to find out what exactly colonialism means. I think, if they studied this matter dispassionately, they will come to the conclusion that there are no traces of colonialism whatsoever in the way in which this great and independent country is conducting its affairs. It has maintained a captaincy of its own, whether it is dealing with foreign policy or even whether it is accepting assistance from friendly countries abroad. It has not barred any country from offering the assistance. Its invitation is open to the wide world, but, in receiving such aid, it will follow the elephant, the national symbol of our country. When the elephant receives its food, it stares at the giver steadily in the face, and it has almost to be cajoled into accepting the same.

Well, Sir, coming down to facts, in this matter of foreign trade, I cannot say how reference to the statistics of foreign trade for a few years can enable any one to draw conclusions in regard to the subservience or otherwise of one country to another. These are historical processes. It cannot be altered except over a period of time. I would invite the hon. Members who insinuated a comparison of this

kind to examine the figures of some of the other countries for which they might be feeling a certain amount of sympathy. I myself draw no such inference, but I say that if they look at the trade of certain countries like Poland, Czechoslovakia, it may be that they will find that on account of circumstances, and not of subservience, the orientation of trade takes a certain form. As a matter of fact, time and again, we have availed ourselves of opportunities which international concourses have given us, to state the very obvious fact that the wider world trade is expanded, the better for everybody. I cannot quote authority to you at the moment, but since I myself have made these statements in the meetings of the International Bank and the International Monetary Fund, I can say that we ourselves in 1949 drew attention to the desirability of opening out what is known as the 'East and West trade' in Europe. So far as we ourselves are concerned, I think no discriminating student of trade statistics will find that we have travelled very far from the days when the United Kingdom was the cynosure of our trade channels. Today the percentage of our trade with other countries is quite appreciable, and that again is an historical process. We have had several trade agreements with Czechoslovakia and Poland, and we are prepared to have trade agreements with any other country that is prepared to trade with us. We do not allow any ulterior motives to interfere with our very genuine desire to trade with other countries. Sir, here, there is a spectacle which the world finds it difficult to understand, and that is, while our political relations with Pakistan have not been what they should have been and what we hope they will be, we have been making pact after pact with Pakistan concerning exchange and trade. Can there be any further testimony to this genuineness of our desire to carry on trade without any political shackles or any trammels of political considerations? With Russia, Sir, the channels of our trade are widening. It may be that Russia herself did not have that degree of availability of goods that could foster

such a trade. Russia had her own difficulties after the war. At least any one who has studied the history of the last war should have formed an idea of how immense their difficulties of reconstruction must have been. They have not made much song and dance about it, they have gone about their own work in a quiet way, but it is only this year there has emerged this offer of the availability of a few capital goods. One of the hon. Members who spoke first from the opposite side complained that I am merely noting down things. But what else can I do? I can only note that such an offer has been made. As has been explained by many hon. Members on this side of the House, we do not carry on State trading on such a vast and comprehensive scale as other countries. There again, it is a choice for each nation, and, considering the way our trade has been carried on, obviously it is for the private sector to take advantage of any offers of availabilities that there may be, with reference to quality and price, convenience, transport and a thousand and one considerations which influence the choice of business men.

A point was made that, whereas the U.S.S.R. maintains a Trade Representative here, we do not maintain a Trade Representative in the U.S.S.R. Well, Sir, there are two reasons. One is that the Trade Representative of the U.S.S.R. has to get into touch with a large number of business people here. In other words, he has to sell the exports of his country. He has to influence people here, induce them to buy the goods that the U.S.S.R. is able to manufacture and to spare. On the other hand, Sir, so far as the U.S.S.R. is concerned, its trade is carried on by the State. All that we have got to do is to ask our Representative in the U.S.S.R. to get into touch with his opposite number in Moscow and institute inquiries as to whether certain goods are available or certain goods could be received by the U.S.S.R. so far as it lies in our power to consult them. The two situations are not comparable. Secondly, there is the question of economy. It is not that in every place in which we have

[Shri C. D. Deshmukh.] an Embassy or a Mission, we have stationed a Trade Commissioner. It is only where the volume and the dimensions of the trade seem to justify such a step that we have stationed a Trade Commissioner or a Trade Representative. But that does not mean that trade matters are not handled at all. The explanation is very simple, and that is, that the Consul or the Minister that is attached to the Embassy is instructed to look after our commercial and trade interests. Therefore, Sir, I hope I have succeeded in showing that this is one of the bogeys which Members on the opposite side have, I am afraid, been too ready to accept. Then there is the question of foreign aid. I have already said that we never invited foreign aid, and indeed, if hon. Members opposite will cast their minds back to the war with which they are so familiar, they will find that almost every country that took part in the war, whether friend or enemy, received assistance. Since the end of the war, and even during the war, they received assistance. India is the only country which did not receive any assistance. I do not mean that India did not receive any lease-lend, but there was reverse lease-lend and at the end of the war we settled accounts finally and we made payments for whatever was left and whatever could not be lifted by our former Allies. That, Sir, is I think a record of which any country might be proud. It is only now that we feel that such an amount of leeway has to be made up that any friendly nation which is willing to help on our terms and not on theirs is welcome to help us and it is on these conditions that we are accepting assistance. It is all open and above board. Hon. Members can read all the agreements. They can even criticise Article 1 or Article 5 or Article 6. There are other departments of it which are not so open and other forms of information furnished which are not available to every one. Here again, all I can say is that our conscience is perfectly clear.

Now, Sir, the Budget has been criticised on two or three grounds in '

general. It has been said that it lacks a philosophy and that it does not think of the common man. I say that the Budget has got a philosophy. It has gone a little further. It has got a plan based on that philosophy, and as the hon. Member who made such a cogent speech before me pointed out, if you want to know the philosophy, you study the plan. In other words, what we are doing now is a little more precise, a little more deliberate, than is given to the ordinary Budget-maker, and it is for this reason that when the Colombo Plan is discussed, the plans of the Government of India attract a great deal of attention and if I might say so it is because of this precise appreciation of the Colombo Plan that friendly nations feel impelled to come to our assistance, not for any military aid, not for any military pact, but purely on economic grounds, realising the fact that in the prosperity and peace of this sub-continent lies the key to the prosperity and peace of the whole of the world. Well, Sir, then about the common man. One or two representatives who claim to be the sole representatives of the common man have attacked this Budget. I say that in a country where the common man is 99-999 per cent., can any Budget be for any one but the common man? The whole of our development programme is for the common man. If you increase production, if you increase industrialisation to the extent to which you can, we are doing it to help the common man. What is the fundamental objective of our plan and of our Budget? It is to aid and increase the total national wealth and try and see if a better distribution could be obtained. One hon. Member who made a very instructive speech complained that there were no signs of the Budget being used as an instrument of social welfare. Sir, I think that charge is possibly true in the sense that there is no conscious guidance in the Budget to that end, and there are no means by which the country can judge, whether this particular Budget has succeeded or not. But the fault is not ours. The fault lies in the lack of the necessary statistics. I do not know whether the hon.

Member has seen the First Report of the National Income Committee. The Second Report is due in about a couple of months' time. I would draw his particular attention to the Second Chapter of this very excellent Report, and in particular to the last paragraph, some of which, with your permission, I will read:

"The utility to economic policy of national income estimates and accounts, especially if enhanced by analysis serving to reveal the factors at play, needs no further stressing,—it channels the mind of the policy maker away from the immediate pressures of the specific problems to a consideration of the whole economy of the close interrelations among its parts, and of the links between the present and the future. But to avoid misunderstanding, it should be stressed that these statistical measures, no matter how revealing, do not in and of themselves yield determinate answers to questions of economic policy; nor will they do it completely, even when used in a framework of economic analysis. There would still be room for value judgments, based on social ideals and appraisals of political and administrative feasibility. "

There is one particular danger, to which in the same chapter attention is drawn, in the path of the Budget-maker, or the policy-maker for the matter of that, who acts without such statistics :

"These problems",

that is to say, problems of economic policy,

"which are the compelling drives of economic policy in under-developed regions, fall with particularly severe impact upon some classes in the community. Popular pressures upon economic policy come, therefore, only from some specific groups, and the state ordinarily finds itself subject to a series of demands, generated by such groups, urgently calling for assistance.....  
When economic policy is pursued in such piecemeal and short term fashion, solution of the problems of one group may impinge adversely upon others ; a given solution today may give rise to a worse problem tomorrow. "

And that, Sir, is the difficulty of the Budget-maker in this country. Well, we have not got statistics, but we have done the next best thing, that is, we have made all the preparations for obtaining them. It was this Government which appointed the National Income Committee after a great deal of spade-work had been done by what

is called the National Income Unit, and it invited foreign experts of great international repute, and with their assistance, as I said, we got this first instalment of guidance on this very important question. We have made other technical arrangements which, I think, will ensure the continuance of this work on right lines. And, may be, in one or two years—because it is certainly not on the results of one year that we can depend : I said one or two years; I think it should be a little longer—we shall have material with the help of which one could use the Budget more consciously as an instrument of economic policy.

Then, Sir, I am accused of not having given any relief to the common man. It is true that when I was framing the Budget I thought of ways in which such relief could be given ; I made up a long list of exemptions here and relief there, and so on. But I must confess that the total came to a pitifully small amount, and I said to myself that, instead of imposing on the Legislature that an attempt is being made to relieve the common man, it would be much better to face the country starkly with the problems which we are encountering in the path of development and to leave the verdict to it. But in the meanwhile I may claim that the policies that we instituted with a certain amount of fortitude, I might even say of heroism, last year to counter inflation have borne fruit. I do not claim that all that has happened in the way of lowering of prices is due to the measures that we have taken. All that I claim is that those measures were instituted at the proper time and that they at least acted as catalytic agents to what was happening in the ferment of the economic situation, with results that I shall draw your attention to presently.

I have got figures of the wholesale price index, which, I think, in the absence of any better index, is generally regarded as a criterion for these purposes. Here are the figures. The wholesale price index for 1947-48 was 308.2; for 1948-49 it was 376.2 ; for 1949-50 it was 385.4 ; for 1950-51

[Shri C. D. Deshmukh.] it was 409.7; for 1951-52 it was 435.1; and today—this is the last figure that is available to me: that is, 17th May 1952—the index is 365.9. Now, I would ask any critic of the Budget if a reduction of the wholesale price index from 435.1, which is the average for 1951-52, to 365.9 is not a relief to the common man. Sir, there are more ways than one of giving relief to the common man. You may indulge in largesse, as some manufacturers of industries do in Bombay when they go visiting temples. They give largesse to the poor. That certainly is relief to the poor. But there are insidious ways also of adding to the burdens of the poor. And if a country allows inflation to go unchecked, the slow and insidious process of making the poor poorer and the rich richer will go on. Now, if Government have accomplished something in countering that inflation and indeed in bringing it under check in such a manner that some sections of the community are afraid that a slump is in the offing and that depression will have to be faced, I think they deserve a certain amount of credit.

Now, in the figures which I have given there are various features which are of interest, and I will quote only one. Food articles, to which a weightage of 31 has been allotted, were, on 19th May 1951, 412.8, and on 17th May 1952, they were 339.4. Any hon. Member who is arithmetically minded can work out the percentage rate. Industrial raw materials were 687.3 a year ago; today they are 416.1. Semi-manufacturers were 387.6; today, they are 320.6. Manufactures were 410.6; now they are 370.8. There is quite a large weightage to manufactures, which is 30—nearly the same as for food; and for the previous two groups it is about 17 or 18. That really accounts for the bulk of it. Then, there is miscellaneous, to which a weightage of four has been given, and that has come down from 72.43 to 58.03.

DR. R A D H A KUMUD MOOKERJI (Nominated): Are these reductions expected to be stable?

SHRI C. D. DESHMUKH: That is more than I can say. I am coming to the point about what the future is likely to hold for us, and I have given a certain amount of indication of it in my Budget speech and I may have to revert to that point if I have the time.

I was going to say that that is not the only way in which relief has been given to the common man. Some speakers—I think they were on the opposite side—quoted the Survey on the Public Finance of India published by the United Nations and written by Mrs. Ursula K. Hicks, University Lecturer in Public Finance at Oxford. Now, I believe that these statements were based on the short summary that appeared in one of the papers, and, as happens, these extracts, torn from their context, are likely to give a misleading idea. Now, it is true that this country has followed in the past—that is, two years ago—a policy of reducing the very high levels of taxation for the top slabs, giving certain concessions to the middle slabs—between, say Rs. 15,000 to Rs. 25,000—in order to encourage capital formation, and also, side by side, giving relief to the smaller fry by way of raising the exemption limits and reducing the rates, and so on and so forth. On the whole, it may be that there are signs of regression. But that course was followed deliberately with a view to encouraging capital formation in the mixed economy which we have perforce—or out of choice, according as one's opinions are—followed. Therefore, these reliefs were given, as I said, for a specific purpose. But to read into them a regressive policy, I think, is to be unjust. I would invite the attention of the House to the Budget speech for the year 1950-51 which contains, I believe, a statement by the hon. the Finance Minister—my predecessor—that that was the end of the concessions so far as he was concerned. Now here is what Mrs. Hicks has to say:

"The Budget of 1951-52 broadly continues the fiscal policy which has been followed by the Indian Government since 1947, high Government outlay on development coupled with high taxation. This year,

that is to say for the year 1951-52; new direct taxation is planned to yield over Rs. 8 crores and indirect about Rs. 20 crores in addition to which a general rise of five per cent, in the customs tariff is announced excepting the field which is covered by the General Agreement on Tariffs and Trade. In these increases, especially in income and corporation tax, the 1951-52 Budget is much more stringent than its predecessor. Since the Government is determined not to embark in present circumstances on a course of deficit financing, then if expenditure is high, taxation must necessarily be high also .....

this is Mrs. Hicks' opinion and not mine—'so as not to deplete the cash balances which are already low."

And this is precisely the policy that I placed before the Provisional Parliament last year—I might point out, in a pre-election year—and all honour to the Provisional Parliament that by and large they accepted and approved of that policy. Now, this is the concluding sentence in her book :

"This fiscal policy of the Government is in contrast to that followed prior to independence when normal policy was one of maintaining a balanced budget with a low rate of spending and light taxes, ....."

Which means no development.

"Confidence in the Government's ability to steer the country safely through its present difficulties:"

I will repeat the words, Sir,

"Confidence in the Government's ability to steer the country safely through its present difficulties is evinced by the steady rise in small savings during the current year notwithstanding the continued tightness in the capital market."

So I would invite hon. Members, who feel inclined to criticise Government at the slightest provocation, to spend a little time in reading the whole of this Survey and not only what appears as summaries or snap commentaries in the press.

SHRI C. G. K. REDDY (Mysore) : Does the hon. the Finance Minister depend on foreign props for his policy ?

SHRI C. D. DESHMUKH : Sir, I referred to that because hon. Members opposite made a reference to foreign props.

Now, Sir, the next question is : What is the basis for this Budget ? That is to say, what is the background to this Budget ? Is it a background of inflation or is it a background

of deflation ? Because, Sir, the policy to be followed in framing the Budget must depend on the answer that one gets to this question. I have tried to deal with it in my speech and have confessed that I am unable to prognosticate. But there are a few general statements which I would like to make. One is, I do not anticipate any revival of the inflationary boom. I think the back of the old inflation has been broken. And I doubt it, unless some extremely unforeseen circumstances intervene, I doubt if we shall have an inflation comparable to it in its size and severity. On the other hand, I also rule out the possibility of any depression developing such as marked the thirties of this century. I believe—thanks to Keynes and various other economists who followed him—we now know a little more about the technique of how to deal with depressions. U. S. A. embarked on what is called the New Deal and I have no doubt that the world at large has drawn lessons from that experiment. I believe myself that nothing is feared so much in U. S. A. as a depression. Because they know the human misery that unemployment can bring and I am quite certain, Sir, that they with their vast resources will do everything in their power to stave off any such depression. Therefore, any development that might take place will, according to my reckoning, be a sort of a minor thing. It may mean that inflation will be smearing or it may be that recession would be just bumping along the ceiling. Now in support of this I can only quote what other people feel about it. Hon. Members seem to have objection to quoting anybody outside this country except when it suits them, but I still think that one can draw on the accumulated wisdom of mankind without consideration of barriers and frontiers. Now here is what people seem to think about possibilities. The Chancellor of the Exchequer in his Budget debate said :

"That he had been advised that there was a much more danger of deflation and the possibility of unemployment and difficulties in the world in general than some of the lively economic critics outside the Parliament House imagined.

[ShriCD. Deshmukh.]

Then on that the "Financial Times" Editorial says : " The world commodity markets lend support to Mr. Butler's view as well as the uncertainties of the world's stock markets. But the truth is that the question is unanswerable." Now this is a very well-known and competently conducted journal.

Then there is the "Economist". I shan't weary the House by reading all the quotations—I have got a mass of them here. Then there is the Economist which says : "There has been a change in the past six months in the economic weather. There is definitely less inflation than there was but even so it is impossible to believe that at this moment, while the pace of rearmament is still increasing, any appreciable recession in the American economy or in the world as a whole is in sight. The present talk about a slump (and here I must address some Members on this side of the House) is unreal." Now, Sir, I generally accept these views. Well the moral is that at this juncture when we are, so to speak, at the hinge of destiny, it is very difficult to frame a Budget which will satisfy both the inflationists and the deflationists and it is, therefore, because of that that I have adopted this cautious *status quo* attitude—the 'wait and see' attitude. As the future unfolds itself, it may be possible for us to rectify what we are doing. If inflationary conditions—and Heaven forbid—if they come on again, well then we shall have to think about the measures which one customarily adopts to encounter inflation and that is recognised to be a way from the direction of deficit financing.

If, on the other hand, we find signs of recession deepening, well it may be possible for us to find money for some of the things which are in the plan but which we are unable to undertake.

And that, Sir, brings me to the question of priorities. What is it that the Budget should contain ? When we make a provision for industrial housing, hon. Members complain that there is no provision for

the housing of agricultural labour. When we make a provision for education, hon. Members complain that there is no provision for displaced persons. Whenever we provide for the education of men, hon. Members complain that there is no greater provision for the education of women. Now, this, Sir, is all a question of priorities. It is a question of arranging, laying out your duties, cutting your coat according to your cloth.

PROF. G. RANGA (Madras): Precious groups.

SHRI C' D. DESHMUKH : In this task, Sir, all I can say is that we are not depending on our own whims and pleasures. We have remitted this responsible duty to the Planning Commission. In the Planning Commission, although some of its Members are *ex-officio* Members of the Government, there are other Members who can be expected to work and think in a way quite undisturbed by the currents of day to day affairs, and if this Budget lays down certain priorities which are not to the liking of some hon. Members, all I can urge in my defence is that they are priorities which are roughly indicated by the Planning Commission.

Now, in this connection, I would like to refer to some misapprehensions of certain hon. Members. They say that here only Rs. 10 crores are provided for the industrialisation of the country—what a pitifully meagre sum. Now, Sir, that impression arises from an imperfect study of the Budget as a document and the ancillary documents that go with the Budget. These Rs. 10 crores are intended to assist certain industries to expand their production. It does not and it cannot possibly cover by any method of computation what the country is going to lay out on industrial development. In all conscience, Sir, our national income is low. We know it is less than Rs. 10,000 crores, about Rs. 255 per person. And as we live on the margin of subsistence, our ceiling rate is also low. Now, what it can be is again anybody's guess, but various people who have hazarded such a

guess place it at between five and seven per cent. Therefore, the total investment in one form or the other is about Rs. 500 crores and some of that money certainly finds its way for durable investment like housing and so on, although there is no record all over the country. I believe house-building is going on apace, some of it comes to Government by way of taxation and other things and borrowings and the rest of it finds its way to the private sector, and it is that which keeps the private sector going. Whether it will enable the private sector to expand is more than I can say at this moment.

SHRI H. D. RAJAH (Madras): This Rs. 500 crores—is it by way of loan or gift to industrial development ?

SHRI C. D. DESHMUKH : There are no gifts to industries, Sir. If there is any question of subsidy, it is not included here. If there is any question of subsidy, well the House concerned, which is the House of the People, will be given an opportunity of studying and examining it on its merits and passing its verdict. So the point I was making was that this Rs. 500 crores is not a sum that is intended for industrial expansion in this country.

Next, Sir, we were asked about the way in which we proposed to industrialise the country. Our attention was drawn to the desirability of using labour intensive forms rather than capital intensive forms. But by and large I think that statement is correct. In a country where investment capital is low and where labour is plentiful, if other things are equal, if other bottlenecks are not likely to develop, as for instance, technological, or in the matter of physical resources, it is the right thing, if I may say so, to start your motor car in the bottom gear and it would be a grave mistake if you tried to go into the top gear all of a sudden. Now that is a general principle that has been well recognised. But when the hon. Member who made this suggestion went on to say that there should be a complete 'bouleversement', a complete reversal of the industrial machine and that everything 10 C. S. Deb.

should be decentralised and a new system which he had no time to...

SHRI C. G. K. REDDY: I do not think I said that there should be complete decentralisation. My suggestion was not that whatever large-scale industrialisation the centralisation we have had at present should be reversed and the country's economy taken back to primeval times. I said that hereafter, the emphasis should be on decentralisation and labour intensive.

SHRI C. D. DESHMUKH : In that case, my remarks are not necessary. But still there is an important point that we are still on common ground, that wherever we can have resort to labour intensive schemes and decentralisation I think it would be a very good thing. I am as conscious of the evils of concentration of industry on the British or western model as anyone else. I believe that that is entirely unsuitable to our country. It has produced slums, it has produced all this congestion, it has produced a thousand and one urban problems with which all kinds of authorities at all levels are trying to deal. I shall be very glad to see a state of affairs where we have decentralised industry wherever possible. That does not necessarily mean cottage industries or small cottage industries. You may have a small town, I think, on the Swedish model. You may have a small town which is a centre of a little industry. You may have a population of 15 or 20 thousand round it. The workman may have houses which have back gardens in which they can utilise their leisure instead of living in those slums which we call human habitations in some of the congested cities. We are all painfully aware of this and as far as it lies in our power we are trying to correct this state of affairs.

SHRI C. G. K. REDDY : We do not see any evidence of it.

AN HON. MEMBER : You have no eyes to see.

SHRI C. D. DESHMUKH : It is for this reason that we have provided

[Shri C. D. Deshmukh.] about Rs. 7 crores by way of loans, by way of subsidy for industrial housing. That is one way of starting, if I may say so, to clear up the mess. The hon. Member says he does not see any evidence. Well, he is somewhat in arrears in his reading and study because if he had only studied the Industries (Development and Regulation) Act and the debates that went on round it, he would have discovered that that Act provides for the licensing and regionalising of industry and that would be one of the main purposes of these Boards which are going to be established—I think they have been established for the purpose. It will be the duty of these Licensing Boards to ensure that the harm done, that has been done so far, is not aggravated and indeed that corrective measures are found. That, Sir, is what I would like to say on this subject. I am sorry, Sir, that the time is running against me. I do not know how long you are prepared to give me.

MR. CHAIRMAN : So long as you have something valuable to say.

SHRI C. D. DESHMUKH : I am glad to say, Sir, that so far that criterion has been fulfilled. Now, coming to the balance of payments, there has been a great deal of misapprehension. I do not quite know what the standpoint of hon. Members on the opposite side is. In one breath they complain that we have frittered away our sterling balances, in another breath, that is to say, in the next breath they complain about the freezing of our sterling balances. What do they want ? It seems to me that they just demolish their own argument ; they raise an onset and they shoot it down.

SHRI B. GUPTA (West Bengal) : Let me make this point clear, Sir, as I raised it. When I say frittering away of the sterling balances, I mean what the British are doing. They do not release the sterling balances in a manner in which we would like them to be released. When I said freezing away of the sterling balances,

I meant what the Government of India is doing, namely, that when the balances are released they are spending them in a manner not helpful to the country's development.

SHRI C. D. DESHMUKH ; I got the hon. Member's point. So far as the rate of release is concerned, we got releases at the rate of about Rs. 80 crores a year for our trade. The other releases are for various other special items, such as buying of military stores, and transferring assets to Pakistan and various other such things, into which we need not enter. These are historical things. But so far as trade is concerned, we have drawn at the rate of Rs. 80 crores, that is the import surplus. It is a matter of opinion as to whether drawing upon the sterling balances at the rate of Rs. 80 crores a year in a trade Budget where the imports run between Rs. 400 and Rs. 600 crores is an unsatisfactory rate of releasing the sterling balances. I consider, that Britain—all honour to her—has fulfilled in ample measure the assurances which we obtained from her at Brettonwoods Conference through Lord Keynes, who attended the Conference on behalf of Britain. I may say one thing, Sir, that these debts were honourably incurred and will be honourably repaid. We have more or less broken the beck of the sterling balances problem. Whatever city newspapers in London and statesmen in the United Kingdom might have said about them, our final agreement ensures that there will be no scaling down. It ensures that we will retain what we require as backing to our currency ; the rest of it we hope, with some luck, will last us for the remaining period of the plan at the rate of about Rs. 50 crores. I do not see what else one can do. This is the residual part of the sterling balances, which is going to feed and foster the plan on which the country is pinning so much hope, and as for the rest, what will be left will be a backing to our currency.

The next question is, what has India done with the sterling balances ? Well,

India has bought a great deal of food. Frankly speaking, the hon. Member seems to live on thought and not on food. Food is an essential thing. I consider that in the circumstances of the country—and we shall be coming to food production and other things later on—granted that the country wanted food, well, here it was that we were unable to produce food. I have had an analysis made of the trade figures, and I find that out of our total imports, about 66% are absolutely essential articles. Then another 30% is industrial raw materials, oil and various other things. The percentage which is said to have been spent on what may be regarded by those people as non-essential things was only about 4%, and of that cosmetics and other things are about 0.375% or some such percentage. On the whole, on both counts, I think we are cleared by the figures.

The next question with regard to the sterling balances was about the rate of interest. In the beginning, Sir, in the first two Agreements, the rate of interest was confined to what the Reserve Bank was getting, it was about 0.8%. At the time of the last Agreement, we expressed our dissatisfaction with this arrangement, and we said that the dimensions of the problem are getting much smaller. We ought to have a little greater liberty to invest them as we like. Now, there is some limitation on the investment of our sterling balances spread abroad, which is not of the making of the United Kingdom. That is in the Act, that is to say, for the Banking Department, we cannot buy securities, British securities, of more than 5 years' maturity. And in the case of the Issue Department, we have to buy securities up to 10 years' maturity. Now, Sir, in the British money market, there are only limited quantities of such credit flowing about at any time. And anyone who is familiar with the mechanism of the money market would know that if you started investing all your available sterling balances in available securities, you will probably drive the rate so high against you that

you might again come back and point out the same thing. Therefore it requires a certain amount of discriminating investment in accordance with the practice that is being followed by Central Banks all over the world. As a result, we are getting a much better rate of interest. What it is, I should not like to say, but it is certainly about double of what it was under the old arrangement, because these matters are dealt with as part of the arena, so to say, of the Reserve Bank management. It is, therefore, for them to invest. There again, there is no room for anxiety on the part of anyone.

The very same question has been raised about our trade with Pakistan. I am not in a position to give an answer just yet, but, as I said, in some other place, I might be able to give, but there is a discrepancy between the apparent figures of trade and the balance of payments. But, for all practical purposes, it is the latter figure which has to be depended upon, because it represents the transfer of sterling from one country to another, representing not only trade with other countries through regular channels, trade with other countries, across the frontier, which is estimated, so to speak, which does not pass through the business capital transfers and various other means. Therefore, I think a smaller figure is a more reliable figure.

Sir, the next question is the question of food. The point made about food is, that if the Grow More Food Campaign has failed, then why not give a subsidy? My short answer is, if you give a subsidy, then the Grow More Food Campaign is bound to fail. That, Sir, is the gist of the matter. I have developed this point in another place, but what is happening is that the door is open, there is no vacuum inside, the air is rushing in constantly; you cannot create conditions in which you cannot concentrate effort and attention and will on production and procurement, and when the scale of imports was assuming what I might call fantastic proportions, when you

(SHRI C. D. Deshmukh.) come to a stage when in three years you are asked to import eight million tons nearly—more grain than all the ports in India could handle, and more than all the transport systems of India could transport—well then I said it was time to stand still and take stock of the situation, which we did. Hon. Members on the opposite side asked why it was that this trade secret was kept away from the electors. I must explain, Sir, that this is a part of the annual food policy. That food policy is determined usually some time in November or December. Then we work what is called the basic plan. A basic plan means an assessment of the crop outturn. Then we find out the surpluses and deficits, how it can be drawn and from what provinces, how much in the way of imports is required from abroad. This year, on account of the elections, we had to postpone this meeting. We could not hold it. Whenever hon. Members face facts, they find them inconvenient.

AN HON. MEMBER : Convenient for you.

SHRI C. D. DESHMUKH : I say, Sir, that the election was a fact, and that is why my hon. friends are here. I say that this meeting took place in February. We could not hold it earlier. We held it and we were faced with this problem of having to import eight million tons. We went for the statistics of production and we found a small difference of four million tons between the States' estimates and our estimates. We tried to reconcile this difference between the estimates and we convinced the States' Ministers that our estimates were correct. We had also reason to believe that on account of the disappearance of various difficulties they might be able to procure a little more, and that is why we now say that we had better relate more and more to internal production and internal procurement and not go this slippery path of subsidies to which we see no end. It was just magnifying and increasing out of all control. It was |

in these circumstances that we took that momentous, and, in my opinion, right decision. I cannot say very much more because the Food Minister is yet out on tour, in consultation with the various State Governments, trying to evolve plans, the broad end of which is to increase procurement and to lower the price to the consumer. When he comes back, he will no doubt face us with certain proposals and we shall give them due consideration.

Then, Sir, I come to production. Again, if hon. Members will take the trouble to study the statistics, they will find that in the Journal of the Indian Agricultural Statistical Society, there is a substantiated and substantial account of how random sample experiments are carried out in order to assess the increase in production. It should be in regard to the grow-more-food measures. It may be conceded, Sir, that in the old days, perhaps three years ago, there was a great deal of slackness because we had not perfected a machinery of this kind and the verdict of the Reserve Bank, to which reference was made, was a limited verdict, applicable to a certain *tahika* or district or some other place. It does not certainly represent conditions all over India. But I am not quarrelling with hon. Members about the inadequacy or otherwise of results obtained three years ago. But I am saying that we are steadily trying to improve and we have improved. I think on evidence, which we may be prepared to regard as satisfactory, we have about 3 • 5 million tons more in the way of food production. On the other hand, on account of various natural calamities, I believe we have lost about a minimum of 4! million tons, with the result that we seem to be one million short. There are two forces, and what you see is the resultant of these two forces .....

SHRI H. N. KUNZRU (Uttar Pradesh) :  
Can the hon. the Finance Minister tell us what is the basis for the statement that the food production has increased by 3^ millions ?

SHRI C. D. DESHMUKH : I do not know whether the hon. Member was here when I referred to the Journal of the Indian Agricultural Society .....

SHRI H. N. KUNZRU: I was here, but I should like the hon. Member to give the reply and not leave the Journal of the Agricultural Society to do so.

MR. CHAIRMAN : He wants you to give the answer to the question.

SHRI C. D. DESHMUKH: My answer is based on experiments made by the Indian Agricultural Statistical Society. You have the experiments made by the Sample Officers, the Statistician, attached to the Indian Council of Agricultural Research, an account of which is given in the Indian Agricultural Society's Statistical Journal. I am sure I am not to repeat by rote everything that is written or even to refer to what is a scientific account of the result of these experiments....

SHRI H. N. KUNZRU : I have consulted the experts of the Food and Agricultural Ministry on this point, and I have gone into this matter with them point by point. They think that the food increase is much less than 3<sup>1</sup> mill on tons.

SHRI C. D. DESHMUKH : The only solution is for the hon. Member and myself and the unnamed experts of the Food and Agriculture Ministry to sit together.....

SHRI H. N. KUNZRU : It was Dr. Natu and his assistants.

SHRI C. D. DESHMUKH : It does not matter whether it is Dr. Natu and his assistants.

SHRI B. GUPTA : The Government of India in the Ministry of Information have stated that the Grow More Food Campaign had produced in the course of the last five years only 24 lakhs of tons of food grains and no more.

MR. CHAIRMAN : Statistics and statistics.

SHRI C. D. DESHMUKH : Then there is this point. I think it is rather an important point and I should like to refer to it, and that is the result of the diversion of land from food to cash crops. Here is a calculation. We lost about one million acres to jute and about three million acres to cotton. We should assume that the diversion of one million acres of land to jute would have resulted in a loss of about 300,000 tons of rice, which, valued at the higher price that is being paid for rice, would amount to Rs. 24 crores. But, on this one million acres of land, an additional quantity of 26 lakhs bales of jute was produced. At the rate of Rs. 35 per round, the value of this additional production can be put at about Rs. 45 crores. So far as cotton is concerned, the acreage under cotton in 1951 was three million acres in excess of that under cotton in 1948. The acreage under ground-nuts has remained about the same, but that under other cereals has gone down by two million acres. The loss due to the latter totals up to 400,000 tons. All this works out to Rs. 16 crores. As against this, nine lakhs of bales of cotton would produce additionally in the way of saving on imports, Rs. 45 crores. Now, anyone can draw his own conclusions from these figures.

Then, Sir, a word about taxation. A great deal has been made of the fact that the ratio of direct taxes to indirect taxes is falling in this country, and, therefore, again, the taxation policy is regressive. Now, as you said, there are statistics and statistics; and there are ways of interpreting statistics. What has happened is that on account of the inclusion of export duties which have been booming for the last two years, indirect taxes have been on the increase. If that element is taken off, there is not very much of a difference between the ratios that ruled in the past, except that during the war we had the excess profits tax and the business tax and various other kinds of taxes when

[Shri CD. Deshmukh.] everybody made money with a spade, so to speak, and everybody engaged in business, and so on. Apart from that, the ratio has been 40 and 45. Secondly, there are only about nine lakhs of people who pay direct taxes in this country of 357 million people. Therefore, you are bound to find a slightly lower ratio of direct taxes in a poor country than in a rich country. In the United States, it is 75. But on the other hand the proportion of income-tax payers is round about 40, that is to say, the total percentage of the population who pay income-tax is 40 or 45. (*Interruption.*) I am giving round figures, because I have not got the time to look through the papers. •

AN HON. MEMBER : It is 40 for the U.K. and 45 for the U.S.A.

SHRI C. D. DESHMUKH : I accept the hon. Member's figures.

Therefore, Sir, this criticism is a very superficial kind of criticism.

Then, I come to the question of expenditure. One hon. Member on the opposite side made what I regard as quite a useful constructive speech: at least he tried to do what no other Member on the Opposition side has done. He showed us how he would frame the Budget if he had to do the framing of the Budget. He would cut down the expenditure. He would set a ceiling to the expenditure : this Department will spend Rs. 90 lakhs, and the other Department can do with Rs. 70 lakhs, and so on. We tried this expedient of applying ceilings, but this Procrustean bed does not seem to suit every Ministry. What happened is, you cut down some essential service, and within about three months' time they come up and prove to our satisfaction that some essential activity has been held up. I will give an instance. There is the Comptroller and Auditor-General. He is responsible for seeing that there is no waste. We have now included

Class B States, and the volume of transactions has increased a very great deal, and his staff has been very inadequate. If I were to say to the Auditor-General, "I give you a ceiling, of Rs. 2 crores and no more," what should we do about financial control, what should we do about audit? We are spending money. We are expanding our economy. We find by and large that half or a little more than half of our administrative expenditure is on development ministries, and the rest is on administrative services. In both there has been an increase of about Rs. three crores. We have tried to put that down as far as possible, but I can assure hon. Members that there are no great savings involved in it. The question of defence expenditure I will leave my hon. colleague to deal with, because (a) I have no time, and (b) he is much more competent, and much more responsible, so to speak, to deal with that.

I shall now draw this to a conclusion, and I say that this Budget

of ours.....(*Interruption.*) Yes, there is the question of river valleys. I am sorry I have not got the time to deal with it. There have been irregularities. There have been defects of organisation. It takes a little time to apply pressure and to put things along right lines. I believe that Bhakra-Nangal is on the right lines, although a great deal more of organisation is required. Damodar Valley are certainly sitting up and pulling themselves up by their bootstraps, and I do not believe one would discover any major lapses on their part. In regard to Hirakud, two committees are sitting—one, a committee of engineers, and another, a committee of engineers and finance officers—in order to report on the system of financial control and on the project estimate.

SHRI H. D. RAJAH : What about the trade deficit of Rs. 81 crores which was adjusted out of sterling balances ?

SHRI G O V I N D A REDDY (Mysore) : Has the hon. Minister

gone through the report of the Estimates Committee on River Valley Schemes ?

SHRI C. D. DESHMUKH : Yes, Sir, I have gone through the report,

SHRI H. D. RAJAH : The deficit of Rs. 81 crores ?

SHRI C. D. DESHMUKH : I do not know how it comes under river valley schemes. This river is meandering a lot!

As regards the river valley schemes. I do not say there is nothing about which we can reproach ourselves. But I do say that we are taking every step to improve the financial control of these projects. And as regards what has led the hon. Members like the one opposite to say that I should repudiate all liabilities on behalf of the State, all I can say is that I repudiate that repudiation. I, Sir, have been brought up in the conservative principles of keeping your word and paying your debts. If the hon. Member has had another upbringing, that is not my fault.

Sir, this Budget, as I said, is directed towards the implementation of the Plan. And having been associated with the Plan in a very intimate manner, I think that we can carry it out. Questions have been raised about the adequacy of the surplus. Now, from year to year I cannot demonstrate a surplus of Rs. 26 crores. On the other hand, fortunately, when we started the first year, we could get a little windfall of Rs. 60 crores, and then, last year, we raised taxes by Rs. 26 crores. Then, we got a surplus of Rs. 90 crores, although I pointed out—I do not want to overstate matters—that that was illusory, because it just made for shortages on the other side : we failed with the money market where we succeeded with the revenue. So, by and large, I would say that the result during these two years has been that we have fulfilled the anticipations of the Plan, and I have hopes that we shall be able to do our part towards

the implementation of the Plan. So far as the State Governments are concerned, they have not yet settled down to their task. I do not believe that they have yet been able to take a bird's eye view of their responsibilities. Then, there is the disturbing element of the Finance Commission. No one knows what exactly we shall gain or lose, or what exactly they will gain or lose. And all these conditions are different, shall I say, to a purposeful policy of raising resources. But I believe that that state of affairs will be remedied very soon, and then we shall start with determination and a sober optimism on this fascinating path of rebuilding our country.

SHRI S. GURUSWAMI (Madras): Sir, I labour under the disadvantage of having to speak under a time limit after the brilliant speech delivered by the Finance Minister. Although it has not been very convincing, it has had some effect. I have come to speak on an aspect of the Budget which has not been referred to by other speakers : I refer to the labour policy which is implicit in the Budget. The Budget is committed to the implementation of the Five Year Plan and the labour policy implicit in the carrying out of that Plan implies no plan at all. We have also contradictions in the policy of the Central Government. The previous speakers have spoken on the question of food subsidies. The point is not only of giving subsidies ; the point is not one of ensuring supplies ; the point is one of ensuring the purchasing power of the people to make use of the available supplies. That has not been tackled in the present Budget.

The Central Government, as the employer of the largest labour force in the country, has failed to do its duty. It has been committed to the Central Pay Commission's Report. It has done nothing to secure for its workers, who number more than 1½ million in this country, the minimum relief that the Central Pay

[Shri S. Guruswami.] Commission contemplated for their workers. While the Union and State Governments appoint Tribunals for settling disputes about dearness allowance in private industries, there is a strange conspiracy of inaction when it is a question of settling dearness allowance of Government employees. Sir, I find that the policy of the Government has not been in the interests of the labour. It is true that the index of wholesale prices has been coming down, but the relief has not been secured in the retail prices level by the common man in the real sense of the term, and they have no purchasing power. Of what use therefore is that fall in the prices, if the man can't afford to purchase his bare requirements? The workers have got every right to ask as to what the Government has been doing with regard to the recommendations of the Central Pay Commission in the matter of dearness allowance, etc.

I would suggest to the Labour Minister to give a re-orientation to the labour policy in the light of his own experience with Trade Unions. Unless these problems—industrial and agricultural—are solved satisfactorily, I am sure there will be no real peace in the country. Sir, the long-standing question of the merger of dearness allowance with the basic pay of the workers is of vital importance and it can brook no delay. There are thousands of pensioners in this country who have not got the benefit of the meagre dearness allowance recommended by the Central Pay Commission and their position is most precarious. Surely these pensioners will be benefited by a favourable decision on the question of the merger of dearness allowance with the basic pay. While the Government have legislated for such a merger in regard to some 16 lakhs of workers employed in non-Government factories, nothing has been done for Central Government employees beyond issuing a Press Note expressing pious intentions.

Sir, I may warn the Government that the very success or failure of the

Five Year Plan will depend on the co-operation of labour. The Five Year Plan is based on the vicious principle of freezing wages. It is based on a wrong policy and I hope the new Labour Minister would start a new policy and give a re-orientation to the present policy in the interests of the working classes of the country.

Sir, let us now take the case of the Finance Department. It claims all wisdom in regulating the financial transactions. It claims that it has introduced a measure of standardisation in regard to the working conditions of the Central Government employees. But their own financial advisers have erred very grievously in giving allowances to employees of certain Ministries while denying them to others in the same area. I would in particular draw the attention of the Defence Minister in regard to the employees working in the Cordite factory at Aruvankadu in Nilgiris. The labour employed there, who were getting Nilgiri hill allowance upto 1950, have been deprived of their allowance, and given a lower relief whereas the Central Government Railway employees employed in the same place are getting a hill allowance on a higher scale. That very fact shows that there is something wrong with the working of the Finance Department who have been guilty of discrimination.

Again, Sir, there is another deplorable thing and that is with regard to the policy of the Home Department in labour disputes. Sir, only the other day we heard about the Gorakhpur firing incident which is really a matter of shame especially that it should happen in our free Republic. In this connection I would point out that some years ago when there was shooting of the workers in Madras State, the Government appointed a Committee to go into the matter and that Committee came to the conclusion that in dealing with such incidents firing should not be resorted to even if the fault lies on the side of the mobs. I think the Committee also recommended that other methods than firing should be adopted so that loss of life, should

not take place. What happens in firing ? When the Magistrate ordered firing, at Gorakhpur even those people who had nothing to do with that particular dispute had to lose their lives because of the Magistrate's tactlessness and recklessness. I demand a public enquiry in such cases. I would also request the Government to ensure at least hereafter, whenever they have to tackle similar situations that firing is not resorted to and instead, alternative methods to settle such disputes are adopted.

Sir, there is an important move which is very deplorable. In the Agenda that has been circulated to the Members of this House the Government propose to bring forward again the Labour Bills to which the working classes throughout the country have expressed their opposition. If that is going to be the policy of the Government, I can assure them that their Five Year Plan can never succeed. I will therefore request them to retrace their steps and improve the existing legislation and not to worsen the conditions in regard to the policy to be adopted for the settlement of trade disputes.

I should like to refer to one more matter. There are firms—firms like those of the petroleum industry— which have their tentacles spread through various provinces\* On account of the defect of the existing legislation, the labour disputes relating to workers of those undertakings have to be settled by the local Governments only although the management policy is the same throughout India. Thus the settlement is left to the tender mercies of the local Governments on a varying and often contradictory basis. This serious lacuna in the present legislation must be removed. The Labour Appellate Tribunals are acting as legislative authorities modifying existing legislation. For example, they have ruled wrongly that Supervisors are not workmen within the meaning of the Industrial Disputes Act and that probationers have little protection from the Tribunals. These wrong decisions must be rectified by immediate clarifying legislation.

Then there are several other important matters which cannot be dealt with due to limitation of time. Therefore, before I conclude, I wish to say that unless the Government tackles the labour policy properly, there can be no peace in the country and by labour I mean not only the industrial labour but also the agricultural labour.

I would also stress that labour should have an effective voice and share in the management of the nationalised industries. The conception of this Government in regard to labour being associated with nationalised industries is not in consonance with the latest practices obtaining in other progressive countries. I want that whenever there is any nationalisation of industries, there should be a place in the management for the workers' representatives. Unless you secure their enthusiastic co-operation, no plan for the uplift of the workers can even come to a successful fruition. Let the Government, therefore, read the writing on the wall and take action in time before it is too late. With these few words, I take my seat.

SHRIMATI ANGELINA TIGA (Bihar) : Hon. Chairman and all the hon. Members of this House, from the time I have been sitting here and hearing all the speeches made by all the hon. Members and the hon. Ministers, I find that there is an unceasing tumult coming from many different places in India, and although the tumult goes on increasing, I stand here not to oppose any party or to criticise any hon. Member. Sir, I stand here to represent Jharkhand from Bihar. I stand on behalf of the backward tribes and castes who are in a majority in Jharkhand and in many places all over India. Sir, I am grateful to the Government who have granted an allotment for the upliftment of the backward tribes and castes. Sir, these tribes are very ancient people of India, who have cleared forests and made our lands so productive. Sir, these are the tribes who rendered service to society before this Government came into

[Shrimati Angelina Tiga.]

being. Still they are far behind. Although Government have taken some steps, the measures were such that they did very little good to these tribes. Sir, it will be heart-piercing if one or two citizens, one or two true Indians, were to go into the rural areas and see their poverty. They are almost naked. Their life is just like that of animals. They are hungry. So, although the Government has allotted, so far as I know, for the current year 150 lakhs of rupees for the upliftment of these tribes as well as the backward castes, one thing I ask on behalf of these tribes and castes is whether it is enough. We waited and we for so long were observing that the means by which the Government tried to help us were almost fruitless. So I ask the Government to take bigger and better steps for the upliftment of these very ancient tribes of India as well as the backward castes direct<sup>^</sup> through Government officials and not through any party or any society or any association, namely, the Adim Jati Sewak Mandal which claims to be working at Ranchi and which has done very little good. I hope the Chair and Government would heed the needs of these tribes and would be able to render loyal service to Mother India.

Thank you very much, Sir.

SHRI S. P. DAVE (Bombay): Mr. Chairman, may I take this opportunity of voicing the feelings of the working classes of the country towards the Budget that has been placed before us ? I know, Sir, that you must be reading in the papers how certain trade unions have reacted to the withdrawal of this food subsidy. I do not claim to belong to that group of trade unions. I belong to the INTUC which does not want to help other political parties into making an agitation on this account because, after all, the other political parties are merely out to embarrass the Government. Any measures taken by Government, however, perfect they are, are not going to satisfy these friends, if they bear the label "Congress-manufactured". Nothing is good for them if it comes

from the Congress Party. We, Sir, try to judge things on their merits. We as trade unionists are independent of the Government. But we believe that it is the Congress Party alone that has helped the poor and the masses of the country. There are many things in common between the ideology of the Congress and the ideology of trade unions which after all aim at establishing a new social order in the country. Let me tell my Communist friends that even if their great prophet, Karl Marx, were alive today he would have revised his 'Capital' and advised them to change their views in the light of the experience gained, the new scientific inventions and objective conditions, etc. But they hug to their old theories which are uncongenial to the soil of this country. If they would listen to me, I may give them an advice as a trade unionist : let them try to unlearn the lessons of the past. As Oscar Wilde said, "The great thing in the world is to learn but the greater thing is to unlearn." Let them unlearn these lessons and begin a new leaf in the political history of this country that we are beginning today under the first elected Parliament of our country.

Sir, I have a mandate from the INTUC to inform the Finance Minister of the adverse effect of the withdrawal of the subsidy on the poor people of the country. I know, Sir, that the Finance Minister is a very strong man, he has discussed here the problem and declared his policy in unequivocal terms and that he is not going to withdraw what he has done. Therefore, I see no useful purpose in trying to be a headache to him and create an agitation against the withdrawal of the subsidy. But I have another way out and it is this. What Government could do in respect of only 32 industrial cities can easily be done by the employers of labour in these 32 industrial cities. After all, profit is a residue after meeting all overhead charges and cost of production and wages is one of the items in the cost of production. Except a few

high ranking Government officers, no employee of our country except in the supervisory rank, class I or class II, has yet attained a living wage. Workers have not yet achieved a living wage stage and therefore are, as if volunteers in a sense, in the field of production. They are not regulars in the army, well-paid and well-fed. Workers have their families which have to be fed and clad. They have therefore to live a life of simplicity, because the country does not pay them a living wage. We have to see that in this country of ours, no employee remains below a living wage standard, whether he is a factory worker, a worker working in the agricultural fields, in the mines of India, or a commercial employee. Since Government has withdrawn the subsidy, if workers are adversely affected thereby, they should ask their employer to increase their wages and Government should help workers in this. So much has been said against the Government because Mr. Deshmukh did not happen to revolutionise the plan of the Budget. I can quite understand his position. So long as 52 or 55 nations of this world are behaving in a particular manner, we cannot try to work out our own ideas in an isolated manner. So much is said about Russia. I would like to know of more details about Russia. If we can follow some of the good things of Russia, which may make mankind happier, I am all in favour of it. My conception about Mahatma Gandhi has been this that he has been the greatest communist ever born ; the only difference between communism and his method is this. My Communist friends believe any method good for them so long as it achieves for them the end in view, whereas we believe that truth and non-violence alone are going to persist till the last and we do not desire to be deprived of what we have already acquired. Under their method, Sir, it becomes a battle between a goonda and a super-goonda, and we do not want to bring any goonda in this country of civilization. Therefore, while saying this to my friend on the other side, as a servant of the working classes,

I have to request the Government that we have to re-orient our policy and prepare for a new social order. I know, Sir, that the Five Year Plan is a step in that direction. Let us make a success of it. Let us remember, all the same, that the success of the Five Year Plan is dependent entirely on the whole-hearted cooperation of all people. Therefore I ask this Government as to what efforts have been made to popularise the contents of this Plan among the villagers and the teeming masses of our country ; how much do they understand about the community projects ; what do they know of the various recommendations made by the Planning Commission ? The Planning Commission's first Report was available only in English. There is a veteran constructive worker in our side of the country, who wanted to know very much as to what Government has been doing—I am referring to Ravishankar Maharaj, and his coworker Sant Bal. These two are held in reverence in all the Gujerat villages ; unfortunately they could not read the Planning Commission's Report, because it was published in English. Sir, that difficulty might be overcome. But my point is this. So long as the petty Government servants, the *mukhis*, *talatis*, the circle inspector, the *mamalatdar*, the district officer, etc., do not try to explain the Plan to the villagers,—because it is they who move on behalf of the Government—and so long as the rank and file of the Congress workers do not go from village to village and explain to our brothers and sisters as to what the Plan is for this country, nothing is going to come about merely by holding committees and special committees. My humble advice, therefore, to Government and the planners is this. Prepare a plan as to how you are going to put into practice that plan, and that plan is going to be a better plan than the plan itself, because unless you make that plan of execution, the plan by itself is not going to help us much. I am glad to know, Sir, that this Government has appointed a Minister for Production. I know that he is to take care of the production in those

[Shri S. P. Dave.]

factories which are today administered by Government themselves. So far as the private sector of the industry is concerned, employers feel that they have nothing to seek advice in the matter of production from Government. On the contrary, the people ridicule us when we talk of nationalisation, because they think that nationalised concerns are never going to run well. Unfortunately a few State Governments which have undertaken transport services, and some other concerns, have lost by their own shortcomings ; yet, even now, we have to learn the art of co-ordinated public work.

MR. CHAIRMAN : The hon. Member's time is up.

SHRI S. P. DAVE: Let me say this, that production is a matter of great importance. We are told that it is the only saving feature of this country. The more you produce, the higher the standard of living will go ; and unless you produce more, we are going to go down. Therefore, Sir, I would suggest that production not only in public concerns, but also in the private sector of the industry also, should be supervised by the Government through the Ministry of Production. It is my experience, during the last 20 years that I have been working in the trade union movement, that in industrial concerns, the only driving motive is profit. I know, Sir, there are several concerns even in the textile industry which have shown losses, even though the Tariff Board has fixed prices in such a manner that no mill should lose. They have to be supervised.

MR. CHAIRMAN: The hon. Member may wind up his speech.

SHRI S. P. DAVE : I had a lot more to say, but unfortunately I must obey the Chair. My point is this. If production is to be successful, you have to satisfy labour. My submission is that the industrial relations today and the laws regulating the industry are not wholly satisfactory. The labour Appellate Tribunal has been working in a manner which has prompted a

majority of trade unions to ask for its abolition. The judges who are sitting there on the Tribunal to judge have no background on industrial matters, and no knowledge of industrial affairs, and therefore, they give very arbitrary awards and judgments, and so long as they are judicial awards, they have got to be obeyed. We do not want to revolt but we want to bring home to the Government the mistakes that have been committed, so that in future people may not suffer. One last word, Sir, and that is this. Professor Kumarappa said the other day that all our efforts at the present day should be directed to raising our moral character. Ever since the War, our moral character has deteriorated to such an extent that the citizens actually delight even when cheating the Government. Look at Shri Mahavir Tyagi's appeal after appeal last year, 'Please disclose your concealed income, come out and give it over to Government'. Let us all understand that we rise or fall by our moral character ; and unless our educational system is re-orientated, and unless the virtues of truth, goodness, brotherli-ness and humility are implanted in our young citizens, then, in spite of our material riches which our country may gain, we are going to come to a downfall. I wish I had a little more time, but I must obey the Chair.

SHRI K. SURYANARAYANA (Madras) : Mr. Chairman, I am very glad, for the opportunity given to me to have a discussion on the General Budget. After hearing the explanation of our hon. the Finance Minister, I feel there is no necessity for me to go into everything. Therefore, I would like to deal only with the food question in our country. Food is to be given by the Government to the people through proper channels, whether there is a deficit or surplus. Even though so many constructive suggestions were made by the Opposition, the "Government are not anxious to make any use of them. If the Government are appreciative of Professor Ranga's advice or his speech, why did they not hear him regarding the food question ? He has given

advice on many things in regard to the food question to the Congress, to the Central Government as well as to the Madras State Government. But they do not hear him. Only, on account of that, Sir, so many people happen to be in the Opposition today. Shri Hegde has requested Mr. Ranga to come back again to the Congress. Whether it is the Congress or any other political party, what the people want is food and cloth. It is no concern to the people whether you are Congress or Communist or K. M. P. P. They want cloth, food and shelter. So far as cloth is concerned, we have been made self-sufficient. But food, they are not able to supply either through Government channels or through middlemen merchants. In Madras, when there was a crisis in India in 1946, we collected from the *kisans* two crores of rupees and formed Producer *cum* Consumer Co-operative Societies. In a short time of three months we had shown to Government and to the public that it is only through these co-operative societies that you can meet this crisis regarding food supplies. After three months, unfortunately, the Madras Government scrapped these societies and gave the thing to the middlemen again. There were so many misunderstandings and doubts in our province by that time against the State Government. We do not want to go back again. When our President, Dr. Rajendra Prasad, was Food Minister, he happened to come to Madras. We represented to him, on behalf of the above co-operative societies as well as the public of the Madras State, that the cancellation of the said cooperative societies was not a proper thing. Because of political reasons, the Madras Government had done like that. If Government will reconstitute these co-operative societies again, there will be no food scarcity, as far as distribution is concerned, not only in Madras but in other provinces also. We can supply even other provinces. In Rayalaseema, we now see so many sad things. The "Andhra Prabha", a leading Telugu daily of Madras, which has a circulation of fifty thousand in Madras, has given

the following news in its edition of 18th May 1952 : " Irla Rachayya, Irla Subbakka an Irla Lakshmana of Chittor District, belonging to Rayalseema, died on 11-5-52 of diarrhoea after drinking the so-called gruel supplied by the Government, because their starved stomach could not even digest the gruel." So much so, that many people, including the Congress and Members from other benches, opposing and supporting the Government, have come forward to criticise the Budget. Congress Members are trying to satisfy the people of their constituencies by starting peaceful *Satyagraha*. You must have read in the papers that the Bombay P.C.C. whose President is our Mr. S. K. Patil, who is a Member of the other House, has resolved under his presidency to start a peaceful *Satyagraha* against this Government on food policy. That is in spite of discipline in the Congress. Discipline is necessary in war. In all things discipline may be necessary except in matters like food. So, I would request the hon. Minister for Food, even now, to listen to our constructive suggestions regarding food. There may be some mutual discussion with Members from both the Houses and the thing may be settled in the most-cordial manner.

Another question, Sir, is regarding agricultural labour. In our country, agricultural labour forms one-third of our population. Our friend, Shri Guruswami, has said that Government are not caring or looking after the safety of our labour. This is true. Though our friends are in the Congress, they are not coming forward to help the agricultural labour. We promised the public before we got independence that all the waste lands will be given by our Congress Government to the landless poor, who are the tillers of the soil. Now, especially in Madras, after the State has abolished the Zamin-daris, so many petty zamindars have cropped up. These Congressmen are occupying even forests in spite of opposition from the Congress Government. Whether they were in the Congress.

[Shri K. Suryanarayana.] or not they got these lands through the Congress and through the Government, they did not hear peoples' protests. They have given these lands to their relatives also. In some cases I can say the Provincial Congress Committee members had their share. The waste lands which belong to the Government and which are rightly to be given to the poor people are given to these Congress members in the name of political sufferers.

MR. CHAIRMAN : Your time is up.

SHRI K. SURYANARAYANA : So, I request the hon. Minister for Labour to inquire into these matters in the Madras State and do justice to the poor. One thing more, Sir.

MR. CHAIRMAN : Hurry up.

SHRI K. SURYANARAYANA : One minute more, Sir. It is the legitimate demand, the birth-right of Andhra, for the creation of an Andhra Province. There is no harm to any other Province if the Government will hear our legitimate right by creating an Andhra Province at an early date. Otherwise there will be trouble in our State. This is not a threat, Sir. This is a fact and I appeal to our Prime Minister to consider this matter with sympathy, consideration and justice. The Andhras have contributed so much for the country's freedom.

I thank you, Sir.

MAULANA M. TAYYEBULLA (Assam) : Mr. Chairman, at the outset, I congratulate the hon. the Finance Minister for this very prudent and practical Budget in these difficult times. Sir, within the time-limit allotted, I at once come to the point in respect of which I want to speak, Demand No. 29,—Opium. I speak on the Indian Government's policy on opium. As far back as the year 1937, the Government of India had declared in international circles that their policy was total prohibition of -opi-im except for medicinal and scientific purposes,. Opium, as hon. Members know, is a dangerous drug. The

use of opium by the mouth and by smoking and otherwise is a great menace to individual health as well as public health, and is greatly detrimental to social life ; and the race is emasculated thereby. For example, the hill tribes of Assam, which is a pioneer province in total prohibition, are still under the addiction of opium in a very extensive measure, so much so that these primitive tribes are extremely backward and their economy is at the worst. For example, the Mishmis and the Mikirs and certain other tribes of Assam, for whose welfare we are striving, and which is also the Government of India's policy, suffer very severely. Unless this evil is soon eradicated from those tribal areas, the development of those tribes will be simply out of the question.

Assam, as I have said, is a pioneer province in total opium prohibition. As far back as the year 1938-39, the Government of Assam undertook the policy of total prohibition of opium except for medicinal and scientific purposes. The consumption of opium in 1878 in my State was in the neighbourhood of 1,700 maunds per year. In 1921, under the leadership of Mahatma Gandhi, the non-co-operation movement in Assam was in fact an opium prohibition movement. So, by 1924 the figure came down to 826 maunds. In the year 1938-39, when prohibition was undertaken, it was in the neighbourhood of 125 maunds. In 1949, at the instance of the Assam Government,—in fact, at my instance (I was then Minister-in-charge of Prohibition and Excise),— the Government of India—Dr. John Mathai was then Minister for Finance—convened an All-India Opium Prohibition Conference in August 1949, and certain decisions were taken and a ten-year policy of total prohibition was recommended to the Government of India ; and recommendations were made regarding opium-poppy cultivation restrictions. Rajasthan and Himachal Pradesh are two places in India where a huge quantity of opium is produced from the opium-poppy cultivated uncontrolled in those

States. The Opium Prohibition Conference undertook centrally to restrict opium-poppy cultivation throughout India, and to produce opium only in Government factories,—for example, Ghazipur and Neemuch,—while prohibiting production of opium in the existing factories. Sir, it is now nearly 31 years since that Conference met and made those recommendations. I find from the Budget that the expenditure on opium prohibition etc. comes to Rs. 1 crores and over. Now, it was declared that Government would totally prohibit this dangerous drug throughout India within the period of ten years. But nearly four years would be soon over ; and I would now ask the Government to examine the question and to appoint an expert committee, which was contemplated, with experts and non-official members drawn from both the Houses of Parliament, to examine the question and consider what steps could be taken in order to bring the opium-poppy cultivation in the different States under full Central control, and opium derived therefrom to be manufactured in Government factories only, like Ghazipur and Neemuch. If that is done, then the free and unfettered sources of opium production will come under Government control. Smuggling of opium mainly takes place from Rajasthan and Himachal Pradesh where thousands of maunds were produced every year unrestricted and uncontrolled! If my suggestion is worked up, smuggling will be effectively restricted and controlled.

One aspect of the question is that Government will be losing some revenue. But I would submit to the Government that in the process of total prohibition of opium in India, less opium will be consumed, but if under Government control, poppy cultivation is extended, the opium thus produced might be exported to foreign countries. The quality of Indian opium is said to be good and it would fetch good price in foreign countries. So, Sir, I would advise Government to see that, on the one hand, this pernicious drug is

gradually totally prohibited throughout India, as was done in Assam years ago, and that on the other hand the poppy cultivation is fully controlled by Government, and the opium produced from those sources is exported to foreign countries for scientific and medicinal purposes. That will bring a good deal of money to the Exchequer.

A Narcotics Board was set up, and Assam as the pioneer in prohibition, and Rajasthan and U. P. as the biggest growers of opium, were represented on that Board. We must know how far recommendations made in the Conference held in August 1949 have been so far implemented. Now the Expert Committee should be set up as contemplated ; and it should go into the whole question and examine the steps that should be taken for the speedy attainment of our objective within the stipulated period of ten years.

Then, take the question of treatment of addicts in special clinics, as in Assam. It will be a great public and social service. There is smuggling from Rajasthan and Himachal Pradesh and other provinces, and it could be stopped. The question of bringing revenue to the Exchequer through the export of opium for medicinal and scientific purposes should also be gone into.

Sir, I would suggest to Government to take up the matter at W. H. O. level. Co-ordination at the international level will be very helpful. I hope that the Government will consider all these points and see to the implementation of the recommendations made by the Conference of 1949, as well as the advice given, from time to time, by the Narcotics Board, so that we can attain the objective, as laid down in the recommendations, in ten years, and opium may be totally prohibited throughout India. Whatever opium is produced could be exported so as to bring good revenue to our Exchequer.

[ SHRI PRITHVIRAJ KAPOOR (Nominated)  
*rose.* ]

MR. CHAIRMAN : The hon. Member should keep to the time limit.

SHRI PRITHVIRAJ KAFOOR : Sir, what is the time limit? Fifteen minutes?

MR. CHAIRMAN : No, ten minutes.-

SHRI PRITHVIRAJ KAPOOR :

SHRI N. S. CHAUHAN (Uttar Pradesh) :

श्री पृथ्वीराज कपूर (नाम निर्देशित) :  
माननीय सभापति महोदय, मैं आपकी आज्ञानुसार दस मिनट में ही कह दूंगा और मैं हिन्दी में ही बोलता हूँ। हिन्दी की अभी यह हालत है कि उसको लोग समझ नहीं पाते हैं इसलिये मैं अंग्रेजी में ही कुछ कहूँगा।

(English translation of the above.)

श्री एन० एस० चौहान (उत्तर प्रदेश) :  
नहीं, हिन्दी भी होनी चाहिये।

SHRI PRITHVIRAJ KAPOOR :

श्री पृथ्वीराज कपूर: सभापति महोदय, समय मेरे पास बहुत थोड़ा है। मैं यह कहना चाहता हूँ कि हर सदस्य को यह निश्चय अपने दिल में कर लेना चाहिये कि वह कुछ शब्द हिन्दी के बोलेंगे चाहे इतना ही कहें कि "माननीय सभापति महोदय"। इस तरह से आहिस्ता-आहिस्ता सब झिजक दूर हो जायेगी। मेरा ख्याल है कि अगर हम इस तरह चलेंगे तो हम सब हिन्दी बोलने लगेंगे जो आगे चल कर हमारे लिये जरूरी हो जाने वाली है।

मैं दो बातें कहना चाहता हूँ वह अब अंग्रेजी में कहूँगा।

SHRI PRITHVIRAJ KAPOOR : Mr. Chairman, Sir, in accordance with your instructions I would take only ten minutes, and would speak in Hindi. As the people are not so far able to understand Hindi, I would say something in English.

SHRI N. S. CHAUHAN : No, Hindi should also have a place.

SHRI PRITHVIRAJ KAPOOR : Mr. Chairman, I have a very little time at my disposal. I want to stress that every Member should make it a point to speak at least a few words in Hindi; he may merely say "Manniya Sabha-pati Mahodaya". In this way, by and by all the hesitation would go. I think in this way all of us would eventually adopt Hindi, which is going to be compulsory for us in future.

I would now say a few things in English.

SHRI PRITHVIRAJ KAPOOR : Mr. Chairman, I request you to give me some more time. The other day a friend of mine from some bench which was neither to the extreme left nor to the extreme right was speaking in such a tone that although it did not hurt much yet it produced rather a jarring note. That is how I felt about it. That gentleman said— Sir, here I will quote a little bit from my Diary— "Mr. Prithviraj Kapoor is an actor. He is not a politician. He has to sing praises of his bosses." I really cannot understand why an hon. Member of this House should behave like this. Why should people lose their humanity when they speak from these platforms?

SHRI M. P. N. SINHA : Sir, is he speaking on the Budget?

SHRI PRITHVIRAJ KAPOOR : Yes, certainly I speak about the Budget. It has a bearing on the Budget. One question arises in my mind again and again and that is about the nominated Members. They have no bosses, Sir. I do not speak for myself alone. Perhaps the hon. Members who by some hook or crook or by right methods or wrong forced people to vote for them in the elections, might have some bosses. Because from their speeches I can feel they are evidently trying to please somebody somewhere, while we people have absolutely no bosses. As a child I once went to a

mill. It was working and there was a little thing on the top. I asked the man who was working the mill a question. It was an engine mill. I asked him what was that little thing on the top of the engine. He said that was the governor. I was surprised. He said, "That governor regulates the speed and at the same time lubricates the machine". So, Sir, I believe that these nominated Members, scientists, eminent historians, literary men, poets, dancers and actors like my humble self—they are all here just to play their part when the soul gets parched up in these days of political tangles and passions. I have a great respect for my friends here. I really would be very happy if I as an artist could just turn their directions towards the good of the nation instead of their hurling abuses at each other. "When the Britishers were here and when the Sword of Damocles was hanging over the people, there were revolutionaries like Maithilisharan Gupta who had the courage to write "Bharat Bharati." So those who could dare then would certainly brook no bosses today. "They will bow before reason and love and nothing else. So if these people say something, today there is no question of personal advancement. It is just to bring that lubrication to the parched up souls of our politician friends. We may be flying to the skies but our contact with the earth must never be lost. But if we read too much of economics and politics, our contact with earth begins to disappear—our soul gets parched and dried up. It is from that drying up of the soul that our politician friends have to be guarded and saved—and it is for that purpose that the nominated Members, the educationists, scientists, poets, writers and artists are here. Gurudev Tagore has said :

जीवोन जीवोन गुंखाए जाए,

कौरुणा धाराए एशो ॥

शोकोल माधोवी लुकाए जाए,

गीतशु धारासे एशो ॥

10.C. S. Deb.

I have translated it in Punjabi like this :

जद जिदंडी सुक जाए प्यार बाझों,  
वण के प्यार दी वरशा तुं वस साइयां ।  
हो जाए निरस वेरस जीवड़ा,  
वण के गीत तुं वसे नस नस साइयां ॥

I would render it in English now :

"When life is devoid of love come in the form of showers of love—

When all sweetness disappears and the soul gets parched up—come O Lord, come to me with the strains of music—to flood my soul 'with music."

Now, I will say something about the Budget, Sir.

MR. CHAIRMAN : 'Only three minutes left.

SHRI PRITHVIRAJ KAPOOR : I will finish in one minute, Sir, I will deal with only one point referred to by the very learned Dr. Ambedkar in his speech. He said : " India has no enemies who is India afraid of ? ; why should it have an Army ? " I say, Sir, India has no enemies because India is not inimical to anybody, to any State in the world. India is friendly towards all and thus India has no enemy. *Bui*, and this ' but ' has a very deep meaning and has a capital ~B, India has friends. And what friends ? God help India from these friends. It is about these friends that India should be worried.

दुश्मने दाना बेहतर अन्न, दोस्ते नादान ।

I

" A wise enemy is better than a foolish friend." Unfortunately, India is infested with such friends. Pakistan is a friend of ours ; we call them part of us, our flesh and blood. I belong to that land and that land is mine as it is there in my flesh and blood. I love the people there. But we find every three or six months something comes up against which we have to be prepared. It is for these friends. 'Our army is meant to help them'keep their equilibrium and not lose their balance every now and then.

[Shri Prithviraj Kapoor.]

This army is again for another purpose which the learned Doctor did not perhaps remember. We have no enemies and we are friends of all. India is today happily placed by Nature in a very important position, that of the guardian of the world peace. I admit, Sir, we have no armaments, we have no huge army, but we have love—love towards all. That is what the Father of the Nation taught us. India has taken a big step, the Prime Minister of India has taken a big step of neutrality. It has pushed the war back for some time. But we have to keep war away from mankind for ever. India is today the sentinel of the peace of the world. We must remember, all of us, that this sentinel has got to be well armed, if it is to be a real sentinel of the peace of the world, the guardian of the peace of the world. For that it has to be very strong.

In addition to that our army is doing other constructive work. Take Rayalaseema and see the magnificent work done by the army there. I want more and more of our youth to be brought into the army, more and more of our refugee boys to join the army and be trained to be good servants of the nation.

Immediately after the police action, I went to Hyderabad to see things for myself. I came in contact with all sorts of people, army officers, soldiers, society people, labourers and journalists. I met and talked to all of them, and one thing I found, that they never had any complaint to make against the army, our military there.

I would have elaborated further, Sir, but my time is up and I end by emphasising that as the sentinel of the peace of the world India has got to be well armed and well equipped.

PROF. N. R. MALKANI (Nominated) : Sir, I warmly thank the Finance Minister for giving us a very lucid illuminating and, may I say, also convincing exposition of the Budget. I must also thank him for submitting to us a Budget which one would call a

safe Budget. I will say that the Finance Minister was cautiously courageous about his Budget. My friends on this side may say it was a courageously cautious Budget ; some may even say it was an uncourageously cautious Budget. Sir, I beg to differ. I think it was very courageous. He resisted three things. He resisted the temptation to raise new duties. He resisted more than that. He resisted the pressure brought upon him to restore the subsidies to meddle with the prices and buttress them up. It was very courageous on his part to do so, and the reasons he gave to us for not restoring the food subsidies were very valid. If he had restored them, I for one would have felt that he was not even cautious, much less courageous. This was just the time when the subsidies had to be reduced and just the reasons, valid reasons, which he gave for not restoring the full subsidy.

Sir, it is being asked on this side,, what about the people ? But who are the people ? We are also the people, we who belong to the middle classes. Workers in the towns also belong to the people. May I say, Sir, men in rural areas, villagers, peasants, and landless labourers are also the people? They are not here. I wish our Council had not been in Delhi, but in a village among the people. Then they would have cheered our Finance Minister so vigorously.

Sir, as we know, wholesale prices have fallen by more than 80 points during the last two years. I am not quite sure, Sir, as to whether the rural areas have gained as much as they ought by the fall. Sir, my hon. friend the Finance Minister said that the money saved from subsidies is to be spent on long-term projects; I wish he had said on rural areas. To my mind, the better answer would have been to say that the money will be spent on villages. Why cannot we adopt a point of view which is one of social justice ? Millions of people,, crores of people, are very poor. How long shall we spoonfeed the few people in the towns ? I myself am a

poor man; I have lived a poor life all along. I too will want a subsidy; everybody will say then 'give me a subsidy'. Do we want everybody to be reduced to that state? I would rather say 'Stand on your own legs'. Therefore, Sir, I am happy over the attitude taken by the hon. the Finance Minister, but I would go a step further and say that the villagers also are to be looked after. We always talk of equality. Our *Shastras* preach equality, but we are wallowing in inequalities. We have A class, B class and C class States. Then we have the Scheduled castes, the Scheduled tribes and *Savarnas*> the villagers and the towns people. My hon. friend on the opposite side have been shouting 'Level down'. But my demand is 'Level up', and the sooner you do it, the better. Why can't we level up the villagers? Why do we forget the villagers? The hon. the Finance Minister has stated that prices have gone down by 70 to 80 points or so. And it was very kind of the hon. the Minister to have told us that there will be no inflation hereafter. He quoted experts but I am always afraid of experts. Then he said if there is a recession he will take note of it. I even give him some credit for saying that to some extent this fall in prices is due to the Government of India. I quite understand that. But why be shuttled from inflation to deflation like that, on account of international factors? Why cannot we be self-sufficient? My hon. friends on one side are talking of "Soviet dictatorship", while those on the other are complaining of "Colonial imperialism". These words somehow jar on me. I feel a kind of self pity and wish to be free both from Soviet dictatorship and colonial imperialism. Sir, how can we be self-sufficient? I would tell the hon. the Finance Minister— he is not here at the moment—with all the vigour that I possess, self-sufficiency from whom? Let there be self-sufficiency with regard to other countries. I have nothing to say against that. I would however add that there should be regions, zones which are physically self-sufficient, economically

self-sufficient, so that we need not worry about other international factors, so that we need not have many middle men. I say, Sir, that the middlemen should be eliminated. He can be eliminated only if we are self-sufficient, in the sense in which I mean, namely, that there should be self-sufficient zones, or regions, not bigger than a district.

Then, Sir, I come to the final point. I congratulate the hon. the Finance Minister and the Government of India for having appointed a Minister for Production. I myself say that production should go up. My hon. friends have said 'production, and more production'. But when I look at the Budget, having in the background the Five Year Plan, may I confess to a feeling not of frustration, but lack of enthusiasm? When I read the Five Year Plan with pencil in hand and a notebook on my table, I do not enthuse over it. It does not enthuse the public. It is true the hon. the Minister has not hurt any party, but has he enthused anybody? At least, let the public be enthused. Let the people be enthused. Our leader, the hon. the Prime Minister, makes noble appeals to the people for co-operation. But unless and until the soil goes to the tiller, unless and until the people are given this great promise, there will be no enthusiasm.

One more thing, Sir. I have been a Government servant in the Rehabilitation Department for the last four years of my life. I had an experience of the administration there. If that is the sample of the administration that we have in India, do you think any Five Year Plan or two-year plan will succeed? Leaving aside the integrity or efficiency of the administration, is there any enthusiasm among the people? Sir. I think I have a little enthusiasm left but this enthusiasm was quite out of order, while I was in government service. I was glad when I left it, because I felt that it was not the place for me. Experience tells me that unless the administration is thoroughly reorganized and injected with enthusiasm, nothing will happen.

SHRI C. G. K. REDDY : Sir, we had two actors one after the other.

MR. CHAIR/VIAN : Order, order.

DR. SHRIMATI SEETA . PARMANAND (Madhya Pradesh) : Sir, I feel I have to confess to a sense of disappointment at the superficiality and the contradictory nature of the arguments advanced by the Members of the Opposition. It looked as if everybody feels that when one is in the Opposition, one has to make that kind of speech or oppose for the sake of opposition. Throughout, that has been the type of speeches we have had from the Opposition, except for the statement made by a person no less experienced than Dr. Ambedkar but who advised a reduction of Rs. 50 crores under 'Defence' in the General Budget. He from experience could have known that Government and particularly the Defence Department are in a better position to know what the dangers are, and what exact money should be spent on it. How is it possible for our Government with all its experts, who have done so much for the country in the struggle for independence, to sit back in self-complacency and waste the country's money for nothing on Defence ? More than that, it should have been fairly obvious to him that except for that diminution in defence expenditure, which he proposed for the sake of putting in some opposition to the Budget, Defence is not an unilateral expense. It has to be decided in the light of what other nations are doing for defending their countries. One country cannot decide by herself what she would spend on her defence. If other countries are preparing for defence, we cannot sit in complacency. Some hon. Mem-bers from the Opposition have suggested that the expenditure on Defence should be reduced and the amount saved should be spent on nation-building departments. An experienced politician asked Government to name the enemy for whom Government was preparing. I should like to ask, is that the way to treat the matter ? Are our foreign policy or secret matters of war such that they can be openly mentioned in this House where every

word would be available to other people to find out Government policy ? I would like to point out in this connection that whatever we say here, even if we want to oppose Government, should be said with utter caution and with an eye to the best interests of the country.

Then, Sir, some suggestions were made which it was said would do no great harm to this country. It was suggested by the Opposition that foreign capital should be confiscated by Government. I would ask what the effect of the Opposition making such a statement would be on foreign capital which usually is shy, as it is.

SHRI S. N. MAZUMDAR (West Bengal) : On a point of correction, Sir. We referred only to British capital.;

DR. SHRIMATI SEETA PARMANAND : Another suggestion was made by the Opposition about taking up a linguistic survey of India. I should have thought Sir, that the Opposition was anxious that every pie should be saved for nation-building work. To suggest that a linguistic survey should be taken up at this stage was not a constructive suggestion and in the best interests of the country. The reason is this. The British Government have left so many legacies to us and one of them is that we have become united. India was not united before the British came. If at this juncture , when every effort should be made to keep the spirit of unity amongst the people, a linguistic survey if it is undertaken, would arouse a spirit of separation.

Sir, I would not go into details about the statements made by the Opposition in a spirit of debate, because the Finance Minister has already wound up the debate and it won't serve any useful purpose at this stage to go into these points. But I could only deal with constructive suggestions, which I would like to make to Government. One thing, even a layman should

understand, without going into the details of the Budget, that the best criterion about the way in which the Budget is going to affect the country is, how the monetary market has reacted to it. If you look at the papers you will see that the Budget has been well received by people who understand sound finance. On the whole, Sir, in not making any revolutionary changes, the Finance Minister has, in the present circumstances, made the best out of a bad job. We should all thank him for it. The most important point that we have to consider today is the reason for the failure of various schemes, Governmental and non-governmental, i.e., even the Grow More Food Campaign. It failed because people did not come forward to support it. Even slogans and admonitions from our leaders are having no effect. They say : "All we can ask you is to come forward and help the country ; what we can offer you is hard work and sacrifice. If you do not work, you will have to perish." These are not having any effect on our people because, for one thing, their enthusiasm has dwindled after the attainment of *Swaraj*. Secondly, they are so undernourished for the last ten years, since the war started, that they cannot have much enthusiasm. They do not feel they have much to look forward to. But that is not all. The real reason is, the moral fibre of the nation is weakening. I was not here, but I read an account of the speech of Dr. Kumarappa where he laid stress on improving the national character of the people. And for that reason, without going into details here, I would like to put before the House the example of Japan. In spite of being atomic bomb-shattered, Hiroshima has been restored by the Japanese though they were under the heels of the occupation army. Even Germany is today coming back to its own power. If all war-shattered nations could rise again back to their old importance, how is it that we as a nation, when war was not fought in our own country, are more or less where we were ? I am reminded of the speech I read some time ago—it was delivered 25 years back—I think it was by Ameer Ali or somebody else—on

"the task before us", I am surprised to see how many of the things mentioned in that speech still stand before us today as the task before us in the villages. The condition in the villages, except for the food situation—their hunger it is not possible to satisfy—is just the same. What have you to do about it ? I feel that Government should give this programme for giving moral and cultural education to the younger generation a war-time priority, as it were, and enlist the support of all parties. Sir, I feel that the older generation, who are mostly responsible for all the evils of black-market, corruption, bribery and profiteering, should be merely written off. It is the younger generation we should worry about. If we are to look to the history of Japan and Germany under Hitler, what did Hitler do ? He educated the younger generation within the short period of eight years. We should organise the education of our young on similar lines. Sir, 20 or 25 years ago, moral education formed part of the school curriculum, as some of us, particularly from Bombay, may remember. Later on, this subject was taken away from the curriculum because so many scientific subjects had to be put in instead. The Committee over which you presided, the Radha-krishnan Committee, recommended that the time has come to re-institute moral education. If you read the educational magazines of foreign countries, you will find that even in advanced countries like America they feel the absence of religious education and they have to re-institute moral education in some extra-curricular way.

As I have no time to go in detail into the various proposals that have been made, I would just read out the items. One is cinemas. Our cinemas, Sir, can do a lot to educate the young, but, unfortunately, they are going in the other direction, so much so that in the City of Delhi, during college sessions, the cinemas are open during college hours and the result is that boys and girls, after marking their attendance in colleges, spend their time in cinemas. Similarly, there are advertisements in papers which are of

[Dr. Shrimati Seeta Parmanand.] a nature that many would blush to look at them. They are doing a great deal of harm. I would mention the necessity of mid-day meal schemes in schools because, without giving proper nutrition to children, it is impossible to expect them to excel, both in their intellectual as well as in their physical performance, in various fields. My experience shows that Government will have to spend very little on this, because those people who can afford to have a meal at their own expense refuse to take help. The little money which the Finance Minister said could be saved by making retrenchment in many Departments could be spent usefully at least to some extent on mobile dispensaries and libraries. I would not expect the Government to do all these things in all the States. What I would suggest is that Government could recommend to each State—though Education is not a Central subject—to take up one of these things by way of experiment as though in a research laboratory and give the results to the whole nation.

One more item is the protection to industries given by Government. For instance, a reference to zip fasteners was made. In this respect, I would like to request Government to take the precaution that when protection is given to industries, they should at least see that the prices charged by those industries compare well with foreign products which are better made; otherwise these industries, like the sugar industry to which protection has been given for a long time, do not justify the money spent by the tax-payer.

Similarly, as regards cottage industries, we have sent various missions and officers to Japan to gain experience, but at least of one province I would say that if some demand is made for a cottage industries centre to be opened, they would not have properly trained men, and if the men are available after some time, they would not have the machinery, and if both are available, then there is no raw material. In this way, we have learnt only to have slogans and we do not see any results

coming out of them. That is why there is a sense of frustration in the minds of the rural population.

The Finance Minister made a reference to cosmetics. I would request him .....

MR. CHAIRMAN : The hon. Member should finish now.

DR. SHRIMATI SEETA PARMANAND : One more minute, Sir. This is a topic that concerns ladies, and so I would mention it here. We would be saving a tremendous amount of foreign currency if these cosmetics were stopped.

Similarly, if we were to stop sending so many students abroad for education and spend the money thus saved in opening one or two universities by calling foreign experts here, and then send the trained students only for practical experience to foreign countries, we would be saving a lot of money and also removing that sense of frustration which we see today.

About two scales of pay.....

MR. CHAIRMAN : Time up.

DR. SHRIMATI SEETA PARMANAND : This is a very important subject, Sir, and this House is handicapped because it cannot make any change in the Budget policy of the Government except when we go to some Member of the House of People and request him to make a speech on the subject. As regards the two scales of pay which are given to Government servants of Central Departments, e.g. Income-tax or Railway or Postal Departments and State Departments, this difference in scales has created a great sense of dissatisfaction, and it has had an indirect effect on the administration of the States. Very senior officers have told me that they cannot expect their clerks to take any interest in their work because they always have their eye on advertisements showing what post is open in the State for Central Government work.

Similarly, I would request Government to implement the Radhakrishnan Committee's report as early as possible. If the Central Government were to give a directive to the States, I am sure it would have a salutary effect.

SHRI P. SUNDARAYYA : Mr. Chairman, I do not want to reply to the cheap jibes which some hon. Members opposite hurled at us. It is a sign of weakness, when the people are moving against them, to indulge in such cheap jibes. So, I do not want to waste my time in answering them.

As regards this Budget which the Finance minister has introduced, the Congress Government bases all its hopes on the so-called National Plan. It has become their sheet anchor for saving their own rule. The Budget should be the instrument of planning. The Finance Minister himself has said so in one of his speeches. Is this Budget such an instrument of planning ? I say, no. I say, no, because there is no certainty in this Budget. Four months back you planned a surplus of Rs. 19 crores, but today it has been reduced to Rs. 4 crores. On the eve of the Budget, in the month of March, you planned for the receipt of a certain amount of export duty, but within two months you had to reduce the export duty to the extent of Rs. 25 crores. These things are happening because you are not in control of your own economy. Our economy is being tied to the Anglo-American imperialist economy. That is why any recession in America, any recession in Britain, affects us and we are helpless in the face of the British and American economy. Planning means national planning, and there are certain principles to be observed in national planning. The Congress national planning is the antithesis of national planning. If you want to plan, you must have full control over your foreign trade. You should not leave it to individual enterprise.

AN HON. MEMBER : Is it the Chairman's plan that the hon. Member is discussing ?

SHRI P. SUNDARAYYA : I am discussing the plan of the Government. I am addressing the Government.

MR. CHAIRMAN : Address the Chair.

SHRI P. SUNDARAYYA : Sir, Government must have control over foreign trade. Without that, no plan will succeed. The Finance Minister just now explained that we cannot do anything because it is in the hands of private enterprise. Since you have no control over foreign trade, since it is left to individuals, what happens ? Government may argue that they have got the licensing system, that they have controls, that they are putting ceilings for imports and exports, and so on. But all these schemes remain only on paper. With the Korean war, prices shot up. Cotton prices go up. Government gives open licences. The result was that one million bales of American cotton were imported and Rs. 100 crores spent on them. And now what happens ? There is a complete glut in the market, and even the textile industry is unable to take delivery of them. So that is not the way to plan things. The second important aspect of planning is that you must have complete control over production. You must be able to direct production. Unless the State sector of the industry was a dominant sector, it could not fulfil the needs of the people. But the Indian Government does not hold any dominating position in the industrial sector. It is left to the individuals. British capital which dominates 66 per cent, of our industry is still allowed to have its own way and that is not the way to plan. Still you go on paying interest to them and you allow them to dominate our economy. Your planning must be to meet the needs of the people and internal market and not with a view to export to other countries and gain more profits. It is quite evident that Government is not planning in this way. That is clear because they recently removed controls over exports of so many items like groundnuts, oils and oilseeds coarse, medium cloth and other essential things like

[Shri P. Sundarayya.] sugar. Now what is the object of production ? What is the object of national planning ? Is it not to fulfil the needs of our people ? Have you got enough coarse and medium cloth for our naked masses ? Have you got enough food for our starving people ?

Now another thing is that the whole plan is based on the basis of annual surplus of 26 crores with which the plnn could be implemented. But we find that the surplus is not 26 crores but only three crores. You would not get 26 crores and as such the whole planning will be knocked out at the bottom. You depend entirely for your planning on the American loans and on foreign aid. But it is preposterous to think that a national plan could be based mainly on foreign aid and that is what the Government of India is doing. Much has been said that we are objecting to foreign aid. It is not that we object to foreign aid but the way in which the American Government is behaving. I shall just read out one sentence from the Finance Minister's speech :

It will be administered jointly by a representative each of the Indian and United States Government and quarterly and annual reports will be issued giving an account of the progress of the various schemes financed from the Fund.

I find that it is the American Government actually which manages community projects and other concerns where the American capital and aid is invested. This is exactly what we object to. Therefore, Sir, this planning is a caricature of planning and nothing more. You may be under the impression that the Communists have got a habit of criticising anything that comes from the side of the Government. That is absolutely wrong. I will presently give a quotation from Ursula K. Hicks whom the Government accepts as a respectable economist:

Probably the immediate reaction to the first publication of the Planning Commission was a certain disappointment at home and a measure of relief abroad. Disappointment at what seemed merely a rehash of old schemes and perhaps not even all of them there—

relief at the realistic approach adopted at the concentration of agriculture and its complimentary investment rather than a recommendation for widespread industrialisation.

This is the crux of the whole thing. If our national planning is to succeed, if our country is to become self-sufficient, then it is not merely concentrating on agriculture but we must start heavy industries, along with the river valley schemes.

Sir, I now turn to another aspect of the matter. If you want to meet the needs of the people, if you want to develop industries, if you want to become self-sufficient, then the first thing, is to increase the purchasing power of the vast millions of our countrymen. The only way to do that is to abolish landlordism and give the land free to the working peasants. Does the Government say anything about it ? Does the Government speak anything about it in their national planning ? During the last five years Government brought certain legislation in this respect.. But what is the result of that ? They did not give the land to the peasant.

BEGAM AIZAZ RASUL (Uttar Pradesh) : Sir, may I ask the hon. Member if he has read the Uttar Pradesh Zamindari Abolition Act whereby the land is going to the peasants ?

SHRI P. SUNDARAYYA : Yes I have read these Acts. They give 500 crores to the zamindars and no land to the peasant. There are various zamindars who are getting *pattas* without cultivating the land itself. So without abolishing landlordism, without giving land to the peasant there is no question of our being self-sufficient in our food. Just see what China had done. In China they have become self-sufficient in food in two years because they distributed land to the tillers. What happens here ? People cannot just purchase their bare requirements of food grains. Government imports food grains at a high price which people cannot afford to pay.

MR. CHAIRMAN : Will the hon Member now wind up ?

SHRI P. SUNDARAYYA : I will just say one or two things, Sir.

Now, the Government says production has increased. I dispute it. From a Government journal itself, 'Industry and Trade' for the month of May, we find that production has fallen in almost all the most important industries as well as agricultural things. With fall in production unemployment is increasing. It is not a picture of planning. It is a complete picture of chaos.

SHRI V. G. GOPAL (Bihar) : Production of steel has definitely gone up.

AN HON. MEMBER s That is not all production.

MR. CHAIRMAN : He says that though steel and cement have gone up, they do not constitute all production.

SHRI P. SUNDARAYYA : Now, Sir, I come to the Budget figures. Out of 400 crores of rupees, Government proposes to spend 200 crores on Defence, 55 crores on different kinds of administration, on Princes etc. But it is prepared to spend only 16 crores on education, scientific department, public health and labour. It is prepared to spend only another 14 crores on agriculture and helping industries. It is prepared to spend 30 crores to subsidise States and the tribal areas and to give only 25 crores on food subsidy and housing and 10 crores for displaced persons. What does this mean ? It means that out of the total Budget, 62 1/2% is taken away by General Administration and Defence. Only 4% is spent on Education and other social services. The remaining things are there as they are. We want that any Budget, if there is real planning in it, should fulfil the needs of the people. Defence and General Administration should be cut to one-third of the Budget.

SHRI K. S. HEGDE : So that Russia can come in.

SHRI P. SUNDARAYYA : One-third should go to social uplift schemes and one-third for nation-building activities. It is very easy to say that we are suggesting this cut so that Russia can invade. That is always the obsession with them. Russia is our friend.

SHRI K. S. HEGDE : So also U.S.A.

SHRI P. SUNDARAYYA : You say that even the USA is our friend. Yes, then there is no necessity for spending 200 crores on Defence. When we say "Cut down the Defence Budget by 50%," it is not a preposterous proposition. Some people are saying, "What if Pakistan invades us ?" Sir, I would submit the total Defence Budget of Pakistan is only 70 crores. Even if we are afraid of Pakistan invading us, for that, 200 crores are not necessary. We would suggest that there is great scope for cutting down the expenditure.

MR. CHAIRMAN : It is time.

SHRI P. SUNDARAYYA : I would suggest that by having voluntary military training of Indian citizens, such a standing army need not be there. You can cut down the Budget. *(Interruptions.)*

Sir, now there is the interest charge of 75 crores which Government has to pay every year. We suggest that the interest charge which we are paying, should not be paid to the British concerns. Cut down these interest charges and other things and you will have plenty of money to start with..

MR. CHAIRMAN : You have already taken enough time..

SHRI P. SUNDARAYYA : Sir, the Government may not agree to what we say. They will not take these drastic measures because the thing is drastic. The other day the Prime Minister in the other House said he is for the co-operation of all parties. We know that the Congress Government is incapable of taking these radical steps. Is it prepared to take immediate steps so that

[Shri P. Sundarayya.] immediate relief could be given to our suffering masses ? For instance, is it prepared to send directions to all Provincial Governments immediately to reduce rent by 50 per cent, and help the suffering peasants ? Is it prepared to send directions to the State Governments to enact labour and social insurance legislation ? Is it prepared to withdraw all anti-labour legislation and release all political detenus, trade union workers, *kisans* and peasants ? If it is prepared to do these things, then certainly we are for co-operation with them on these measures. But there cannot be cooperation if the Congress Government continues to serve the British capitalist interests and the interests of landlords. For " that we are not going to co-operate.

The other day the hon. Defence Minister called us junglemen. Sir, it is not a pleasure to be junglemen. We are forced to be junglemen because the Government has left no other way for us to serve our people. We preferred to be junglemen in the service of our people than be palacemen to serve British imperialists and Indian monopolists and landlords' interests. With this, Sir, I conclude.

MR. CHAIRMAN : Hon. Members, I have still from the Congress side three names and two names have been given to me from the Opposition side. Actually today we started with the Socialist Mr. Sinha, next came Mr. Guruswami, then the Jharkhand Party representative, Shrimati Angelina Tiga, then Mr. Suryanarayana (KMPP) and then Mr. Sundarayya (Communist). So the Opposition parties had each one representative and we had two distinguished representatives of the nominated group. Now, I have before me a few names. If you agree and if the Leader of the House is not unwilling, I would say : from the Congress side—two ladies, each for five minutes, Shrimati Maya Devi Chetty and Shrimati Pushpalata Das ; from the Opposition side—Mr. C. G. Misra and Mr. Bhaskara Rao, each for five minutes.

SHRI C'G. MISRA (Madhya Pradesh) : Sir, I gave my name yesterday to the Secretary when I came in the morning. Now I am going to get only five minutes.

MR. CHAIRMAN : We always have complaint that the Opposition has not had adequate opportunity.

SHRI C G. MISRA : Sir, I am not a Member of any group.

MR. CHAIRMAN : Quite true. But my suggestion here is at the present moment, five minutes each for the two representatives from the Congress side and five minutes each to those two gentlemen on the opposite side.

SEVERAL HON. MEMBERS : We all agree, Sir.

SHRI B. P. AGARWAL (West Bengal) : Sir, I have to submit certain views of the business community. I feel, Sir, that the Opposition Members have been given more than sufficient time. If you, Sir, look to the strength of the Opposition, they have had more than their due. But there are very few representatives of the business community here in this House.

PROF. G. RANGA : Business community is not a party, Sir.

MR. CHAIRMAN : Order, order. I am on my feet now. I take it my suggestion has the approval of the House.

SHRIMATI MAYA DEVI CHETTRY (West Bengal) :

श्रीमती माया देवी चेत्री (पश्चिमी बंगाल) : श्रद्धेय सभापति जी, मैं तो बोलना बहुत ही चाहती थी लेकिन टाइम कम मिलने की वजह से कम बोलना है। मैं खाली प्वाइंट ही बोलूंगी। यद्यपि मेरी भाषा नेपाली होने के कारण मुझे हिन्दी भाषा शुद्ध नहीं आती, तथापि यह देश एक स्वाधीन देश और राष्ट्र होने के कारण

हिन्दी ही में बोलना अपना गौरव समझती हूँ। मुझे शुद्ध हिन्दी भाषा नहीं आती और मैं औररेबिल मيم्बरो से व्याकरण की गलतियों को क्षमा करने के लिये अनुरोध करती हूँ। मैं एक हिन्दुस्तान के अंग बंगाल से आई हूँ और बंगाल से भी आगे दार्जिलिंग से, इसलिये वहाँ क्या परिस्थिति चल रही है उसे बोलना चाहती हूँ लेकिन समय की कमी के कारण इतना ही बोलना चाहती हूँ कि वहाँ के वाशिनदे अधिक संख्या में गरीब हैं और उन लोगों के रोजगार चाय बगान हैं। गवर्नमेंट ने अभी तक वहाँ के वासिन्दों को शेड्यूल ट्राइव या बैकवर्ड क्लास में नहीं रखा है, इसलिये उन लोगों को हर एक चीज में कम्पटीशन करना पड़ता है और उनको जितने कष्ट हैं वे सब भोगने पड़ते हैं। अगर हमारी सरकार उन लोगों के प्रति ध्यान दे, तो कांस्टीट्यूशन के आर्टिकल ३४२ के अनुसार हमारे प्रेसिडेंट उन लोगों की रक्षा के लिये कुछ कर सकते हैं।

दूसरे, मुझे यह कहना है कि दार्जिलिंग में एक कम्पनी हिमालयन रेलवे कुरसियांग में थी। आफ्टर इंडिपेंडेंस हमारी गवर्नमेंट ने उस कम्पनी को ले लिया और आसाम रेलवे लिंक प्रोजेक्ट का हेड आफिस वहाँ पर बनाया और आसाम रेलवे लिंक प्रोजेक्ट खतम होने के बाद उन लोगों का हेड आफिस पांडु में चला गया। वहाँ बेकारी की समस्या बहुत बढ़ गई है और वहाँ बहुत से आफिस और घर खाली पड़े हुए हैं। तो हमारा सजेशन यह है कि नार्थ बंगाल के लिये कल्चर सेंटर बनाने की एक नई स्कीम खोली जाय तो बहुत अच्छा होगा। इससे सरकार का जो पैसा मकान बगैरह के बनाने में खर्च होगा वह भी बचेगा।

तीसरे, मुझे यह कहना है कि नार्थ बंगाल में सबसे ज्यादा टी गाबेन्स हैं।

वहाँ दार्जिलिंग एरिया से तराई एरिया में ज्यादा प्रोडक्शन होती है। इसलिये दार्जिलिंग में गार्डन चलाना मुश्किल हो रहा है, हाल ही में ११ गार्डन बन्द हो गये और भविष्य में और भी ज्यादा बन्द होने वाले हैं। इसलिये इस महान् विपत्ति और बेकारी की समस्या को हल करने के लिये मैं सरकार से अनुरोध करती हूँ कि एक इन्क्वायरी कमेटी इसके लिये भेजी जाय और वह इस विषय पर गौर करके, क्या करना चाहिये, एक नई स्कीम बनाये।

चौथे, मुझे यह कहना है कि अपोजीशन साइड से एक माननीय सदस्य ने कहा था कि नेपाल को गवर्नमेंट क्यों इतनी फ़ाइनेन्शियल हेल्प दे रही है और इसकी जरूरत नहीं है। मैं कहना चाहती हूँ कि नेपाल हिन्दुस्तान का एक छोटा सा पड़ोसी राज्य है, नेपाल, भूटान, तिब्बत सब छोटे-छोटे पड़ोसी राज्य हैं; इसलिये वे लोग हर समय हिन्दुस्तान की ही मदद लेने के लिये हिन्दुस्तान का मुँह ताकते हैं। हमारा यह सजेशन है कि जो गवर्नमेंट ने उन लोगों को यातायात के लिये आर्थिक सहायता देने के लिये इक्कार किया है, वह दें और इस स्टेट को अपनी स्वाधीनता कायम रखने के लिये मदद करे। नेपाल कल्चरली, सोशली और जोश्राफिकली अलग होने पर भी हिन्दुस्तान का ही एक अंग है इसलिये अभी से ही उनको सहायता देकर स्वाधीनता कायम रखने में सहायता करें। हम नहीं चाहते हैं कि हिन्दुस्तान के पड़ोस में ही कोई दूसरा कोरिया हो जाय और यह हिन्दुस्तान के लिये भी एक सिरदर्दी की बात हो जायगी इसलिये हम सब को अभी से यह सब देखना चाहिये।

इसके बाद हमें कहना है कि बेसिक और अडल्ट एजुकेशन और स्त्री-शिक्षा

[Shrimati Maya Devi Chettri]

तो देश में अधिक होना ही होगा, कारण गुड नेशन बनाने के लिये गुड मदर्स बनाना आवश्यक है। एजुकेशन का प्रचार करना है और लोगों को मनुष्य बनाना है। इस विषय में हमको ज्यादा बोलना था लेकिन टाइम नहीं है।

हमको जो सबसे बड़ी डिफिकल्टी है दार्जिलिंग में, वह यह है कि पहले दार्जिलिंग जाने के लिये सियालदह, कलकत्ता से एक स्पेशल पैसेंजर ट्रेन छूटती थी लेकिन आपटर इंडिपेंडेंस वह बन्द हो गई। इस कारण जो विजीटर्स गर्मियों में वहां जाते थे उनकी संख्या कम हो गई और इससे हम लोगों की फ़ाइनेंशियल पोजीशन भी बहुत खराब हो गई है। मैं रेलवे के विषय में ज्यादा बोलना चाहती थी लेकिन इतना ही बोलूंगी कि कलकत्ता से दार्जिलिंग के लिये एक स्पेशल ट्रेन बनाई जाय, जिससे लोग वहां सीजन में जाकर आराम कर सकें।

डिफ़ेंस के विषय में डाक्टर अम्बेडकर बहुत बोले हैं और इसके विषय में काफ़ी लोगों ने आलोचना की है, लेकिन मैं यह कहना चाहती हूँ कि डिफ़ेंस के बारे में आलोचना न करके हमको यह विषय गवर्नमेंट के ऊपर छोड़ देना चाहिये क्योंकि गवर्नमेंट जानती है कि किस तरह हमको जाना चाहिये, किस तरह बढ़ने की जरूरत है और किस तरह काम करने की जरूरत है। हम लोग सरकार पर भरोसा करते हैं और यह सब गवर्नमेंट के भीतर secret की बात है इसलिये इसको सरकार पर ही भरोसा करके छोड़ देना चाहिये। स्विट्ज़रलैंड में ही देखिए, जहां बहुत कम जनसंख्या है, केवल ५० लाख आदमी है, उसमें भी ५ लाख की डिफ़ेंस मेनटेन करके रखा है, पर हम लोग तो इतनी

फ़ोर्स तो रखना नहीं चाहते, पर जरूरत होने से इससे भी ज्यादा रखना पड़ेगा। इसलिये मैं यह कहूंगी कि हमको कितने डिफ़ेंस की जरूरत है या नहीं है, यह सब सरकार ही जानती है और यह उसके भीतर की बात है। इसलिये इस विषय को उसके ऊपर ही छोड़ देना चाहिये।

और भी दूसरी बातें मेरी थीं, लेकिन टाइम नहीं है इसलिये क्षमा मांगती हूँ।

[For English translation, see Appendix I, Annexure No. 18].

SHRI BHASKARA RAO (Madras) : Mr. Chairman, several speeches have been made on the floor of this House for the past two days on various aspects of the Budget, particularly Food and Defence. I want to say a few words today specially with regard to the famine in Rayalaseema. Many hon. Members in this House may not know the real conditions there. As an ex-Collector who had served in that area for several years and conducted the famine operations, I think I can speak with some knowledge on this subject. But I am afraid the time given to me is too short.

The Rayalaseema comprises of the Districts of Anantapur, Bellary, Cuddapah and Chittoor. They are situated just below the Hyderabad State, south of the river Tungabhadra. They are supposed to be under the influence of both the monsoons, the North East and the South West, but they, unfortunately, get the benefit of neither. The average rainfall in this area is about 20" to 22" a year. The people are generally poor and they have no sustaining power. When the monsoon fails one year, the famine occurs the next year. As soon as the famine conditions are reported to Government by the local authorities, the provisions of the Famine Code are put into operation. The collection

of kist is suspended and seasonal remissions are granted. Able-bodied unemployed are provided with work on road and tank works and the old, infirm and children are fed freely in the famine camps. This goes on for some time until the next rains come. When the next monsoon breaks out, the people go back to their lands for agricultural operations. After two or three years the monsoon again fails and the famine recurs and the whole of the famine operations are repeated. Sir, famine occurs in that area once in three or four years and the unfortunate people there live under the constant threat of famine. What does the Government now do to give them relief? Large sums of money are spent on famine operations whenever famine occurs. But this does not give them any permanent relief. This gives them only temporary relief. The only way of solving this problem permanently is to start major irrigation projects in Rayalaseema which would give them permanent relief. There are several schemes which have been investigated by the Government of Madras in this area. After a very long delay, the Tungabhadra Project was started and I understand water will be led down the Lower Canals in October next. There is also a scheme for constructing the Upper Canals under Tungabhadra. The dam, machinery and everything required for the construction of the Canals are there. I understand that the matter is now pending before the Planning Commission. I would strongly urge, Sir, that this should be given the highest priority and the work started immediately. There are also the Gandikota Project in Cuddappah District and Siddheswaram Project in Kurnool District. All these projects will give irrigation facilities for about 12 lakh acres of land.

There has been also water scarcity in Rayalaseema this year. Madras Government are doing their best to give relief under the Rural Water Supply Scheme. The Military also are trying to help the people in Rayalaseema by improving old wells, digging new wells and tapping new sources of water.

I was glad to hear the other day from Major-General Mohite, Commander of the Madras Army, that they had tapped a perennial source of water at Cuddappah and that they were transporting water to other parts of the District by motor lorries. Sir, we have also found another way of solving the water problem in Madras. Our Chief Minister, Shri C. Rajagopalacharia, has asked us to pray for rain. We accordingly prayed for rain and our prayers were heard and Madras had 12 inches in 48 hours and even Kurnool in Rayalaseema had 6 inches rain in one day. More things are wrought by prayer than this world dreams of.

SHRIMATI PUSHPALATA DAS (Assam) : Mr. Chairman, I am really at a loss to understand on what point to concentrate within the short time at my disposal. Let me deal with one point only. The day before yesterday one of my friends from the Opposition Bench, who has come from Darjeeling, wanted to know why the State of Assam should get special aid from the Centre for her welfare work—specially under Article No. 275 of the Constitution. He also said that he was a friend of the tribals and *Adibasis*. I felt injured by his remarks because he, being a friend of the tribals and *Adibasis*, does not know the conditions of his tribal brothers in Assam.

Assam's population is little more than 90 lakhs and her backward population will be nearly one-third of its population. Most of them belong to the Scheduled Tribes and some of them are Aborigines. These people must be pulled to the level of the people in the plains within ten years. The people of Assam, specially these backward population, certainly appreciate the directive principle laid down in the Constitution of India, in its Article No. 275. Government at the Centre, following this directive, have taken measures to finance the State of Assam in its welfare activities for the upliftment of these people. But the measures undertaken need to be extended in scope. Assam with its inelastic revenue is not able to make an increased effort for maintenance of

[Shrimati Pushpalata Das.] security and also for maintaining the border population, who belong to the Scheduled Tribes, in reasonable comfort with regard to the procurement of food. In view of our financial difficulties and special needs of our State we must at least get 75 per cent, of the export duty on tea produced in Assam and the excise duty on tea, petrol and kerosene. The total production of tea in Assam comes to about two-thirds of the total production of India. Industries like Jute and Tea are earning dollars to the coffers of the Central Government, but Assam is not able to get her rightful share out of these two industries.

For development and encouragement of the tea industry Assam had to sacrifice not less than 25 crores of rupees in the shape of revenue and other concessions in respect of fee simple and other grants offered at nominal revenue. As a result, the most prosperous cottage industries like silk weaving and rearing which were once the pride of our State are slowly dwindling away. Due to the paucity of funds the Government of Assam is not able to encourage these cottage industries.

Mahatma Gandhi, who visited *Assam in 1921*, I think, wrote in his *Young India* "Assamese maidens weave their dreams in their handlooms." Mahatmaji was not a man to exaggerate things. And I think it is due to this economic independence of the Assamese women that we have not got the dowry system in our State. An Assamese woman, however educated she may be, has no social status if she does not know weaving.

Assam being a poor State, she cannot even imagine of big projects like the Hirakud or the Damodar Valley Projects. We have got a very small little thing known as Umtro Hydro electric Project. Even for that we are depending on the Centre's help.

Sir, I have not come here just to beg or demand for more grants-in-aid. I am demanding what we get by right. -

Assam is not poor in her natural resources but no attempts have been made to tap her resources. That is why we have to depend mainly on agricultural revenue.

I am sure the Finance Commission constituted under Article 280 of the Constitution will redress our grievances. Great injustice had been done to Assam under the Niemeyer Award—even the Deshmukh Award was not fair to us. Under the Niemeyer Award, the province of Assam was given 2 per cent, of the divisible pool as her share of the income-tax assigned to provinces. I want the rightful share of our income-tax just to meet our basic needs.

Sir, I have had only four minutes— I shall now conclude in one minute. Assam is famous or notorious—what to say I do not know—for Malaria and *Kalaazar* and leprosy among the hill people. As you know, Sir, disease, poverty and ignorance are enemies to the security of a State. Assam being the sentinel at the easternmost gate of the Indian Union, her people must be kept contented. If any nation wounds our self-respect, we will rise to a man to defend the honour of our Motherland. Assam defended herself thrice against the invasion of the Mughals. Assam was the last province to come under the British rule. Now she being in the easternmost corner of the Indian Union, she must be given proper help by the Centre in order to develop her potentialities. Assam's *safety-means* safety for the Indian Union. Thanks.

SHRI C. G. MISRA ( Madhya Pradesh ) :

श्री सी० जी० मिश्र (मध्य प्रदेश) :  
श्रीमान् सभापति महोदय, मैं इस सदन को  
बजट के अधिकारों के विषय में यह कहना

चाहता हूँ कि उसके नियम में यह है कि हम लोग बजट पर सिर्फ़ भाषण ही कर सकते हैं। इसमें यह है कि:

The Council shall be at liberty to discuss the Budget as a whole or any question of principle involved therein, but no motion shall be moved nor shall the Budget be submitted to the vote of the Council.

इसका मतलब यह हुआ कि हम केवल बजट के सिद्धान्तों के ऊपर बहस कर सकते हैं। जिस तरह की बहस यहां पर हो रही है उसका क्या परिणाम होगा, यह बात हम लोगों को मालूम नहीं है। इस नियम में यह भी नहीं बतलाया गया है कि बजट के सिद्धान्तों के ऊपर जो बहस होगी और जो यहां पर विचार प्रगट किये जायेंगे, उन पर सरकार की ओर से विचार भी किया जायेगा या नहीं। मैं समझता हूँ कि जैसा दोनों सदनों का मिला जुला अधिवेशन राष्ट्रपति जी के भाषण सुनने के लिये हुआ था, उसी तरह का अधिवेशन बजट के लिये भी होता तो बहुत अच्छा होता। इस तरह के मिलेजुले अधिवेशन में दोनों सदनों के मेम्बरों को अपने विचारों को प्रगट करने का अवसर मिल जाता। मगर यहां पर जो बहस हो रही है, वह एक तरह से डिबेटिंग सोसाइटी की तरह से हो रही है। हम लोग आपस में एक-दूसरे को भला-बुरा कह रहे हैं। मालूम नहीं कि इस तरह की बहस का क्या नतीजा होगा। सरकार की तरफ़ से यह भी आश्वासन नहीं दिया गया है कि बजट के विषय में जो विचार यहां पर प्रगट किये जायेंगे, उन पर सरकार विचार करेगी। मैं समझता हूँ कि हम लोगों को बजट के विषय में कोई अधिकार नहीं है। रूल्स में यह नहीं बताया गया है कि यहां पर जो सदस्य विचार प्रगट करेंगे, उन पर सरकार विचार भी करेगी या नहीं। मैं यह बात महसूस करता हूँ कि बजट के सम्बन्ध में हमें काफ़ी अधिकार नहीं

दिये गये हैं। इसलिये मेरी गवर्नमेंट से प्रार्थना है कि कम से कम रूल्स में इतना तो प्रबन्ध कर दिया जाये कि जो यहां पर भाषण होंगे, जो सदस्य बजट पर अपने विचार प्रगट करेंगे, उन पर सरकार विचार करेगी।

दूसरी बात यह है कि कांग्रेस सरकार की तरफ़ से जो बहुत सी बातें कही गई हैं, उनमें एक बात विशेषकर ध्यान देने योग्य है। हमारे राष्ट्रपति जी ने अपने भाषण में यह बात कही थी :

That right ends must be pursued and achieved only through right methods. That is a basic lesson not only for us of India but if I may venture to say so for people hrough-out the world.

आज हमारा शासन क्या इन सिद्धान्तों पर चल रहा है? महात्मा गांधी जी की जो फ़िलासफ़ी थी उसके विषय में हमको देखना है कि यह शासन कितना उस पर चलता है और उसको कितना मानता है। मुझे बहुत अफ़सोस है कि कांग्रेस के क्षेत्र में महात्मा गांधी जी की दुहाई दी जाती है, मगर उनके सिद्धान्तों को व्यावहारिक रूप में लाने के लिये जितना ध्यान दिया जाना चाहिये, उतना नहीं दिया जाता है। अफ़सोस है कि हमारे कांग्रेसजन, जो महात्मा गांधी जी के नाम पर भाषण करते हैं और बहुत सी बातें करते हैं, मगर उनके सिद्धान्त पर जितना ध्यान देना चाहिये उतना ध्यान नहीं देते। कहा जाता है कि महात्मा गांधी जी के सिद्धान्तों के अनुसार हमारा शासन चलना चाहिये, मगर अफ़सोस होता है कि कांग्रेस सरकार और उनके कार्यकर्ता इन सब बातों को भूल गये हैं। कांग्रेस को छोड़कर जो लोग चले गये हैं, वे ज्यादा गांधी जी के सिद्धान्तों को मानते हैं, बनिस्बत

[Shri C. G. Misra.]

उन लोगों के जो आजकल कांग्रेस सरकार में हैं और शासन की बागडोर चला रहे हैं। मेरा यह कहना है कि इस बात पर पूरा ध्यान देना चाहिये। कांग्रेस वाले समझते हैं कि जितना हम गांधी जी के सिद्धान्तों को चला सकते हैं उतना और कोई दूसरा नहीं चला सकता है। आज कांग्रेस की वह दशा हो गई है कि जनता में उसको कोई नहीं पूछता है। आजकल कांग्रेस के ऊपर और कांग्रेसजनों के ऊपर जनता का बिल्कुल भी विश्वास नहीं रहा है। आज जनता का विश्वास कांग्रेस पर से बिल्कुल उठ गया है और वह उन लोगों से कुछ भी आशा नहीं करती है। इसकी जिम्मेदारी कांग्रेस वालों पर, और उनके कार्यों पर है। इसलिये मेरी कांग्रेस वालों से यह प्रार्थना है कि वह अपने भावों से.....

AN HON. MEMBER : What has that got to do with the Budget ?

SHRI C. G. MISRA :

श्री सी० जी० मिश्र : तो मैं यह कह रहा था कि कांग्रेस को अपना स्तर ऊंचा करना चाहिये। राष्ट्रपतिजी के भाषण से यह मालूम होता है कि स्तर को ऊंचा करना चाहिये, मगर कांग्रेस वालों की तरफ से और कांग्रेस मिनिस्ट्रों की तरफ से इस बारे में काइ भी कदम नहीं उठाया गया है, बल्कि और भी स्तर दिन पर दिन गिरता चला जा रहा है। हमारे मिनिस्ट्रों की तरफ से ऐसी कोई बात नहीं होती है कि जिससे स्तर को ऊंचा किया जाय। मैं यहां पर उदाहरण नहीं देना चाहता हूं, मुझे मालूम है कि कांग्रेस मिनिस्ट्री में बहुत से ऐसे लोग हैं जो कि स्तर को नीचे करने में लगे हुए हैं। जब तक वह लोग अपना नैतिक स्तर ठीक नहीं करेंगे तब तक वह कोई मीरल

एजुकेशन जनता को और विद्यार्थियों को स्कूलों में नहीं दे सकते हैं। आज कांग्रेस मिनिस्टर और कांग्रेस के कार्यकर्ता...

MR. CHAIRMAN : The hon. Member's time is up—just two minutes more.

SHRI C. G. MISRA :

श्री सी० जी० मिश्र : इसके बाद मैं गांधीवाद के बारे में कहना चाहता हूं। कांग्रेसजनों की ओर से गांधीवाद के बारे में बहुत कुछ कहा जाता है और वे गांधीवाद के आधार पर अपने शासन को चलाने के बारे में कहते हैं। मगर मैं समझता हूं कि यह केवल बात ही बात है। जनता में गांधीवाद के आधार पर कोई भी सुधार नहीं हुआ है। आप लोग मेरी बात से हंस रहे हैं। हंसने से काम नहीं चलेगा। यह आप लोगों के सोचने की बात है। जनता में इसका बहुत गहरा असर हुआ है

MR. CHAIRMAN : Address the Chair. And the hon. Members time is up and he can give this discourse on another occasion ; not now.

SHRI C. G. MISRA : I am sorry. But theSe hon. Members trouble me.

एक-दो शब्द मैं हिन्दी भाषा के बारे में कहना चाहता हूं। हिन्दी भाषा के बारे में सरकार की ओर से पूरा ध्यान नहीं दिया जा रहा है। कोई भी हिन्दी की परवाह नहीं करता है। सदन में भी बिल्कुल अंग्रेजी ही चल रही है। अंग्रेजी ही में सब जगह साइनवोर्ड लगे हुए हैं। मेरा सरकार से यह कहना है कि आपने १५ साल में जो हिन्दी भाषा को राष्ट्रभाषा लागू करने के बारे में कहा

है, वह इस तरह की प्रगति से नहीं हो सकता है। आज ५ साल के करीब हो गये हैं, आज तक हिन्दी के विकास के लिये सरकारी कार्यालयों में कुछ भी नहीं किया गया है। मैं सरकार से प्रार्थना करता हूँ कि अगर वह सच्चे दिल से हिन्दी को सरकारी भाषा बनाना चाहती है, तो उसको सच्चे दिल से इस ओर कार्य करना चाहिये।

[For English translation, see Appendix I, Annexure No. 19.]

THE LEADER OF THE COUNCIL (SHRI N. GOPALASWAMI) : Sir, we have listened to a long debate. It has traversed wide ground. The real winding up of the debate, so far as the Budget is concerned, was the task of the hon. the Finance Minister—a task which, everybody in the House will agree, he performed this morning with particular effect on the House. I do not think it is necessary for me to refer to any of the points that he had to deal with and dealt with so well. There have been one or two speeches after he made his speech which have raised some points which I should have liked had been raised prior to his speech in the House. But I can tell hon. Members who have done so and a large number of hon. Members who had raised all manner of points, both of general principle and in respect of particular grievances relating to specific departments and so on, that, as has usually happened in the past in the Government of India, the points that are not actually replied to in the House by the Minister concerned will be examined by the Ministries concerned and, particularly, constructive suggestions which are made will be examined with special care and such action taken as it is possible for the Government in pursuit of their policy to take. I only wish to say this because I want hon. Members to realise that the Government take these debates seriously and would like to profit by such constructive suggestions as are made

here to the extent that it is possible for them to do so.

There are a number of points which have been raised on issues relating to the portfolio of which I am in-charge, and I propose to address myself only to those points.

There was a good deal said about the introduction of some system of military training in schools and colleges. I wish it had been possible for my hon. colleague the Education Minister to have been here, but so far as the Defence Ministry is concerned, we had some difficulty in understanding what exactly this proposal really means. If it means something like the military training that is given in institutions which are intended for laying the foundations for a selection of men for the different ranks of the army, that is a proposition which this Ministry in any case has not so far been able to accept in respect of introducing something like that in the ordinary school and college curricula. But if it means, as I think many people do really intend it to mean, the tightening up of physical education in the various schools and colleges with a bias towards military training in the future, certain proposals have been made by the Defence Ministry itself. Quite recently it was suggested to all State Governments that they might enrol ex-servicemen for the purpose of imparting military training of this limited nature in the schools and colleges and to send selected ex-servicemen of the rank of N. C. O. for special refresher training which the Army would be willing to arrange for them free of cost. The cost to the States would be the salaries of the ex-service officers and N. C. Os. and a certain amount on professional uniforms which are regarded as absolutely essential in military training.

We have not yet received any adequate response from the State Governments so far as that matter is concerned.

SHRI J. R. KAPOOR (Uttar Pradesh) : Is the uniform to be given to the students ?

SHJU N. GOPALASWAMI : If training is to be of a military type, some kind of uniform has got to be provided to the students. The Ministry is also examining the possibility of organising a national cadet corps training on a somewhat modified basis. Such training will be given in certain selected institutions and the results assessed before steps are taken to expand it.

Sir, in the course of the debate it was suggested by one hon. Member on the other side that the Defence Ministry should concentrate more on the manufacture of arms in this country. This is actually our policy today and progressively we have been increasing the manufacture of arms during the last four years. To give a few illustrations, I might mention that since the year 1948 when we took over the ordnance factories, the rifle factory which was then turning out barely a hundred rifles per month, by the middle of 1949 had begun to produce about 10,000 and are today producing roughly 5,000 a month. The position is likely to get stabilised at that figure. Then, we also increased our production of .303 ammunition but have now been obliged to reduce production for some unavoidable reasons to about 9 millions. We also have been producing other kinds of arms and ammunition and this process of manufacturing more and more of our weapons and arms and ammunition will go on increasing from year to year.

Sir, in the course of the debate a good deal was said about the magnitude of the expenditure on Defence. It is certainly somewhere about 50 per cent, of our total revenues today. Nearly 200 crores. It does loom large on the expenditure side of the Budget. But when you look at a figure of that sort, I want you to remember that you are looking at a federal Budget. It is not a Budget of a unitary State. When you take the total revenues into consideration against which you say this figure of expenditure on Defence is very high, 100. S. Deb.

you are considering only the total revenues of a federal Centre. Now in a unitary State if you try to take a similar percentage, you would certainly expect to look at Defence expenditure not only against what revenues are derived from what you might call federal sources of revenue, but also revenues which you derive from State sources of revenue. You will find a large amount if you take both—Central and State—revenue and expenditure into consideration. That way you will find a much larger volume of expenditure on welfare activities than you find reflected in the purely federal field. So, that point should be considered by the hon. Members who seem to be scared by this percentage of 50 which represents the total expenditure on Defence in relation to the total revenues of the Centre.

Now with regard to Defence, we have got to take account of the fact which I think was also mentioned in particular by various speakers and which is worth remembering and that is this. Our expenditure on Defence must relate first to what we ourselves need in the way of provision of the necessary security both from external foe as also internal disturbances. We have also to take into account what our neighbours are doing. And if we take that into account, if we look at the preparations which take place all around us and particularly the preparations which are taking place within the territory of our nearest neighbour. We cannot regard the present expenditure as unduly inflated. Some of our friends have referred to Pakistan and have said that Pakistan expenditure on the armed forces is only about 70 crores. I would just ask, what does that represent of the total revenues of that State ? I should like you to look at that figure. Well, I want that to be understood. With regard to Defence expenditure while my bias will be in favour of effecting as much economy as possible, my greater bias will be to ensure—as my hon. friend Pandit Kunzru insists and has insisted for a long time—that we take no risks at all in respect of the

security of this country. Subject to that overwhelming consideration, we would try and effect as much economy as possible. A departmental committee has been sitting on the question of economy in the armed forces expenditure of the country. A reference was made to it by my hon. friend Pandit Kunzru. A preliminary report has been submitted by that Committee. It is under examination and I can assure you that I shall myself go into all these details and try to arrive at conclusions which will be consistent with the two principles I have stated to you.

Now, Dr. Ambedkar—he is not here today—referred to this huge expenditure on Defence. He proceeded to argue he could see no enemy anywhere round, and he asked where was all this need for incurring this heavy expenditure on the armed forces? Hon. Members on this side have replied to him and replied to him very effectively. I do not wish to add much to what they have said. But it was rather amazing to me that Dr. Ambedkar should have been the person who should have tried to cast this stone at the Government. He referred to Kashmir. He enunciated the extraordinary proposition that the Government of India have so far not made one contribution, either positive or negative, to the solution of the Kashmir problem. I do not find fault with him for saying this because he was a Member of the Government which was responsible for all the action that has been taken in regard to Kashmir. That is a minor matter. But I join issue with him as a citizen of the country. He has been watching all that the Government of India have been doing all this time. He knows that the Government of India's one effort in regard to Kashmir has been to settle this matter in the most peaceful fashion. The Government of India took this matter to the United Nations. When it was open to them to march their forces into Pakistan and settle accounts in the ordinary military way, they went to the United Nations; and in the course of the long-drawn out negotiations tha\* have

since taken place India has made not merely one contribution but many contributions towards the solution of this problem in the proper way. If a citizen of India should now come forward to say that we had not made ' any contribution for this purpose, he j impliedly says that Pakistan has made every contribution and we have not made even a single contribution. Nothing can be a greater travesty of the facts than a statement of that sort.

Now, Kashmir is not the only reason for all the expenditure that we are incurring now on Defence. It would take me too long to lay before the House all the considerations that justify the expenditure that we are incurring at the present moment. We certainly look for opportunities of saving as much money as possible, but, as I said, we cannot take any risk with the security of the country. We have got to be prepared for all eventualities and prepared not only in numbers, but in modern equipment and in the quality of the forces that we riobilise for the purpose of defending our own country.

Now, Sir, I may pass on to some of the other smaller points made in regard to the Defence Ministry. In this connection, I would refer first to the casual observations made by one or two hon. Members on what they call the Jeep scandal. Well, this matter was debated at great length in the Provisional Parliament; questions were asked, discussions were held and Government have been making earnest inquiries into the matter for the purpose of solving the many problems that arose out of the placing of a contract for jeeps some three years ago. I only wish to assure the House that we are nearing almost the final settlement of this question. We have it under daily examination and when it is finally settled, it will probably be found that though we may have incurred certain substantial losses those losses would be found to constitute only a very small percentage of the total sum of money spent by the country during the years concerned on

[Shri N. Gopalaswami.] the purchase of defence stores. That is all that I am prepared to say to the House at the present moment. There have been other whispers and suspicions cast upon various people and let me assure the House that while nobody who may be found guilty of anything that is objectionable will escape, the principal persons against whom these whispers and suspicions are cast are absolutely innocent.

Now, I pass on to the other matter which was referred to at some length by my hon. friend, Pandit Kunzru. This relates to the purchase of antitank grenades by the Government of India. He asked me a number of questions, for instance, as to the amount of the contract, when it was placed, who the contractors were, what was the price paid, was it fair, whether we could have got grenades at a cheaper price or some other grenades at a cheaper price elsewhere and so on and so forth. I find myself in a difficulty in regard to these questions. This matter relates to the purchase of a particular kind of weapon. It involves the disclosure of the nature of the weapons, it might involve the disclosure, even to countries and persons who are not particularly well disposed towards us, of information about the quantity that we have ordered and the amounts we have paid, what the quality of these weapons is like as compared with other similar weapons, how far we are involved in correspondence or talks with another independent Government and so on and so forth. I know that my hon. friend realises the delicacy of the question now. We do not want to disclose all this information.

We cannot discuss all this information on the floor of this House.

SHRI H. N. KUNZRU : The hon. the Minister has disclosed the production of several of our ordnance factories, which they have never done before. Will the hon. the Minister let us know what the price of this grenade was, and why the cheaper grenades that have been found quite efficient by the United Kingdom and the

United States of America have not been purchased ?

SHRI N. GOPALASWAMI : Sir., my answer is that we cannot disclose in public the price at which we have got this weapon nor can we with

safety to ourselves and consideration for those with whom we have had to make this transaction, disclose all the

elements which enter into this price. But I can assure my hon. friend that I have devoted my personal attention to the fixation of this price, the price at which this contract was placed, and that I am satisfied, as also others in the Government are satisfied that the price we are paying is not an exorbitant price for the weapon that we have purchased. The reason why we cannot disclose this price is that my hon. friend has brought gratuitously into this, a comparison

of the price of this weapon with another similar weapon to be obtained elsewhere. He has also assumed, I do not know on what authority, that the other weapon is perhaps even better than this particular weapon, or in any case, that that is the weapon

used by such advanced countries as the United Kingdom and the United

States of America, and he naturally asks why it is that we are not content with what the U.K. or the U.S.A. are content with, and why we should go in for another weapon. While these are natural questions, as to the relative quality of the two weapons, it is not a matter which I could with due regard to secrecy and security in defence affairs, discuss in a House of this type publicly.

SHRI H. N. KUNZRU : Can he at least assure us that an inquiry was made with the British, and it was only after full examination of the matter, that another kind of hand grenade was ordered ?

SHRI N. GOPALASWAMI : The other weapon to which the hon. Member is referring was quite familiar to our army officers. So far as this new weapon is concerned, it was tested both in France and in India, and our

army officers are definitely of the opinion that they would prefer this weapon to the other weapon. Therefore it is that I do not want this to be discussed in a House of this type, because it may mean that we might want the other weapon later on. So far as the price is concerned, I do not think there is any suspicion that we are paying a much higher price for this weapon. On the other hand, a statement had reached me which says that possibly the price of the weapon we are purchasing will be cheaper than the price of the other one for the time being, though we cannot say whether that state of things would continue in the future. That is why I beg<sup>1</sup> of the hon. Member not to pursue this matter publicly in a House of this type.

SHRI H. N. KUNZRU : What does the hon. the Minister mean by saying 'a House of this type' ? Why is he reflecting on the House ? The hon. the Minister has been repeatedly saying 'a House of this type', because he looks down upon this House.

SHRI N. GOPALASWAMI : Sir, there is no reflection at all. Surely the hon. Member cannot accuse me of looking down upon a House of which I happen to be the Leader. That cannot be my intention at all. What I meant was that 'a public discussion' on matters of this kind relating to defence is not a very desirable thing. You know, when in other countries serious allegations are made in matters of this type, and possibly a discussion is insisted upon, it is always held *in camera*.

SHRI H. N. KUNZRU : My hon. friend the Minister will remember that the question relating to the jeeps was fully discussed in the Provisional Parliament ; nobody ever raised any confidential question, that could not be discussed publicly. I do not understand why my hon. friend should be jeering at this House, and refuse to give us the information we have asked for. He has spoken in grave tones, and I think, Sir, he owes it as his duty to us that he should come out with all the facts. May I know, Sir, *in C. S. Deb.*

Why the order was not placed through the Indian Ambassador in France ?

PROF. G. RANGA : May I make a suggestion, Sir ? In the other House, we have had nearly as much experience as my hon. friend in the other Parliament. Whenever any such delicate question came up for discussion, it was always open on the part of the hon. Members on the Treasury Benches to invite the hon. Members interested specially in any particular matter which concerns delicate questions of policy of the State, to come to them for discussion either in the lobby or in the office, or in any other convenient place, and in that way they could satisfy themselves instead of placing everything that it is not possible for them conveniently to place on the Table of the House or before the House.

SHRI S. N. MAZUMDAR : On a point of order, Sir. Is the hon. the Minister willing to place all these facts regarding this question if the House sits *in camera* ?

SHRI N. GOPALASWAMI : I have not given any assurance on that point so far. I shall have to consider the question if the House as a whole desires it. There may be considerations which would not permit this thing being discussed *in camera* at once, or in the near future. We shall have to take account of all the facts then existing before we agree to such a discussion. Sir, my hon. friend Pandit Kunzru asked me why our Ambassador in France was not consulted with regard to this matter. At the moment, I do not know what he means by consultations. If it is suggested that he was kept ignorant of the whole thing, then perhaps it is not strictly correct. We have got to remember that, so far as purchase of defence stores is concerned, we have got one big organisation, the Indian Stores Department in London, and that it looks after procurement not only in England, but also on the continent of Europe. It is only when the Governments of European countries have to be consulted as regards their

[Shri N. Gopaldaswami.]

permitting certain things to be manufactured or as to their giving special facilities for such manufacturer for export that the Ambassador in the country concerned is brought into the picture. That has been the practice so far, and in this particular matter, the Indian Ambassador in Paris was certainly contacted for the purpose of his ascertaining from the French Government whether they would approve of this thing and allow the special facilities that may be required before the goods could be taken out of the country. To that extent it was brought to his notice.....

SHRI H. N. KUNZRU : That is a matter of procedure. I want information on one point. Does the Purchase Organisation in London debar the Government from placing orders for such goods as might be approved of through their Ambassador in France or in any other country ?

SHRI N. GOPALASWAMI : It does not debar the Government here from asking its Ambassador in a particular country to do this direct with the Government of that country, because we are the people who control both the Stores Organisation and the Ambassador. I only explained the procedure that exists at the present moment, i.e., the procedure under which this thing was done. There are certain things which will have to be purchased on the Continent of Europe for which certain people in the U. K. might be the sole suppliers or distributors.

SHRI H. N. KUNZRU : What is the name of the firm through which this was done ?

AN HON. MEMBER : May I know whether these supplementaries arise ?

SHRI N. GOPALASWAMI : I do not mind giving the name. I think it is Sir James Marshall Cornwall & Co.

SHRI H. N. KUNZRU : That is the very concern to which a contract for the supply of 1,007 J<sup>ce</sup>P<sup>s</sup> has been given.

SHRI PATTABHI SITARAMAYYA (Madras) : Is it intended to finish this question today, Sir ? It is al-ready late.

SHRI N. GOPALASWAMI : I do not want to pursue this matter further in public in this House. But the only thing I wish to say is to make an observation as to what fell from my hon. friend Pandit Kunzru viz., that he felt that we were almost face to face with another scandal. I can assure him that there has not only been no scandal but there is no prospect of any in the offing or of one developing in regard to this matter in the future. Sir, the only other thing that I wish to say is this. Some of the things connected with this transaction get into the columns of certain newspapers who write 'p the thing for their readers and hon. Members and others get the most inadequate and wrong impression about happenings in regard to this matter. Whispering campaigns are carried on against officers in responsible positions, all sorts of things are imagined. I can tell you that the persons, the high personages maligned in these whispering campaigns, are absolutely innocent. I say further that it is unfair to such responsible officers to be suspected in this fashion. I am glad that the hon. Member did not surrender to the insinuations that these write-ups throw up. He only asked whether the proper procedure had been followed by the High Commissioner's office. I can understand that position. I can tell you that the procedure followed was exactly the procedure which is expected to be followed in matters of this sort.

Sir, I do not think I need go further into these matters. One or two other points were mentioned. One related to the selection of officers for promotions. My hon. friend said that merit and efficiency should be the sole consideration and not seniority. Well, the policy that is followed is clear. The stress is on merit and efficiency and seniority is taken into consideration when efficiency and merit are equal as between two candidates.

That is the present position. I hope he will agree that that is only fair. Senior people who also happen to be efficient should be considered.....

SHRI H. N. KUNZRU : Seniority only should not be taken into consideration.

SHRI N. GOPALASWAMI : It is not, as I have said. Seniority alone is not the consideration. With regard to Command appointments, the kind of appointments to which my hon. friend referred. There was something which he said about the Directorate of Military Training. On the general issue of Indianisation, he and I are one. We were one when we signed the Report of the Armed Forces Nationalisation Committee. We continue to be one. But, Indianisation is no longer a problem in this country. The Army is all Indianised except for a few appointments. The Army is now under Indian control—a very different state of things from the state of things when we reported in the Armed Forces Nationalisation Committee. If British officers are retained, it is because they are considered useful for our purpose and they are under our officers. But I wish that this House should avoid discussing the merits of an individual officer, British though he may be. I do not think it is desirable that we should discuss the merits of individual officers. Now, it so happens that this particular officer has been characterised by my hon. friend in terms which mean that in his opinion he is unfit for his job. An opinion of this sort I can take only from those above him in the Army who are competent to pronounce an opinion upon his fitness. It is not that I accept every opinion of theirs. But it is impossible for me to accept the opinion of my hon. friend as against the opinion of the proper kind of people who have the right to express an opinion on fitness of that sort. I can tell my hon. friend that it will be always my endeavour to find Indians for every key job in the Army. As for other jobs, there are already Indians. There are hardly any jobs—I do not know ; I am not fixing the exact number—perhaps there are only half a dozen

top jobs which are in the hands of Britishers today. If a vacancy occurs in this office, it will be my endeavour to find a competent Indian for the post, and I have no doubt that there are competent Indians for these posts.

But it is not possible for me to agree that a particular officer who is holding this position should be pushed out in order to bring in an Indian officer. We might have justified it in other days ; but today it is unnecessary that we should push out even a Britisher if that pushing out is not in accordance with the treatment he is entitled to expect as a member of the service to which he has been appointed.

### MESSAGES FROM THE HOUSE OF PEOPLE

#### (1) THE INDIAN TARIFF (SECOND AMENDMENT) BILL

#### (2) THE CALCUTTA PORT (AMENDMENT) BILL<sup>1</sup>

SECRETARY : Sir, the following messages have been received from the House of the People, signed by the Secretary to the House.

The first message runs as follows :—

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 Indian Tariff (Second Amendment) Bill, 1952, which has been passed by the House at its sitting held on the 28th May 1952.

The Speaker has certified that the Bill is a Money Bill within the meaning of Article no of the Constitution of India.

The Second message runs as follows :—

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 Calcutta Port (Amendment) Bill, 1952, which has been passed by the House at its sitting held on the 28th May 1952.

Sir, I lay a copy of each of these Bills on the Table.

The Council then adjourned till four of the clock on Thursday, the 29th May 1952.